

DEPARTMENTS OF TRANSPORTATION, AND HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS FOR 2019

HEARINGS BEFORE A SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES ONE HUNDRED FIFTEENTH CONGRESS SECOND SESSION

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HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES

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DEPARTMENTS OF TRANSPORTATION, HUD, AND RELATED AGENCIES APPROPRIATIONS FOR 2019

TUESDAY, MARCH 20, 2018.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WITNESS

HON. BENJAMIN S. CARSON, SR., SECRETARY, UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. DIAZ-BALART. The subcommittee will come to order.

Good morning, everyone. Today, we welcome Secretary Ben Carson from the Department of Housing and Urban Development to discuss the fiscal year 2019 budget. It is hard to believe that we are discussing 2019 when we haven't quite finalized 2018.

As I have stated in the past, Mr. Secretary, you have one of the most difficult and one of the most important jobs in the country. I think our country is blessed and fortunate to have somebody with your level of commitment. And so we are grateful for what you are willing to do for our country, and we want to thank you.

HUD's mission is to create strong, sustainable inclusive communities and quality affordable homes for the American people. Achieving this mission is by no means an easy task.

HUD administers many housing and community development programs that millions of citizens rely on. And HUD also receives billions of dollars in disaster recovery grant funds that are critical to helping communities recover after a disaster. And Mr. Secretary, I want to thank you for always being accessible and always being willing to work with this chairman and the members of the subcommittee and the Members of Congress. So thank you for that.

Additionally, Ginnie Mae and the Federal Housing Administration together hold a large, a very large portfolio, and are critical to the stability and growth of the housing market, and, obviously, the economic health of our Nation.

HUD is requesting a total of \$41.24 billion in new budget resources for fiscal year 2019, and that is below the fiscal 2017 enacting level.

Now, I would note that this budget request was developed prior to the recent bipartisan budget deal that lifted the sequester for 2 years and raised the cap on both defense and nondefense discretionary spending. So we all need to keep that in mind, that that was before we had the new numbers that we are all dealing with now.

I think this significant bipartisan breakthrough sets the stage for us to take really immediate action to deal with and invest in our Nation's future.

Much of this additional nondefense discretionary spending will be targeted towards addressing the needs of our Nation's infrastructure, something that the White House has been very emphatic about, and I think a lot of us support.

I want to emphasize that this subcommittee considers housing to be a critical part of infrastructure. For that reason, we will be investing in the housing priorities under the jurisdiction of this subcommittee.

In some respects the administration's budget request for all agencies and departments has really been overcome by events due to this budget caps deal. But obviously, we owe a fair hearing on the budget proposal before us today, understanding that it will change.

Once again, this year the budget request proposes to eliminate a number of programs that are important to some of our mayors and cities and small towns. Mr. Secretary, we have had conversations about the Community Development Block Grant Program and the Home Program, in particular.

We have had very strong bipartisan support for these programs over the years, as you know, and we continued funding them last year. I assume, I think we can all assume that some of those decisions will be reflected in the 2019 budget year as well.

We greatly appreciate your concerns, however, and look forward to continuing to work together to make sure that these programs remain as efficient and as cost effective as can possibly happen.

We also understand that the Department has been developing a rent reform program. These reforms will make changes to existing rent rules across HUDs Rental Assistance Programs and introduce other requirements.

As you know, these reforms are outside of this committee's jurisdiction and must be addressed first by the authorizing committee.

Now, I will tell you, while the previous administration did not always submit its specific legislative proposals to the authorizers, it is my understanding, Mr. Secretary, that you do intend to do so. That would be a major step in the right direction, and we thank you for that.

I think it is important to consider all new ideas and proposals that make our limited dollars go farther, as far as possible, and we look forward to seeing the details of these rent reform proposals when they are finalized. So, again, we look forward to that, Mr. Secretary.

Mr. Secretary, again, thank you for your service to the country. I look forward to continuing to work with you. We have a very good relationship, and I think that is helpful to make sure that together we can address our Nation's housing and economic development needs, all while, obviously, being accountable to the taxpayer.

Let me yield to my friend, the ranking member, Mr. Price.

Mr. PRICE. Thank you, Mr. Chairman. I am happy to join you in welcoming the Secretary of the Department of Housing and Urban Development, Dr. Ben Carson. We welcome you to your second appearance now before this subcommittee.

HUD's mission is to provide affordable housing, to foster community development, and to protect both renters and homeowners from discrimination, and these missions are as important, possibly more important than they have ever been.

Access to stable and affordable housing has broad positive impacts. It leads to better health, better education outcomes, higher lifetime earnings, especially for children. Providing families with affordable housing improves lives. It can lift entire communities. Without safe housing, how can we expect people to find and maintain employment, to go to school or to raise a family.

Yet today, in no state in this country, can a person working full-time at the Federal minimum wage afford a two-bedroom apartment at the fair market rent. In addition, just one in four families eligible for Federal housing assistance gets the help they need. That is 25 percent. What does that say about our national priorities?

For years nearly all of HUD's affordable housing and community development programs have been underfunded compared to demonstrated need. These programs serve some of the most vulnerable people in our society: The elderly, the disabled, children, veterans, single parents trying to make ends meet. It is not an exaggeration to say that America, the most prosperous Nation in the world is in the midst of a housing crisis.

Unfortunately, the Department's fiscal 2019 budget request doubles down on last year's request, which was roundly rejected on a bipartisan, bicameral basis. Apparently very few cues have been taken from the discussion last year of that first Trump administration budget.

So it is doubling down this year. This year's request, \$41.2 billion, offset by \$10 billion in receipts, total budget authority would be lower than the fiscal 2017 enacted level by approximately \$7 billion. That is 15 percent.

Since more than three-quarters of HUDs budget is devoted to simply maintaining current residence in housing, cuts of this magnitude would disproportionately impact community development and other grant programs. For example, community development block grants, a flexible source of funding for hundreds of urban and rural communities to help meet the needs of low and moderate income people will be totally eliminated.

The Home Program, the largest Federal block grant of State and local governments designed exclusively, to produce affordable housing for low income families, the most flexible money we have in the HUD budget. Eliminated.

Even the SHOP program, the SHOP program is best known because of the use Habitat for Humanity makes of it. Other reputable nonprofits engaged in the Sweat Equity Homeownership model. SHOP, eliminated.

Now, my colleagues and I have heard from hundreds of local elected officials and housing leaders in our districts. Their message is very, very clear. These programs play a critical role in the creation and preservation of affordable housing and community facilities.

Unfortunately, there is even more. Yet again, the budget request proposes eliminating the Choice Neighborhoods initiative, a highly-

successful program that leverages outside investments to transform and revitalize whole neighborhoods. And in a new wrinkle the Department's request would eliminate the Public Housing Capital Fund, despite a massive maintenance backlog in our deteriorating public housing stock.

Finally, the Housing Trust Fund, which doesn't even constitute part of our discretionary budget authority, would again be eliminated by this request. These mandatory funds are derived from contributions by Fannie Mae and Freddie Mac. The Housing Trust Fund has only recently been tapped by the States, but it is already being used to finance the development, rehabilitation and preservation of affordable housing for low income people.

So, sweeping program eliminations, drastic cuts in what remains. That is simply unrealistic. It is unacceptable. I would say if the Department wanted to ensure that Congress would not take a budget request seriously, then the mission has been accomplished.

And I haven't even touched on the numerous reductions proposed in the budget. When you look at core housing assistance program, like Section 8 vouchers, it appears that the Department's requests are inadequate. Current low income housing could be at risk of losing assistance. In other words, we actually lose ground on the subsidized housing front.

I always want to register my serious concern with the Department's so-called rent reforms, which would essentially shift HUD program costs on to residents. Raising minimum rents, eliminating long-standing deductions for medical expenses and other costs could have serious repercussions for the people who rely on housing assistance.

And as the chairman just stated, if such changes are to be considered, and they really don't seem like very good ideas to me, but if they are to be considered, they are best left to the authorizing committee.

Mr. Chairman, the current state of housing in America should force us to ask tough questions about our national party. What kind of country do we want to be? What kind of community do we want to be? How do our inherited values translate into our present hopes and aspirations and what we make real through this appropriations process.

Looking at this budget proposal, I have to conclude that Trump administration's priorities are elsewhere. It is a heartless request. How else can you put it? It demonstrates a pinched and narrow vision of our country.

Before I close, I want to register my frustration about several major ethical lapses that have occurred at the Department and that we will want to talk about. Failure to control funds and provide legally-required notifications to Congress is bad enough, but what is even more disturbing are, apparently, false public statements that attempted to obscure the truth about the Secretary's involvement in this matter as well as the reassignment of a whistleblower who brought these problems to the public's attention.

These mistakes are apparently compounded by roles that the members of the Secretary's family have taken at the Department. Public office is a public trust. Even the appearance of impropriety can severely damage our institution, so I want to give the Sec-

retary the opportunity to address these issues and, of course, encourage you to be as responsive and forthcoming as possible.

So we do look forward to the testimony today. We look forward to working with the Secretary and with colleagues on the subcommittee to ensure that HUD has the resources that are necessary to carry out its vital mission.

Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Thank you very much, Mr. Price.

Mr. Secretary, your full written testimony will be included, obviously, in the record. And you are recognized for 5 minutes, sir. Thank you very much.

Secretary CARSON. Thank you, Chairman Diaz-Balart, Ranking Member Price, and members of this subcommittee. Thank you for inviting me here today to discuss the President's fiscal year 2019 budget request for the Department of Housing and Urban Development.

The President's 2019 budget proposes more than 41 billion for HUD, a 1.4 percent increase over last year's request. We believe this is sufficient to effectively administer our core programs, continuing need of assistance to those individuals and families whom we currently serve, especially the most vulnerable populations, the elderly and persons living with disabilities.

In addition, the requested level of funding for the Housing Choice Voucher Program will continue to support the same number of households we currently serve and should not result in the termination of any housing vouchers.

HUD's budget would also make a significant investment to continue the fight to end homelessness. Our budget proposes a record \$2.4 billion to support thousands of local homeless assistance programs across our country.

As a doctor for many years, I am all too familiar with the effects of lead exposure on the developing brain. As a result, we are requesting \$145 million to ensure that homes are free of lead-based paint hazards and other dangerous contaminants especially for families with small children.

I also recognize that we, as a Department, need to do a better job to ensure the funds we spend not only meet all legal requirements, but that we respect these funds ultimately belong to the public. Consequently, I have directed HUD's new Chief Financial Officer, Irv Dennis to design and implement a transformation plan and lead an internal task force within HUD to combat financial mismanagement. Irv has more than 36 years of private sector experience and is the perfect person to bring that kind of business acumen to the task.

Mr. Chairman, in spite of the billions of dollars we have spent as a Nation trying to keep pace with the capital needs of our public housing stock, it simply hasn't worked. In fact, we are falling further and further behind each day.

This budget recognizes that we need another way. HUD is proposing to pivot from the current financially unsustainable public housing model and working with public housing authorities, seek a new way to produce and preserve the affordable housing that so many families need.

We are asking for the authority to give local public housing authorities the flexibility to use their operating funds to support their capital needs, and we are proposing to convert many more distressed public housing units to a project-based Section 8 financing model through the Rental Assistance Demonstration or RAD program.

To date, RAD has simulated more than \$5 billion in private investment to preserve this housing. Simply put, RAD is working. The budget proposes to open the door wider and allow more communities to participate in this innovative approach.

HUD is also supporting sustainable homeownership through programs at the Federal Housing Administration. Building household wealth through homeownership remains a keystone to helping Americans climb the economic ladder of success. That is why we have taken several steps to ensure FHA can continue to be a reliable source of mortgage financing for years to come.

I am also here to today to repeat a request you have heard from us for many years now from several administrations. We absolutely need to invest in FHAs information systems. FHA is built on a mainframe that is over four decades old. Staff at our homeownership centers still work on paper case files creating inefficiencies and posing numerous quality control issues.

Mr. Chairman, I want to pivot to HUDs efforts to aid in recovery from last year natural disasters when our Nation was hit by three devastating hurricanes and destructive wildfires and mudslides in California. HUD is supporting the long-term recovery that is taking shape in Texas, Florida, Puerto Rico, the U.S. Virgin Islands. Clearly, we have a lot of work ahead of us.

Since last September, Congress has appropriated more than \$35 billion through HUDs Community Development Block Grant Disaster Recovery Program. We have already allocated 7.4 billion appropriated in September and will be allocating another 28 billion. Nearly every program office at HUD has staff working on disaster recovery, many of whom have volunteered to travel to disaster stricken areas and serve on the front lines. My prayers are always with those who are still struggling. We will continue to stand with them throughout the recovery process.

Mr. Chairman, HUDs essential mission is to provide safe, fair, and affordable housing for the American people. Our mission also supports opportunity and self-sufficiency so that families can move toward economic independence. I am eager to work with Congress and all the members of this committee to achieve what I believe are our common goals to better serve our fellow Americans.

Thank you.

[The information follows:]



TESTIMONY OF

DR. BENJAMIN S. CARSON, SR.

SECRETARY OF THE
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SUBCOMMITTEE ON TRANSPORTATION, HOUSING AND URBAN
DEVELOPMENT, AND RELATED AGENCIES

COMMITTEE ON APPROPRIATIONS

U.S. HOUSE OF REPRESENTATIVES

MARCH 20, 2018

INTRODUCTION

Chairman Diaz-Balart, Ranking Member Price, and members of this subcommittee, thank you for inviting me here today to discuss the President's Fiscal Year 2019 Budget request for the U.S. Department of Housing and Urban Development (HUD). As you know, HUD's FY 2019 Budget request is inclusive of the budget addendum that the Administration submitted to Congress.

I also want to thank the members of this subcommittee for your support as HUD and other Federal agencies continue to work to ensure full recovery of the states and territories impacted by last year's natural disasters.

ACCEPTING OUR CHALLENGE

The President's Budget lays out a vision for a Federal government that is efficient, effective, accountable, and provides for a strong national defense and economy.

It also reflects the fact that we must better serve the American people by tackling our staggering \$20.6 trillion national debt. This requires tough budgetary choices. Our children's and grandchildren's futures depend on it.

At HUD, we believe the requested level of funding – \$41.244 billion – is sufficient to effectively administer our core programs, particularly as we are committed to running our programs more efficiently, spending every tax dollar with which we are entrusted wisely. I have directed HUD's new Chief Financial Officer, Irv Dennis, a Certified Public Accountant with more than 36 years of experience, to put the controls, systems, and processes in place to ensure we do just that.

Even within this context of fiscal restraint, it is important to note this year's Budget request represents a 1.4 percent increase over last year's request.

BUDGET HIGHLIGHTS

The Budget proposal ensures that HUD continues to serve the most vulnerable in our society – half of HUD-assisted households are elderly or living with disabilities. Our budget anticipates the adoption of forthcoming proposed legislative reforms and will not increase rent payments for currently served elderly or disabled households. In addition, the funding level for the Housing Voucher program would support the same number of households as currently assisted and should not result in the termination of any housing vouchers.

HUD's Budget also makes a significant investment in the fight against homelessness. The Department's Point-in-Time count, conducted in January 2017, indicated homelessness was on the rise for the first time in a decade, primarily driven by high-cost housing markets along the east and west coasts. Our Budget proposes spending \$2.383 billion, a \$133 million increase over last year's request, and includes \$40 million for rapid re-housing targeted to communities with high rates of unsheltered homelessness.

Additionally, as a neurosurgeon, I am all too familiar with the effects of lead exposure on the

developing brain. As a result, we are requesting \$145 million to ensure that homes are free of lead-based paint hazards and other dangerous contaminants, especially for families with small children. This is an 11.5 percent increase over last year's request.

REFOCUSING OUR EFFORTS

The centerpiece of this year's Budget proposal is our promotion of economic opportunity and self-sufficiency.

For too many years, we have measured the effectiveness of housing and other anti-poverty programs by the number of Americans participating in them. With this Budget, we propose measuring success by the number of people we help to exit the programs with positive outcomes. To help transition the people HUD serves towards economic independence, we are requesting \$75 million for the Family Self-Sufficiency program and \$10 million for Jobs Plus.

We are also requesting funding to evaluate the EnVision Center Initiative, a demonstration that will leverage public-private partnerships to connect individuals and families living in HUD-assisted housing with job-training, education, health and wellness, and other streamlined services that lead to self-sufficiency.

HUD is also beginning to pivot from the current, financially unsustainable model of public housing and will be working with Public Housing Authorities (PHAs) to find the best way to support assisted families through other housing platforms. It was a difficult decision to not request funding for capital improvements in Public Housing. Instead, we've asked for PHAs to have the flexibility to use operating funds for capital needs. This will allow PHAs to function more like every other multifamily building owner in America. We also believe that encouraging states and localities to bring more resources to the table helps ensure that PHAs are empowered to make decisions at the local level that best address the needs of their communities.

As part of the transformation of public housing, HUD is committed to providing new strategies and enhancing existing tools so that PHAs are provided with additional options to operate their portfolios. For example, HUD is developing a streamlined process to allow PHAs to convert public housing assistance to vouchers where this would save taxpayer money and give families more choice in deciding where to live.

HUD is proposing to convert an expanded number of units in our nation's housing stock to project-based Section 8 ownership via the Rental Assistance Demonstration (RAD). RAD is a program that multiplies the impact of private and other investment in order to rehabilitate aging affordable housing across the country. In order to stretch those dollars further, HUD is requesting \$100 million specifically for RAD and supports lifting the cap on RAD units so more communities can participate. To date, PHAs and their partners have raised \$5 billion to improve and recapitalize 88,000 public housing units at revenue neutral rent levels. This would have taken decades to accomplish through traditional public housing funding streams.

RENT REFORM

HUD spent the past year examining its main rental programs – Housing Choice Vouchers, Project-Based Rental Assistance, Public Housing, Section 202 Supportive Housing for the Elderly, and Section 811 Supportive Housing for Persons with Disabilities – with the goals of improving resident outcomes, decreasing administrative burdens, and maximizing public investment.

As a result of this work, HUD's Budget proposal is based on a legislative package to modernize and streamline existing rental assistance programs. Our plan will simplify program administration, encourage work and stable family formation, increase local control and choice, promote fiscal sustainability, and protect currently assisted elderly and disabled households from adverse impacts.

Features of the plan include establishing mandatory minimum rents; simplifying rent calculations; increasing tenant rent contributions while protecting the most vulnerable current tenants, primarily the elderly and disabled; incentivizing work by limiting income recertification for all households to once every three years; providing a hardship exemption for tenants who are unable to pay their rents; and giving PHAs and property owners the option to choose alternative rent structures that work best for their communities.

FEDERAL HOUSING ADMINISTRATION

HUD is also laying a better path to homeownership through programs at the Federal Housing Administration (FHA). Building equity in a home remains a critical component of helping Americans climb the economic ladder of success. But we don't do the families we serve any favors if we facilitate lending that is unsustainable – not to mention the taxpayers who stand behind our \$1.2 trillion book of business.

That is why we have taken several steps to ensure FHA can play a viable role in mortgage lending for years to come. One of the first actions the Trump Administration took was to pull back the prior administration's proposed mortgage insurance premium decrease for FHA. Our analysis shows this was the absolute right decision: had the premium reduction gone forward, FHA would have found itself below its statutory 2 percent minimum capital ratio requirement.

We also acted swiftly to improve the health of the Mutual Mortgage Insurance (MMI) Fund by placing FHA's reverse mortgage program, the Home Equity Conversion Mortgage (HECM) program, on a more financially sound footing for new books of business. HECM has been a drain on the MMI Fund, depleting it of \$11.7 billion since 2009. We are monitoring this program closely to determine what additional changes are warranted, while simultaneously expecting to face continued losses due to older, existing loans in the portfolio.

Another change we made recently involves protecting the taxpayers who make FHA insurance possible. A few months ago, we made ineligible for FHA insurance properties encumbered with Property Assessed Clean Energy (PACE) obligations. Prior to this decision, PACE obligations had effectively been given priority lien status over FHA-insured mortgages, which presented unacceptable risks for taxpayers.

Managing our risk also involves operating a stable technology platform for FHA. HUD can no longer defer this important investment. FHA is built on a mainframe that is over four decades old. Staff at our homeownership centers still work on paper case files, which not only presents inefficiencies, but also poses numerous issues for quality control.

That is why HUD has proposed up to \$20 million to fund targeted improvements in single-family Information Technology (IT) and allow FHA to better interact with a modern financial system. To offset the cost of this critical investment, the Budget proposes a modest fee of no more than \$25 per loan that would apply on a prospective basis and expire after four years. It will take the cooperation of government and private sector lenders to make this needed investment, but I am certain it is one that will lead to mutually-beneficial outcomes.

Another important source of affordability for millions of Americans is manufactured housing. Today, it accounts for about 10 percent of the market, and an even greater share for those in rural areas. As the agency that implements the Federal laws governing the quality, safety, and affordability of manufactured housing, HUD has a key role to play here. We have instituted a regulatory review of all manufactured housing rules with an aim towards reducing undue burdens on production. We must strike the right balance between ensuring the availability of such homes and protecting the families who will reside in them.

DISASTER RECOVERY

It is important to note the ongoing disaster recovery efforts underway at HUD. Since last September, Congress has appropriated \$35.4 billion in long-term disaster recovery funding under the Community Development Block Grant – Disaster Recovery (CDBG-DR) program. The initial amount of \$7.4 billion has been fully allocated and related guidance has been issued. The Department is now working to allocate the \$28 billion contained in the Bipartisan Budget Act and will allocate at least one-third of that amount by April 10.

HUD has also provided ongoing relief to homeowners in the Presidentially Declared Major Disaster Areas. This includes the recently announced “Disaster Standalone Partial Claim,” a new option that covers up to 12 months of missed mortgage payments through an interest-free second loan on the mortgage, payable only when the borrower sells the home or refinances the mortgage. In addition, the moratorium on foreclosure actions against insured borrowers in Puerto Rico and the Virgin Islands has been extended until May 18, 2018. Other resources, including forbearance and loan modification options, continue to be available as well. HUD continues to provide technical assistance to mainland PHAs and displaced residents.

Nearly every program office at HUD has staff working on disaster recovery, many of whom have volunteered to travel to disaster-stricken areas and serve on the front lines. My prayers are always with those who are still struggling to recover.

HUD has a government-wide mission to coordinate housing recovery, not just for HUD-assisted households, but for all Americans who are impacted by disasters. We continue to take this obligation seriously and are committed to supporting the communities as they rebuild.

CONCLUSION

HUD is committed to safe, fair, and affordable housing for the American people. It also acts as a stepping stone to opportunity and self-sufficiency so that families can graduate from assisted housing to economic independence. President Trump's proposed FY 2019 Budget will enable HUD to fill this role, now and in the future, through reforming and refocusing our programs and necessitating careful stewardship of taxpayer dollars.

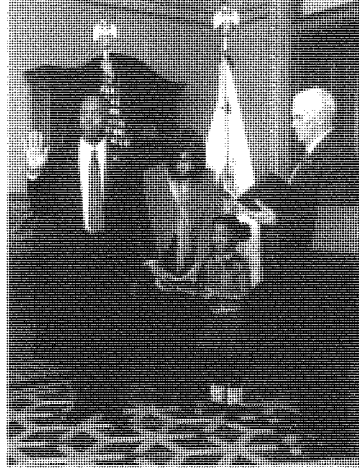
I am eager to work with Congress and all the members of this Committee in achieving these worthy goals to better serve our fellow Americans.

Secretary Ben Carson

On March 2nd, 2017, Dr. Benjamin S. Carson, Sr., M.D., was sworn in as the 17th Secretary of the U.S. Department of Housing and Urban Development.

For nearly 30 years, Secretary Carson served as Director of Pediatric Neurosurgery at the Johns Hopkins Children's Center, a position he assumed when he was just 33 years old, becoming the youngest major division director in the hospital's history. In 1987, he successfully performed the first separation of craniopagus twins conjoined at the back of the head. He also performed the first fully successful separation of type-2 vertical craniopagus twins in 1997 in South Africa.

Dr. Carson received dozens of honors and awards in recognition of his achievements including the Presidential Medal of Freedom, the nation's highest civilian honor. He is also a recipient of the Spingarn Medal, the highest honor bestowed by the National Association for the Advancement of Colored People (NAACP).



Dr. Carson authored nine books, four of which he co-wrote with his wife Candy. The U.S. News Media Group and Harvard's Center for Public Leadership named him among "America's Best Leaders" in 2008.

Dr. Carson and his wife co-founded the Carson Scholars Fund, which recognizes young people of all backgrounds for exceptional academic and humanitarian accomplishments. The Fund is currently operating in 50 states and the District of Columbia, and has recognized more than 7,300 scholars, awarded more than \$7.3 million in scholarships, and installed more than 150 Ben Carson Reading Rooms around the country.

Born in Detroit to a single mother with a 3rd grade education who worked multiple jobs to support their family, Secretary Carson was raised to love reading and education. He graduated from Yale University and earned his M.D. from the University of Michigan Medical School. He and his wife are the proud parents of three adult sons and three grandchildren.

Mr. DIAZ-BALART. Mr. Secretary, thank you very much.

Members, we are going to proceed in the standard 5-minute rounds, alternating sides. And obviously, recognizing members in order of seniority as they were seated at the beginning of the hearing with some caveats. So you are going to give me some flexibility because we have other hearings taking place, so if we have folks that chair other hearings and they do come by, we may have to slip ahead of some of you all. So I apologize for that.

FURNITURE

Mr. Secretary, there has been a great deal of news coverage on the issue about the furniture, the dining room set. Obviously, oversight and proper management of funding is something that we take very seriously on the subcommittee. And as you know, we sent a letter to the GAO and to the HUD Inspector General to look into the alleged systematic misuse of funds dating back to 2008.

I appreciate the efforts you initiated last week to reassess the Department's internal financial controls, as you mentioned, and I trust your new CFO will lead this task force effectively. Will you please just take a minute to explain to this subcommittee what happened, and also go into, if you can, some of the more specifics about the new financial controls to enhance the Department's fiscal strength and integrity.

Secretary CARSON. Well, thank you for that opportunity. First of all, when I assumed the position, I was told that traditionally secretaries redecorate their office.

I came in, I looked at it. You know, I am not really big into decorating. If it was up to me, my office would probably look like a hospital waiting room. But at any rate, you know, I invited my wife to come in and help me downstairs at the subbasement. We have a bunch of used furniture. We went down, made a couple of changes, had some drapes added, which were down in the basement also, and some blinds for the window. The total cost of renovation, \$3,500.

A few months later, I was told that the dining room set needed to be changed. I said, why. Because people are being stuck by nails, a chair collapsed with somebody sitting in it. It is 50 years old. I said, okay, we can potentially do that. I asked my wife, also, to help me with that. They showed us some catalogs, the prices were beyond what I wanted to pay. I made it clear that just didn't seem right to me. And, you know, I left it with my wife.

I said, you know, help choose something, but I said, the money that is going to be used, we need to take care of the deputy secretary's office and, you know, whatever is left over, you know, take care of the dining room furniture.

It was very important to do that, and I realize that. But I had so many other things to do at that point. You know, I had no assistant secretaries. I had no deputy secretary. You know, I was running from place to place dealing with a lot of important issues, so I really wasn't that concerned about furniture.

You know, the next thing that I, quite frankly heard about it, was that this \$31,000 table had been bought. I said, what the heck is that all about. Investigated. Immediately had it canceled. Not that we don't need the furniture, but I felt that that was excessive.

There were reports that, you know, I said that I had no involvement. I always said what my involvement was in it. You know, it makes for a wonderful story. "Carson wants to, you know, take down the budget, but he wants to buy this expensive furniture." But it bears no resemblance to the truth.

HUD INTERNAL CONTROLS

But we did use that opportunity to say what internal controls allowed this to happen in the first place. Because we have been spending a lot of time looking at what is going out externally. And, you know, there are a lot of issues. And we finally got a CFO in December, and we have been able to address those, but now we have added, you know, things that are closer to home to make sure that this kind of thing doesn't happen again.

HOUSING FIRST

Mr. DIAZ-BALART. Mr. Secretary, let me ask you, and we are not going to have a lot of time so I may have to do it later as well, talk to you a little bit about homelessness and Housing First. I appreciate your working to prioritize assistance to homeless assistance programs in your budget.

I have seen firsthand in places like Hialeah and Miami, as you have, by the way, the effectiveness of these dollars on the ground. Has the Housing First approach worked due to reduce homelessness in communities? Does it really work? Is that a model that works? Can you provide us with some success stories?

Secretary CARSON. Sure. Through our Continuum of Care program, for which we have asked \$2.12 billion. You know, we are able to aid 750,000 individuals through over 7,000 different programs.

Housing First works very well because it actually costs more money to keep somebody on the street than it does to take them off the street. Many studies have shown that. But we believe in Housing First, second and third. Housing First means you get them off the street. Housing second means you diagnose the reason that they are on the street in the first place, and housing third means you actually treat that. And, you know, that, I believe is what real compassion is all about. And, you know, homelessness is something that I believe we have the ability to actually extinguish in our lifetime in this country.

Mr. DIAZ-BALART. Thank you, Mr. Secretary. I, later, would like to talk to you about how do we expand our efforts to reach particularly challenging individuals like those suffering from mental health. But we will continue those conversations.

Secretary CARSON. Okay.

Mr. DIAZ-BALART. Mr. Price.

Mr. PRICE. Thank you, Mr. Chairman.

FURNITURE

Mr. Secretary, let me pick up on the issue of the furniture just to clear this up and make certain that we are clear on what has transpired but also what kind of plans you have going forward.

There appears to be some contradiction in the record about your statements to the press indicating early on that you had no knowledge of this purchase.

Secretary CARSON. I never——

Mr. PRICE. That is not what you said today.

Secretary CARSON. I never said that to the press.

Mr. PRICE. Well, your spokesman, HUD spokesman, Raphael Williams, this is a CNN report, initially denied the Carsons had any involvement in the dining set selection. Ms. Carson and the Secretary had no awareness that the table was being purchased, he told CNN last month. And then HUD's, the same HUD spokesman went further and said, didn't order a new table and so on.

A few days later, you personally addressed the issue saying you were surprised by the price tag, was having the order cancelled, and there were other reports having to do with some ambiguity——

Secretary CARSON. Sir, I would respectfully——

Mr. PRICE [continuing]. About your taking responsibility.

Secretary CARSON. Yeah, I would respectfully say that I can tell you what I said. I can tell you what I did. I do not intend to be responsible for what anybody else said.

Mr. PRICE. And there is no problem with a much-cited Facebook post either.

Secretary CARSON. The Facebook post is quite accurate.

Mr. PRICE. All right. We will include that in the record and other materials that we will document what I am talking about.

[The information follows:]



Dr. Ben & Candy Carson

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Dr. Ben & Candy Carson

March 5 at 11:10am · 🌐

We continue to be overwhelmed by how supportive people are everywhere we go since the character attacks on us have increased in an attempt to claim that a scandal has occurred.

The following are the facts:

Office redecoration:

Before I actually occupied my office, I was told what previous secretaries did when they redecorated. I was asked what I wanted to do.

I visited the basement where previously used furniture was kept and my wife visited as well. We selected some chairs and made some minor changes. Additionally drapes that had previously hung in the office were brought back and blinds were put on the windows. The total redecoration cost was less than \$3500. This is considerably less than the historical norm.

Dining room redecoration:

The secretary's dining room is used for business luncheons with a wide variety of people and groups. The furniture is 30 to 50 years old and is very worn. It has also been characterized as unsafe.

I did not request new furniture, but asked if it could be remediated. I was subsequently told that it was beyond repair and needed to be replaced.

I briefly looked at catalogs for dining furniture and was shocked by the cost of the furniture. My wife asked if used furniture was an option. Our acquisition process did not allow for that.

We were told there was a \$25,000 budget that had to be used by a certain time or it would be lost. I indicated that they needed to take care of the needs of the deputy secretary out of that money too. My wife also looked at the catalogs and wanted to be sure that the color of the chair fabric of any set that was chosen matched the rest of the decor.

I made it clear that I was not happy about the prices being charged and that my preference would be to find something more reasonable.

I left this matter alone to concentrate on much bigger issues. I was as surprised as anyone to find out that a \$31,000 dining set had been ordered. I have requested that the order be canceled. We will find another solution for the furniture replacement.

I will not allow this distraction to keep us from moving forward with the great progress we are making on multiple fronts.

👍 Like

💬 Comment

From: Greenwood, Sheila M
Sent: 15 May 2017 12:57:21 +0000
To: Mitchell, Michael; DeLaPaz, Dave D; Carter, Bruce R; Jones, George
Cc: Rodriguez, Aida N
Subject: Re: Secretary's Dining Room Chairs

Perfect! Y'all are the best!

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From: Carter, Bruce R
Sent: Monday, May 15, 2017 8:34:34 AM
To: Greenwood, Sheila M; DeLaPaz, Dave D; Jones, George; Mitchell, Michael
Cc: Rodriguez, Aida N
Subject: RE: Secretary's Dining Room Chairs

Good morning Ma'am, I just talked with Daryl, from furniture Branch they are sending someone to repair chairs now.... Please call if there is anything additional.

Thank you

Bruce Carter
 Headquarters Operations Division
 Office of Facilities Management Services
 U.S. Department of Housing and Urban Development
 Office - (202) 402-6388

From: Greenwood, Sheila M
Sent: Monday, May 15, 2017 8:08 AM
To: DeLaPaz, Dave D <Dave.D.DelaPaz@hud.gov>; Carter, Bruce R <Bruce.R.Carter@hud.gov>; Jones, George <George.Jones@hud.gov>; Mitchell, Michael <Michael.Mitchell@hud.gov>
Cc: Rodriguez, Aida N <AIDA.N.RODRIGUEZ@hud.gov>
Subject: RE: Secretary's Dining Room Chairs

Thank you for your diligence, Dave. I just noted that a few chairs are fairly precarious and am trying to avoid someone having an accident (and embarrassment!) should the chair collapse beneath them. Thanks.

SMG

From: DeLaPaz, Dave D
Sent: Monday, May 15, 2017 8:04 AM
To: Carter, Bruce R <Bruce.R.Carter@hud.gov>; Jones, George <George.Jones@hud.gov>; Mitchell, Michael <Michael.Mitchell@hud.gov>
Cc: Greenwood, Sheila M <Sheila.M.Greenwood1@hud.gov>; Rodriguez, Aida N <AIDA.N.RODRIGUEZ@hud.gov>
Subject: RE: Secretary's Dining Room Chairs



Hi all,

Want to follow up on this matter. We have another scheduled lunch today. If we could do it before lunch time would be great?

Thank you for your support.

Dave dela Paz

US Department of Housing and Urban Development
Office of the Secretary
202-402-6615

From: DeLaPaz, Dave D
Sent: Friday, May 12, 2017 2:50 PM
To: Carter, Bruce R <Bruce.R.Carter@hud.gov>; Jones, George <George.Jones@hud.gov>; Mitchell, Michael <Michael.Mitchell@hud.gov>
Cc: Greenwood, Sheila M <Sheila.M.Greenwood1@hud.gov>; Rodriguez, Aida N <AIDA.N.RODRIGUEZ@hud.gov>
Subject: Secretary's Dining Room Chairs

Hi all,

Could you get all the dining room chairs tighten up? Most of them are loose and wiggling.

Thank you and have a nice weekend.

Dave dela Paz

US Department of Housing and Urban Development
Office of the Secretary
202-402-6615

From: Greenwood, Sheila M
Sent: 29 Aug 2017 14:12:23 +0000
To: Rodriguez, Aida N; Mills, Allison F
Subject: Re: Secretary's Dining Room Furniture Needed

Thanks

[Get Outlook for iOS](#)

From: Rodriguez, Aida N
Sent: Tuesday, August 29, 2017 10:10:44 AM
To: Greenwood, Sheila M; Mills, Allison F
Subject: RE: Secretary's Dining Room Furniture Needed

Of course. I believe Allison has print outs of the furniture the Secretary and Mrs. Carson picked out.

Allison, if you need me to get copies, please let me know.

Thank you,
Aida

From: Greenwood, Sheila M
Sent: Tuesday, August 29, 2017 10:07 AM
To: Rodriguez, Aida N <AIDA.N.RODRIGUEZ@hud.gov>; Mills, Allison F <Allison.F.Mills@hud.gov>
Subject: Re: Secretary's Dining Room Furniture Needed

Can I see a photo when I get back in the office? Thanks.

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From: Rodriguez, Aida N
Sent: Tuesday, August 29, 2017 10:04:00 AM
To: Mills, Allison F
Cc: Greenwood, Sheila M
Subject: FW: Secretary's Dining Room Furniture Needed

Hello Allison,

Below is the price quote for all of the dining room furniture. I think this a very reasonable price and the funds are available. We also have a justification for the cost (as you know, the furniture hasn't been changed since 1988) so this should not be a problem.

Thank you,



Aida Rodriguez

Administrative Officer | Executive Offices, Office of the Secretary
U.S. Department of Housing and Urban Development, HQ, Suite 10220
T: (202)402-2094 | C: (b)(6) | E: aida.n.rodriguez@hud.gov

From: Hughes, Marc

Sent: Tuesday, August 29, 2017 9:01 AM

To: Evelyn J. Seabee

Subject: Re: Secretary's Dining Room Furniture Needed

Evelyn,

Please see pricing below. All upholstered items are priced at the COM level.

2467-10 Newport Dining Table Top (96-144") with (2) 24" Leaves - (Standard Finish: Medium Mahogany) Cost: \$3,113.00

2473-71 SABER LEG SINGLE PEDESTAL BASE – Quantity (2) (Standard Finish: Medium Mahogany) Unit Cost: \$492 –Total Cost: \$984

3410-02 Regent Side Chair – COM Cost: \$688 each X 8

3410-01 Regent Arm Chair - COM Cost: \$743 each X 2

5245-10 JEFFERSON SIDEBBOARD - BASE ONLY – (Standard Finish: Dark Walnut) Cost: \$5,279.00

5245-11 JEFFERSON SIDEBBOARD - WOOD TOP ONLY (Standard Finish: Dark Walnut) Cost: \$1,209.00

2235-70 BREAKFRONT DECK ONLY - (Standard Finish: Medium Mahogany) Cost: \$7,091.00

2135-70 BREAKFRONT DECK BASE - (Standard Finish: Medium Mahogany)

*****TOTAL COST COM CHAIR FABRIC, FREIGHT AND DELIVERY \$24,666.00*****

Evelyn

Mr. PRICE. And I take your answer that this is simply not accurate, that you took responsibility, full responsibility from the beginning.

Secretary CARSON. Absolutely.

Mr. PRICE. All right. Then there is the matter of the failure to notify Congress of the purchase. That, as you know, is required by law. This was only a notification requirement. Yet, your office was aware of it at the highest levels, apparently, according to some email traffic that we have seen. You didn't do that.

WHISTLEBLOWER

And then there is the whistleblower. Whistleblower made the public aware of these issues, was reassigned, she said, demoted. I would ask you to address that. Of course, the best idea might have been to listen to her, but retaliating against staff who were attempting to get high-ranking officials to obey the law is inappropriate and possibly illegal.

Now, you have put out a statement announcing new internal controls and management practices. That is a good thing. Of course, these procedures are already in place. That is the inconvenient fact. And as the whistleblower pointed out and the internal emails demonstrate, you and your wife were involved in the selection of the set, your senior staff knew about the notification requirement.

So old procedures, new procedures. All the procedures in the world are not going to help as long as they are not followed. So I do hope you can give us your assurance here this morning that the rules will be followed going forward. That you will make sure this doesn't happen again, and that you will not punish people in your organization who are trying to ensure that the rules are being followed.

Secretary CARSON. Well first of all, let me just say, I don't know who this whistleblower is. You know, all of that is news to me, quite frankly. And I would never be involved in, you know, repercussions to people like that. That is not who I am. I don't believe that that is an appropriate thing to do.

INTERNAL CONTROLS

And as far as, you know, the controls are concerned, I think there are ways that they can be—ways that they can be enforced so that you don't ignore them. And those are being put into place. As far as the reporting is concerned, it is my understanding that the facilities, people felt that the dining room table was actually dangerous and it was a facilities issue not a decorating issue.

Mr. PRICE. And the notification requirement, was there an awareness of that?

Secretary CARSON. I don't think there is a notification requirement for facilities issues as there is with decorating issues.

Mr. PRICE. Well, the internal email traffic does indicate that your staff was aware of the notification requirements. They clearly were not met.

Secretary CARSON. It was never discussed with me. And as I said, I was dealing with running an organization with virtually no secretarial help.

Mr. PRICE. And you are denying that any kind of retaliation occurred against the whistleblower?

Secretary CARSON. Wouldn't even dream of such a thing. It is totally absurd.

Mr. PRICE. All right. Hereto, we will furnish for the record, the accounts of this and, of course, be happy to receive any further response on your part as to how this has been handled.

Secretary CARSON. I did believe in the whistleblower program. I endorsed it.

Mr. PRICE. That was my next question. Your testimony is that you believe in the protection of whistleblowers.

Secretary CARSON. Absolutely.

Mr. PRICE. And you intend to act on that.

Secretary CARSON. No question.

Mr. PRICE. Going forward. All right. Thank you. Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Thank you, sir.

CDBG AND HOME

The gentleman from California, Mr. Valadao.

Mr. VALADAO. Thank you, Mr. Chairman.

Thank you, Secretary Carson, for being here today. The budget request proposes to eliminate funding for several HUD block grant programs that provides funding directly to states and local governments, mainly the Community Development Block Grant, the Home Investment Partnerships Program and the Self-Help Homeownership Opportunity Programs.

In proposing to eliminate these programs, the budget request says that it devolves affordable housing activities to state and local governments. A, does HUD have a role to play in supporting local government's efforts related to affordable housing and community development? If so, what would that role look like in the absence of these programs?

And B, how would HUD expect state and local governments to fill the gap left by these program eliminations? In particular, how does HUD anticipate that less affluent communities would address their affordable housing needs in the absence of funds that they may have otherwise received through these programs?

Secretary CARSON. Thank you for that question. Yes, HUD does have a role to play. The Federal Government does have a role to play. And I think it is a facilitating role.

Recognizing that, you know, these are very expensive endeavors to deal with, and recognizing that the programs that you mentioned, CDBG, Home, et cetera, have played very important roles. We also recognize that sometimes the funding has not been targeted appropriately to low income individuals.

It doesn't mean that we don't appreciate what has been done, but we have a very good solution for that. And that is, you may be aware of the Opportunity Zones Program, which allows capital gains interest investment, to be put into the zones that are designated by the governors. And you are able to actually pool this capital. And that will work extremely well.

So in terms of, for instance, the gap funding that is frequently provided by the Home program, you will have that on steroids. And

we will already be involved with HUD with many of these redevelopment programs and will be able to guide that funding.

HUMAN TRAFFICKING

Mr. VALADAO. All right. Last month, I hosted a roundtable in my district to discuss some of the challenges law enforcement and community groups are facing.

One of the challenges they mentioned was a lack of resources to get human trafficking victims away from their abusers and place them in safe housing.

How is HUD working with local organizations to ensure that they are given the vital tools necessary to give victims of human trafficking the support they need, and how does this budget request help strengthen capacity-building at the local level, ensuring that rural communities to better assist this vulnerable population?

Secretary CARSON. Well, of course, we are very concerned about human trafficking, about domestic abuse, about being able to get these people into a safe zone, which is one of the reasons that we requested \$255 million for the Emergency Solutions Grant Program and \$40 million for Rapid Rehousing.

These are issues that, you know, concern our entire society. And they will have our complete attention. You know, as far as the rural areas are concerned, obviously some of the solutions that work in densely populated areas don't work as well there. And we are looking for solutions for them as well through multiple of these programs. But also one of the things to recognize is there is a tendency in rural communities to want single-family housing, as opposed to multi-family housing, for obvious reasons.

One of the things that has not been used to great effect has been manufactured housing. A lot of times when people think of that, they think of trailers and trailer parks. But in fact, manufactured housing today looks just like site-on-site housing. Beautifully done, much less expensive, rapidly put together. But the reason that it hasn't expanded to the degree that it can is because of the dense regulatory forest that people have to go through in order to enact it.

We are looking at that because we recognize that with single family housing, manufactured housing represents 10 percent of it, 22 million Americans.

So consequently, it is something that is vitally important, that is why we are taking a top-to-bottom look at those regulations that are preventing the use of it adequately in our rural areas.

Mr. VALADAO. On the victims of sex trafficking, that is something that obviously law enforcement and some of these NGOs in my communities are looking for ways to get people out of those situations as quickly as possible, to help get them out of that life and obviously keep them safe. So I hope that you are really looking at the bureaucracy there and the process so that we can speed that along and help these people as soon as possible.

Secretary CARSON. Thank you for your concern about that. It has been a topic of much discussion in this administration.

Mr. VALADAO. Thanks.

Mr. DIAZ-BALART. Thank you, sir. The gentleman from Illinois, Mr. Quigley.

WHISTLEBLOWER

Mr. QUIGLEY. Thank you, Mr. Chairman.

Dr. Carson, you just said you don't know who the whistleblower is?

Secretary CARSON. I don't know this person.

Mr. QUIGLEY. If not, she is hiding in plain sight. I mean, Helen Foster has been on TV for some time.

Secretary CARSON. I still wouldn't recognize her if she walked in here today.

Mr. QUIGLEY. Okay. Well, it implies that you weren't aware of what was going on in these situations as well as this—I mean, if we have it, everybody else has it, and I assume you did, the email chain beginning February 2nd of last year, going up for an extended period of time, August 29, 2017, raising all these issues in quite contradiction to what you have just testified.

Is it just that you are not aware of those situations?

Secretary CARSON. Tell me specifically what contradictory statement there is?

Mr. QUIGLEY. Well, in terms of your knowledge of this and how this was purchased, whether it should have been reported to Congress.

Secretary CARSON. Everything that I have told you right now is the truth.

Mr. QUIGLEY. But you are aware that she is out there. You are just saying you don't know who she is?

Secretary CARSON. I don't know who she is——

Mr. QUIGLEY. But you know——

Secretary CARSON. I would have never gotten involved in any kind of repercussions.

Mr. QUIGLEY. Repercussions aside, you know who she is because she has been on TV. You just don't know her personally, which is a distinction without a difference.

Secretary CARSON. Let me put it this way. Before this whole thing became a newsworthy item, if it really is, I would not have known who she was.

Mr. QUIGLEY. But to be, just to be clear, you now know who the whistleblower person is? That doesn't mean you know her.

Secretary CARSON. I recognize the name, yes.

LGBTQ

Mr. QUIGLEY. Okay. Last year when we were doing this, I asked you questions about important training materials designed to prevent discrimination against LGBTQ individuals that were purged from the HUD website.

You assured me during that hearing that these documents were taken down just to ensure that the policies in them were effective and they would return to the website, quote, “as soon as possible.”

According to all published reports, they are not returned to the website. There is a lawsuit now involving this and the Department of Justice. This is, again, training materials made in part to help homeless shelters make sure they were providing equal access to transgender people.

So where are we from last year when you said they would be returned to the website as soon as possible?

Secretary CARSON. It is a very complex issue. We finally got a general counsel in December. You know, this is March. So, yes, it has been since we have gotten a general counsel, something that we have been looking at.

Remember, it is complex. You are dealing—we obviously believe in equal rights for everybody, including the LGBT community, but we also believe in equal rights for the women in the shelters and shelters where there are men and their equal rights. So we want to look at things that really provide for everybody and doesn't impede the rights of one for the sake of the other. So it is a complex issue.

Mr. QUIGLEY. How would—

Secretary CARSON. And it has been on our agenda. We have talked about it quite a bit since we have finally gotten a general counsel.

Mr. QUIGLEY. How would protecting the rights of transgender homeless potentially impact the rights of, as you—

Secretary CARSON. I will give you an example.

There are some women who said they were not comfortable with the idea of being in a shelter, being in a shower and somebody who had very different anatomy.

Mr. QUIGLEY. So it is your intention that the general counsel who came on, when?

Secretary CARSON. December.

Mr. QUIGLEY. December. Will spring into action and now 4 months later have an answer for us. It is now really a year from last year by the time you are getting around to this—

Secretary CARSON. I don't think you would have wanted us to deal this without a general counsel, would you?

Mr. QUIGLEY. Well, I would assume that there is somebody involved with legal rights at an ongoing basis at HUD, dealing with not just this issue, but a host of other issues that involve legal matters that you claim to be concerned about, as you just described.

Secretary CARSON. I would like to work with you—

Mr. QUIGLEY. Who has been doing this for the last year?

Secretary CARSON. I would love to work with you on this. And I would particularly be very interested in your ideas on how we protect the rights of all the people involved. I would be very interested, sir.

Mr. QUIGLEY. And I would love for you to come to Chicago and meet with the LGBTQ community as well as the transgender community to help you, and whomever your general counsel is, better understand the issues that they face and the extraordinary concerns that we have already, that unfortunately we haven't acted upon in the last year.

Secretary CARSON. We are happy to hear from anybody who has good solutions to how you protect everybody's rights.

Mr. QUIGLEY. So you would agree to sit down with the LGBTQ community, myself, and the transgender community to help you understand this?

Secretary CARSON. Absolutely.

Mr. QUIGLEY. Thank you.

Mr. DIAZ-BALART. Thank you, Mr. Quigley.

Mr. Graves has generously agreed to allow the ranking member of the full committee who has a relatively busy schedule these days, I am not quite sure why, but she does. So thank you, Mr. Graves, for volunteering to do that.

Mrs. LOWEY, it is a privilege to have you here.

Mrs. LOWEY. And thank you, too, distinguished Chairman, and thank you to the distinguished member, Mr. Graves, and welcome to the committee.

Secretary CARSON. Thank you.

HOPWA

Mrs. LOWEY. Mr. Secretary, the request would reduce funding by \$26 million for housing opportunities for persons with AIDS which enables communities to continue their efforts to prevent homelessness and sustain housing stability for approximately 49,175 economically vulnerable households with individuals living with AIDS/HIV.

Given the evidence that housing stability is one of the strongest indicators of retaining HIV primary care and preventing the spread of HIV, why would you reduce, rather than increase, funding for this program?

And let me just say, in my interaction in my community, there is more need for this program rather than less. And how do you expect communities to make up for the lack of funding?

Secretary CARSON. Well, first of all, I don't disagree with you that more funding is better for that program. And for virtually all the programs, quite frankly.

You know, last Friday, we crossed the threshold of a national debt of \$21 trillion. If we continue to accumulate—

Mrs. LOWEY. Did you discuss that—excuse me. When you were passing the tax cut, was that on the table? Did they talk about that at all?

Secretary CARSON. I wasn't at that table, but I will tell—

Mrs. LOWEY. But your colleagues, I am sure, you were part of an adviser to the President? Wouldn't you bring it up?

Secretary CARSON. Here is the point: If we continue to accumulate debt at this rate, by the year 2048, which is only 30 years from now, every penny that the government takes in will be used to service the debt.

There will be no money for any programs, HOPWA, CDBG, or any programs at all.

Mrs. LOWEY. Except for the tax cut.

Secretary CARSON. There won't be any money for any programs. And that is what we need to start thinking about. This really should not put us on opposite sides. We should be figuring out how we can work together to take care of the problem that you just mentioned, which is a very important project.

And, you know, I have visited, you know, some of the housing developments for people with AIDS. It is very impressive some of the things that have been done. You know, I have talked to the people in the communities who didn't want them there at first, who now love them and support them very much.

You know, this is something that is beneficial to our society. I agree, and I wish we had money for everything. But we have to make hard choices. But having said all that, you know, the final budget authority comes from Congress. The administration simply makes suggestions. And whatever monies are provided, we will use them in a most efficient and effective way to continue the progress we are making with people with AIDS.

Mrs. LOWEY. I wish I could have taped your comments because I am in the middle of negotiating the omnibus. As you know, it is not coming to the floor until Thursday now. And it seems to me that there are people in the administration who have had major input into some of these decisions. But I will move on.

CDBG

Mr. Secretary, as I previously mentioned, your budget eliminates CDBG from 2005 to 2017. We know this program is so important. It has helped over 1.435 million low and moderate income persons. It is created or retained 401,992 jobs, benefited over 139 million low and moderate income persons through public services like job training, meals and other services to the elderly, assistance to local food banks. Every \$1 that we spend on CDBG leverages an additionally \$4.09 in non-CDBG funding. And it affects every single district represented in this room.

Could you tell me why you propose to eliminate this program? It does so much good for our communities. And if your budget request were to become reality, how do you plan to fill the hole that this elimination would create?

Secretary CARSON. Well, I don't disagree with you that it has done some very good things. There is no question about that. But, again, the same budgetary argument that I made before still stands. You can change the name of the program. It is all going to stand.

Nevertheless, we do have a way to take care of the good things that CDBG does, and that, again, is through the Opportunity Zones Program, which will bring in up to \$2.2 trillion in money to substitute for that program and to provide for infrastructure problems. You know, there is a lot—I suspect we may be asking ourselves how can we use all this money. We are going to be doing that. We are going to be working with you to do that. We are going to make sure that the good things that happen with these programs continue to happen.

Mrs. LOWEY. The Chairman has been very generous with time, so let me just say in conclusion, I really look forward to working with you. And I am sure whether you are a Republican or a Democrat, there will be many people, not just in my district, who will say, what? The CDBG program is going down the tubes? I think that is a real problem with it. Thank you.

Secretary CARSON. Not the good things that happen with it. Believe me.

Mrs. LOWEY. Well, I look forward to having a conversation with you.

Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Thank you, Mrs. Lowey. And let me again, once again, thanks Mr. Graves for volunteering to let our ranking member go ahead. Thank you for doing that.

Mr. Graves, you are recognized.

Mr. GRAVES. Thank you, Mr. Chairman. And always happy to yield to the ranking member of the full committee in hopes that it had might expedite these negotiations of getting the government funding bill underway and resolved.

Mrs. LOWEY. My goodness. I certainly hope in your role as a very important Member of the majority, that we can expedite these discussions that have been going on.

As you know, the omnibus now is not being introduced until Thursday. We are supposed to leave on Friday. That sounds like a miracle plus 10.

Mr. GRAVES. That is a day early, if I remember right.

Mrs. LOWEY. That is pretty good.

Mr. GRAVES. Yeah.

Mrs. LOWEY. Thank you. I look forward to working with you. I appreciate it.

Mr. DIAZ-BALART. Thank you again. Mr. Graves, you are recognized for 5 minutes.

Mr. GRAVES. Dr. Carson, thank you again for joining us. And let me thank you for your many decades of service and just caring for people. You have a servant's heart, and we know that. And I know that there are those here today that are a little critical of some things that have been in the news, but you were swift to respond, and I am grateful for that.

And so I would like to redirect back to the purpose of your Department and what you do, and if you could help us just a little bit more with some of your vision.

This committee also oversees transportation, and we have had a lot of discussion in the Transportation Committee about public and private partnerships. And my understanding, after reading a little bit about one of your projects is that there might be that opportunity as well in your Department.

And so I was hoping you might share with us a little bit about the EnVision Center Demonstration project and your goals there and what you hope to see?

ENVISION CENTERS

Secretary CARSON. Well, thank you very much. You know, there is a verse in the Bible that says without a vision, the people perish. So initially we called them vision centers, and then we figured people would think they were getting glasses, so now we call them En-Vision Centers. But, you know, the whole idea is to really juxtapose the need with the resources.

You know, and traveling throughout this country, I have discovered that we have an enormous number of people who actually care. And who have resources. And who are willing to use those in a philanthropic way. We also have an enormous amount of need. But the two generally don't tend to meet each other.

We want to provide an opportunity for that. A lot of times we ask young people, What do you want to do? And you get a blank stare. Oh, maybe they want to be a basketball player or something, but

you don't get a whole lot of choices. The fact of the matter is, there are a thousand choices, and EnVision Centers will expose them to what those choices are and how to get there.

We will also be a site for mentorship. We have a lot of people, millions of people who would be great mentors, but they don't have a good mechanism for doing that. We will also help a lot of the young women, for instance, who get pregnant early on and, you know, go into a dependent situation to be able to hookup with the resources that will take very good care of those children and allow her to get her GED or her associates or her bachelors. To become independent, more importantly, to teach that to her children and break the cycles of dependency which cause the roles to keep growing and cause the Federal Government's expense to continue to go up.

You know, all the people are our resources. They are our best resource. And we want to aim our efforts at actually developing the people. Houses are nice, no question about that, but they are only a part of what is needed to provide the development of people. And that is what the EnVision Centers are all about.

Mr. GRAVES. That is great. I agree with you that in our communities we have so many people who want to give, they want to help, and they want to take care of their community. And that is really what community is all about.

Secretary CARSON. Right.

Mr. GRAVES. And sometimes government gets in the way of that. And so what I appreciate about your new demonstration project here is that you are giving communities that opportunity, once again, to invest and to take care of those that are truly a part of them and help them get to a better place in life where they all know they want to be.

Secretary CARSON. Exactly.

FHA LENDERS

Mr. GRAVES. If I could just shift gears, and one final question as it deals with FHA lenders. Early in your tenure, you expressed an interest in curbing the use of false claims, the False Claims Act to punish FHA lenders for some minor errors and oversights.

Can you just give us an update on that and what steps have you taken and such?

Secretary CARSON. Yes. You know, the problem was that many of the lenders were basically moving away from FHA because, you know, a lot of immaterial mistakes were putting them in great financial jeopardy.

Now, in no way do we condone those bad actors who, get in and take advantage of people. Slam them as hard as you can, no problem. And we are never going to cover for them. But we want a system that makes it easier for our citizens to realize their dreams. And FHA is particularly aimed at those first-time home buyers, you know, minorities, people who frequently don't seem to have the same advantages with the private lending market. And we want to make sure that we enhance their chances of realizing the American Dream.

We are working with the Department of Justice on the False Claims Act, and I think some of the lending community is recog-

nizing that, and they are starting to come back. And all of that is good for American consumers.

Mr. GRAVES. Right. You are absolutely right. Mr. Chairman, thanks again for having us this morning. And Dr. Carson, thanks again for your service.

Secretary CARSON. Thank you.

Mr. DIAZ-BALART. Mr. Graves, thank you very much. We are honored to have the chairman of the full committee. I remember James Brown used to be called the busiest man in show business. This is the busiest man.

Mr. FRELINGHUYSEN. Work horse, not show horse.

Mr. DIAZ-BALART. Right. This is the busiest man in Congress. So, again, Mr. Chairman, it is a privilege to have you here.

Mr. FRELINGHUYSEN. Well, thank you Chairman Diaz-Balart. Let me thank Chairman Diaz-Balart and Dr. Price for their leadership of the committee. And let me also recognize, obviously, your very distinguished career as secretary and now in a previous life as being a very well-known medical doctor of high repute.

So let me just address this to your staff. You have been Secretary for a year and you and I have really not become acquainted. And may I say, I often say in my opening remarks, the power of the purse resides here in the Appropriations Committee.

I would like to be, better acquainted with you. I think the staff needs to bring you up. As a chairman, I have keen interest in a lot of your programs.

Secretary CARSON. Well thank you. Maybe you can come over for lunch if you don't mind falling out of a chair.

Mr. FRELINGHUYSEN. I am not sure I need the lunch, but I think it is important for us to talk about our priorities.

This is the one, two or three budgets which gets, it is going to get a lot of money in this 2018 budget process. And I want to thank, even though we haven't rolled out our budget, you should be very grateful, as I am sure you have already expressed or will shortly to the chairman, the way that he and Dr. Price have put that money to use. But I would like, obviously, to have some opportunities myself—

Secretary CARSON. Sure.

VETERANS

Mr. FRELINGHUYSEN [continuing]. To get to know you. I have a keen interest in what we are doing on behalf of veterans. I have a keen interest in what we are doing in terms of housing with people with disabilities. So I would like to use this opportunity as an offer to—

Secretary CARSON. Okay.

Mr. FRELINGHUYSEN [continuing]. Get together with you as soon as possible.

Secretary CARSON. Thank you.

Mr. FRELINGHUYSEN. So we can work much more closely together. Thank you, Mr. Chairman.

Secretary CARSON. Thank you.

Mr. DIAZ-BALART. Thank you, Mr. Chairman.

The gentlewoman from Massachusetts. You are recognized, Ms. Clark.

FURNITURE

Ms. CLARK. Thank you, Mr. Chairman. Thank you for being here, Mr. Secretary. I want to go back to some of your testimony around this dining room table and the purchase of furniture.

There is a memo from your senior staff dated February 28, 2017, talking about this \$5,000 threshold before you have to notify the Appropriations Committee about spending on furniture and having to do with the personal alarm system being installed at your home.

Is it your testimony that you knew nothing of these requirements?

ALARM SYSTEM

Secretary CARSON. No one discussed that with me. An alarm system at my home was discussed with me by security, and they suggested that perhaps there was money to take care of that. I decided that I did want an alarm system, but that I would pay for it myself.

Ms. CLARK. So you never saw this memo?

Secretary CARSON. No, I never saw the memo.

Ms. CLARK. And nobody ever mentioned these limits or notification requirements?

Secretary CARSON. I had no discussion about that.

Ms. CLARK. Okay. These items that were purchased were from an interior design firm in Baltimore, Maryland, by the name of Sebree and Associates. Did you personally select that firm?

Secretary CARSON. No, I didn't know about that firm.

Ms. CLARK. Do you or your wife or any member of your family have a relationship with that firm?

Secretary CARSON. We do not. I will say, to their credit, when we canceled the order, they didn't impose any penalty. So all the money has been returned to the U.S. Treasury.

FURNITURE

Ms. CLARK. Okay. And this furniture was selected by your wife. Is that correct?

Secretary CARSON. A style and a color were selected by her.

Ms. CLARK. Fabrics, that sort of thing?

Secretary CARSON. With the caveat that we were not happy with the pricing and they needed to find something.

If anybody knew my wife, they would realize how ridiculous this was. She is the most frugal person in the world.

Ms. CLARK. So when did you become aware of the pricing?

Secretary CARSON. When the article came out.

Ms. CLARK. When the article came out?

Do you know Aida Rodriguez?

Secretary CARSON. Yes.

Ms. CLARK. And she certainly had the quote on the pricing. That was just never shared with you before this?

Secretary CARSON. Like I said, I dismissed myself from this issue because I had many much more important things to deal with.

Ms. CLARK. Is your wife involved in any other decisions regarding taxpayer money or funding or purchasing at HUD?

Secretary CARSON. None whatsoever.

And her question about all this was: Can we buy used furniture? Why can't we buy used furniture? And we found out that we didn't have a way of doing that.

FAMILY INVOLVEMENT AND OGC

Ms. CLARK. So lots of talk about the furniture and your wife. Does your wife have any office space or a HUD email?

Secretary CARSON. She does not. My wife comes to my office when we have an engagement to go to, so that we can go to it together. That averages out to about once a week.

My wife is a very friendly, gregarious person. She talks with staff. But she has nothing to do with HUD policy and has no desire to have anything to do with HUD policy.

Ms. CLARK. So last summer you also allowed your son to help organize an agency listening tour in Baltimore, against the advice of HUD ethics lawyers. Following this listening tour, did your son enter into any business relationships with any of the attendees?

Secretary CARSON. He did not. He makes 100 percent sure that he stays arms length away from any such things.

I discussed the tour with him before. The reason he got involved in the first place is because they were having some difficulty discovering who the right people were to speak to in Baltimore. I suggested that he knew just about everybody there and they should talk to him.

Ms. CLARK. Have there been any other incidents when you have chosen to ignore the advice of HUD ethics counsel?

Secretary CARSON. Well, HUD's ethics counsel suggested that it might look funny for my son to be there. I discussed that with him and left it up to him.

I am not a person who spends a lot of time thinking about how something looks. I realize that that is not the way of Washington, and that is a lesson that I have learned.

Ms. CLARK. You have recently asked the HUD inspector general to investigate your family's role and influence at HUD. Can you tell us why you felt that was necessary?

Secretary CARSON. Yes. Because I know that these things just linger and linger, and I know that there is nothing there to find. So why not just go ahead and get it dealt with?

MOVING TO WORK EXPANSION

Ms. CLARK. Can you provide me a timeline on when HUD is going to begin the Moving to Work expansion, specifically when HUD will be accepting applications for the first cohort?

Secretary CARSON. Well, the Moving to Work program has had variable results. When it was put into place, metrics were not put into place. And this is the reason that we need to add 100 more to it, with metrics in place, so that we can see what the actual impact is.

Ms. CLARK. What is the timeline for establishing this?

Secretary CARSON. In terms of the timeline, I would be happy to have someone give that to you. I do not know what the timeline is.

Ms. CLARK. Okay. It has been 2 years also since Congress authorized regional MTWs. Have you made any progress on that?

Secretary CARSON. Again, I would be very happy to have the group that is working on that discuss that with you.

Ms. CLARK. Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Before I recognize Mr. Joyce, Mr. Secretary, is it true that this whole thing ended up costing \$3,500?

Secretary CARSON. \$3,500 for the office decorations, that is right—which is considerably less than the historical norm, by the way.

Mr. DIAZ-BALART. I just want to make sure that we kind of put things in perspective.

Mr. Joyce.

Mr. JOYCE. Thank you, Mr. Chairman.

And, Dr. Carson, thank you for being here.

I was trying to compute on my phone what \$31,000 amounted to in a \$41.244 billion, and it just doesn't go that high. I am sure that has got to be less than 0.00001 of a percent of the HUD's budget.

But, anyhow, before I start, I do want to touch base on something that you had brought up earlier about the modular home.

Secretary CARSON. About the what?

MODULAR HOMES

Mr. JOYCE. You were talking about modular homes and how well they are constructed.

Secretary CARSON. Oh, yes.

Mr. JOYCE. And it is interesting, I happened to look at a number of those factories, and they say those homes are much better built than houses in the field, because, like any factory, it is exact and the measurements are perfect and the wood is cut to order versus trying to make do if you are out in the middle of a field trying to make things happen.

Secretary CARSON. It is very impressive.

Mr. JOYCE. Yes. If there is a way we could do that, that would be fantastic.

Last year you and I were just starting in, but we had an opportunity to talk about blighted housing and the problems that develop in larger inner-city tracts, where it appeared that local governments end up owning a lot of the blighted or dilapidated houses in order to try to clean up the blocks, if you will.

As you are well aware, that is where, unfortunately, activity for drug dealers takes place, crimes take place inside those. But I have seen substantial progress, thanks to you, in my district and the State. But, as you well know, there is still work that can be done.

Can you speak to the challenges that continue to face blight elimination and urban demolition?

BLIGHT REMOVAL

Secretary CARSON. Well, you have accurately pointed out that it is a significant problem. It drives down home values, creates a nice habitat for criminal activity. That is one of the reasons that we have allocated significant funding for blight removal.

But also encourage the grantees in the various cities to make that a priority. They have done a very good job of that, for instance, in Detroit. I think they are having a sustained revival now, for the first time.

For many decades it would start and then it sputters out, but it is really working now. And I think one of the reasons is because Mayor Duggan has recognized the terrible effect of that blight.

Mr. JOYCE. We are envious of that in Cleveland.

Can you explain to us, as appropriators, how we can continue to reduce the red tape and guarantee the efficiency of the funds that are given to you to reduce blight?

Secretary CARSON. Well, the first thing we have to do is we have to recognize it as a problem. The red tape issue is a very difficult issue to get through, as you know. Bureaucracy and red tape go together.

What we have to do is, when we are talking to the applicants, make it very clear that that is a priority and that preference is given in situations where they are paying attention to that issue.

Mr. JOYCE. I have heard from community developers and low-income housing authorities in my district, as we continue to make progress in the residential blight elimination, we should begin assessing the need for commercial and industrial demolition.

Large destructions, including abandoned hospitals, factories, stadiums, and schools, are costly to tear down. The properties pose a unique opportunity for public-private partnerships to stimulate large-scale investment and community development.

What type of role do you see HUD potentially playing in commercial and industrial demolition?

Secretary CARSON. Well, it doesn't all have to be demolished, as you indicated. Some of it can be rehabilitated.

I was in South Carolina with Senator Scott, and one of the textile mills had been converted to apartments—that were beautiful, quite frankly, and were filling very quickly. And that had encouraged the development of other commercial activity around that site.

So I think there are some innovative ways that that commercial blight can be converted, as well.

Mr. JOYCE. And there are ways in which HUD is now working with local developers, be it in South Carolina or other places, to do that?

Secretary CARSON. Absolutely.

Mr. JOYCE. That is fantastic, sir.

And, also, as you rightly point out, the fact that we know that crimes occur in these areas, they also help tear down neighborhoods and a good neighborhood that goes sour because of a few of these things. So the ability we have to go back there and take those blighted buildings out, any help you could give us at this time would be fantastic, sir. Thank you very much.

Secretary CARSON. It will continue to be a high priority for us. Thank you.

Mr. JOYCE. Thank you for your time, Mr. Secretary.

I yield back, Mr. Chairman.

Mr. DIAZ-BALART. Thank you, Mr. Joyce.

The gentleman from California, Mr. Aguilar.

Mr. AGUILAR. Thank you, Mr. Chairman.

FURNITURE

Mr. Secretary, just for the benefit of my colleagues, too, I mean, I hope you understand the importance that we feel our role plays

in providing input and oversight of your agency and Department. So while I can appreciate that you have stayed within the statutory cap that was set by Congress when it comes to the furniture amount, I think some of the emails show at least the intent to get beyond that initially.

And so I appreciate that once this became public, matters were addressed. I think what some of us have concerns about is, absent this being public, what would have happened, and would we have remained at that cap.

So I think it is important that you understand we view our role to be thoughtful in setting the budget for your Department and making sure that individuals are treated correctly.

Secretary CARSON. Much appreciated.

Mr. AGUILAR. So it is in that intent that we ask these questions.

Do you or your staff use personal email to communicate about HUD policy? I can understand that as a result of this individuals maybe on your team are upset that these became public. Do you or your staff use personal email to communicate about agency policy?

Secretary CARSON. I do not, and I am not aware of my staff doing that.

Mr. AGUILAR. They have been counseled that that may not be appropriate?

Secretary CARSON. Correct.

Mr. AGUILAR. Okay. Thank you.

FHA LOAN LIMITS

Mr. Secretary, I believe we also have a responsibility when it comes to these programs to achieve the American Dream for homeowners. And one of the policies that we have worked with your staff on, and the committee on, is FHA loan limit policy for consumers out of competitive loan programs, specifically loan limits for MSAs that can be distorted because of the large geographic area of those MSAs.

I represent San Bernardino County in California that has the largest metropolitan statistical area, spanning 27,000 square miles. The housing market includes very rural and very urban areas. And cities within that MSA have a median home price ranging from \$250,000 to \$550,000.

Consequently, cities closer to Los Angeles have a higher price, obviously, with respect to FHA loan limits, and some of the cities in the district also have much lower median prices, and this can lock out consumers for a chance to buy a home in their desired location.

The fiscal year 2018 THUD appropriations report directed your Department to study whether the geographic size distorts FHA loan limit calculations for distinct subareas, such as cities. My office sent along the report's language to your staff, so, hopefully, you will have a chance to take a look at it.

What steps has HUD taken to address the committee's request for that language?

Secretary CARSON. I suspect that you recognize that loan limits are the purview of Congress, that we don't have the ability to

change those. But we are very happy to work with you and provide technical assistance in whatever is needed.

We look forward to receiving those documents from you. I think this is a very important issue. And geographic areas do, in fact, impact it.

Mr. AGUILAR. Okay. So you would be open to having a call or a meeting in your office to chat about these issues?

Secretary CARSON. Absolutely.

Mr. AGUILAR. Okay. Because I think that HUD can do more in this regard. I understand the statutory context that the committee has, and we will work to address that. But I think that there are some issues that we can work on together to help resolve this.

Secretary CARSON. Very happy to.

Mr. AGUILAR. And I appreciate the Committee's willingness, and yours, to do the same.

One more question, Mr. Secretary. I understand that HUD is requesting an information technology fee that would be assessed on FHA lenders. This concerns me because some of the largest home lenders have been issuing fewer mortgages insured by FHA.

The FHA program is critical to many Americans, especially Latino communities. In 2016, nearly 60 percent of mortgages made by Latino families were insured by the Federal Government. Passing along costs to lenders may further discourage the largest lenders from issuing mortgages insured by FHA and raising concerns about access that communities have for low- and moderate-income families to have an affordable loan.

Why should IT upgrades come from lenders as opposed to traditional processes?

Secretary CARSON. Well, thank you for that question.

First of all, I appreciate the role of FHA, particularly with first-time home buyers and minorities, and we want to expand that as much as possible.

FHA SYSTEMS

Having said that, FHA has a portfolio approaching \$1.3 trillion, and, yet, we have an archaic technology platform from which we work, which puts people at risk. We need to update that.

So you are looking at a \$25 charge per loan, which is like 0.00000001 percent, and that even can be waived in any case of extreme hardship. So I think you have to look at that perspective.

I can't emphasize this more strongly than anything I am talking about today: We have to get the IT systems at FHA up to par. We are putting a lot of money and a lot of people in jeopardy by continuing this.

By the way, this fee that we are talking about, this \$25, it has a 4-year sunset on it. And it will raise about \$20 million a year, which is only a fraction of what is needed to maintain the system.

Mr. AGUILAR. Thank you, Mr. Secretary. I look forward to seeing, if you move forward with this, a detailed plan on how that would be spent, so we can have a conversation on that, as well.

Secretary CARSON. No problem.

Mr. DIAZ-BALART. Thank you very much, Mr. Aguilar.

Chairman Culberson is running between hearings, so I want to thank the committee for your flexibility.

Mr. Culberson.

Mr. CULBERSON. Thank you, Mr. Chairman. I appreciate you recognizing me. I am chair on the Commerce, Justice, Science hearing next door, so thank you very much for recognizing me.

Secretary Carson, you are well known for your compassionate heart. And you are dear good friends with my pastor, Dr. Ed Young. I know you know the Houston area well. You were so well respected and loved there.

I wanted to urge you to keep us in the forefront of your mind, the people of Florida and the people of Texas, who are really suffering as a result of these terrible hurricanes that hit Texas, with Harvey, 53 inches of rain in an area the size of New Jersey the largest housing disaster in the history of the country. The people of Florida.

Secretary CARSON. Absolutely.

CDBG—DR

Mr. CULBERSON. But I have thousands of constituents, who are still living on the second floor of their homes, with either no sheetrock, or very little sheetrock, on the first floor. My brother has been living in a trailer in his driveway since the storm. My wife's sister's home was destroyed. Everyone we know, either family members or people we know, have suffered as a result of the storm.

I know you inherited a massive agency with a lot of inertia. It has got to be frustrating, I know, for you, sir. But if I could ask you to just keep those folks in the forefront of your mind and how they are suffering and how this cold winter has been no fun for a lot of them. It snowed a little bit in Houston, and has been no fun. Really difficult.

And one of my greatest frustrations in dealing with the Federal Government has been the slowness of the CDBG—DR program administered by HUD. It is very frustrating to see the slowness. I have discovered there is \$500 million from Hurricane Ike still stuck at GLO waiting to get out.

So I wanted to ask you a couple of things you could do immediately, right away, that would help immensely the people of Florida and Texas, and that is to waive the 70 percent requirement on the CDBG—DR money. That is under your discretion. The statute gives you the authority to waive that 70 percent of the money go to low- to moderate-income and go to 50–50.

It would make a huge difference for the people I represent, who have sunk their entire life savings into their home, who are living on the second floor, have exhausted their savings, have drained, in many cases, taken money out of their 401(k)'s to pay for the repairs. We really need your help.

What is the status of that? You have done it in other disasters. You have waived it and gone to 50–50. That is urgent.

Secretary CARSON. I would say it is done on an as-needed basis. In Texas, the first tranche of relief from Congress was the \$7.4 billion. Texas ended up with about \$5 billion of that. Utilizing the 70 percent LMI formula, that means 30 percent could go outside of that. You would be talking \$1.5 billion.

If, in fact, that turns out not to be adequate—

Mr. CULBERSON. It is not. It is not adequate.

Secretary CARSON. [continuing]. Certainly we have formulas and we will look at it.

Mr. CULBERSON. We made the request. This is really urgent, that you waive. This has been done in other disasters, as you say, on an as-needed basis.

You are very familiar with the city of Houston and the people of west Houston, who have, again, sunk their entire life savings into their home. They are not wealthy, but the formula would treat them as wealthy, and it is just not appropriate. It is urgently needed in this situation. And you would provide immediate relief to those homeowners if you will waive the rule.

Can you tell me when you expect that to happen? We made the request many months ago. The storm hit at the beginning of September, end of August.

Secretary CARSON. I will talk to our CPD department and see what the status of that is.

Mr. CULBERSON. It is really urgent.

I also wanted to ask, if I could, about the status of the infrastructure unmet need. The Bipartisan Budget Act provided an additional \$28 billion for HUD CDBG-DR funding, but \$16 billion was traditional funding in grants to States. There was a \$12 billion set-aside for mitigation projects, to help us protect against the next storm, and that money for unmet needs is still sitting there.

What is the status of allocating that infrastructure unmet need money to the State of Texas?

Secretary CARSON. Well, the moneys from the second tranche, a third of them have to be allocated by April the 10th. So a lot of that will be allocated by that time, within the next few weeks.

Mr. CULBERSON. And the additional \$28 billion of CDBG-DR funding provided in the Budget Act in February, what is the status of that, allocating those funds, to get them out the door and in the hands of taxpayers who urgently needed?

Secretary CARSON. A third of that will be allocated by April the 10th. The rest of it has to be allocated before the end of the year.

Mr. CULBERSON. Would you give this your personal attention?

Secretary CARSON. Absolutely.

Mr. CULBERSON. It is urgent.

Thank you so very much.

Secretary CARSON. No, I completely sympathize with individuals, particularly in an area that was intentionally flooded. I can't imagine what those people feel like.

Mr. CULBERSON. That has been the worst part, that the gates were opened. The water had stopped, the rain had stopped, the gates opened, and here comes the water. My brother was one of those people.

Secretary CARSON. I understand, absolutely.

Mr. CULBERSON. It is just near and dear to my heart.

Thank you very much.

Mr. DIAZ-BALART. If I may, Mr. Culberson, let me personally thank you, because, obviously, Florida was hit hard as well. But everybody who has been hit hard owes you a great deal of gratitude for your leadership and your aggressive insistence on getting this done. So thank you for your leadership.

Mr. CULBERSON. Thank you, Mr. Chairman. The Florida and Texas delegations worked together beautifully on this.

Mr. DIAZ-BALART. Mr. Dent, you are recognized, sir.

Mr. DENT. Thank you, Mr. Chairman.

Good morning, Mr. Secretary.

Secretary CARSON. Good morning.

HUD-VASH

Mr. DENT. As you know, it came to light last December that the VA was going to reallocate funding from the HUD-VASH program, which helps the most vulnerable veterans facing homelessness, and, instead, spend this money on other VA services. Only a day or so later, after receiving a great deal of negative feedback, the VA reversed its decision and announced there would be no changes to the HUD-VASH program.

I understand that this decision was made within the VA. But given that there are both HUD and VA components to this program, could you tell me if you or your Department had any conversations with the VA prior to the decision being made, and, if so, what was the feedback you provided?

Secretary CARSON. Well, I certainly had an opportunity to speak to the Secretary about this, because I heard the rumors that they were going to reallocate the funds, and each time he assured me that that was not going to happen. I had two or three conversations with him about that, and that was always the outcome of the conversation.

Mr. DENT. How will you ensure that your agency is in communication with the VA, or other agencies, when there are important decisions like this one in the future?

Secretary CARSON. Well, we talk frequently. The Cabinet has a very open conversation policy. So that is not going to be an issue.

Mr. DENT. Okay. Thank you.

Next question, I want to turn to your budget request for this year. And as was the case last year, the request does not contain any funding for the HUD-VASH program.

Can you elaborate on your agency's rationale for this request? And how do you envision this program working in the future and, ultimately, working toward the goal of ending veterans homelessness?

Secretary CARSON. Well, first of all, I recognize that 1 percent of our population protects the other 99 percent, and we owe a great deal to the veterans, no question about that.

The HUD-VASH program is responsible for the 47 percent reduction in veteran homelessness. It is a tremendous program. HUD provides the housing vouchers, and the VA provides the wrap-around services. It is a very good model of interagency cooperation.

The reason that we didn't ask for more is because we have adequate vouchers already. We have the ability to reissue vouchers. And when we get to a point where we need more vouchers, believe me, we will ask for more.

Mr. DENT. Thank you for that.

HOUSING COUNSELING

I would like to also now quickly move to housing counseling.

Last year, in the fiscal year 2018 budget, you had requested level funding for the Housing Counseling Assistance Program. As you know, this program provides housing counseling services to homeowners and tenants, both pre- and post-purchase, and can help struggling homeowners prevent foreclosure and assist in avoiding difficulties in the first place. So, in fact, as time has gone on, more people are using these services for pre-purchase counseling and fewer are using it for delinquency issues.

In reviewing this year's fiscal year 2019 budget, your request for this program is \$10 million below the currently enacted level, and it is even lower than the amount that you had requested last year.

Given the continued demonstrated need for these services, especially in light of the major hurricanes that have devastated some of our housing markets, can you tell me a little bit more about how you arrived at this year's funding request for the Housing Counseling Assistance Program?

Secretary CARSON. Again, it goes back to the concerns about our national debt, our deficit. So we are looking to trim where we need to.

That is not in any way to say that housing counseling is not warranted. In fact, the statistics would show us that those families that receive housing counseling default at a rate of about 30 percent less than others.

So it is an important program, and whatever funding we have for it, we will use it effectively to try to make sure as many families as possible benefit from that.

Mr. DENT. I only point out that a couple of years ago, we consolidated some of these housing counseling assistance programs into this one line. So the program has taken a bit of a hit in recent years, and so there has been a consolidation. So I want you to be aware of this. This is really the only substantive line right now to help those folks.

I found in my own district that a number of people who have been involved with counseling have been able to prevent some bad situations. And there are many others who wish they had been in counseling prior to the 2008 crisis that could have averted some bad situations.

Secretary CARSON. No, you are right. We have about 2,100 of them active around the country, and we want to use them to the greatest effect.

Mr. DENT. Thank you, Mr. Secretary.

I yield back.

Mr. DIAZ-BALART. Thank you, Mr. Dent.

Again, thank you also. I know you have been a great leader on the issue of housing counseling, and you have talked to a lot of us, including me, many times. So we will continue to work with you. Thank you.

The gentleman from Iowa, Mr. Young.

Mr. YOUNG. Thank you, Mr. Chairman.

Mr. Secretary, welcome. We have covered a lot of issues today. Some issues that my colleagues have covered I was going to cover, and I won't be repetitive. We have covered everything from veterans housing programs to counseling to tables.

LACK OF TECHNOLOGY

I am going to go in a different direction. But I do want to dovetail on what Mr. Aguilar was talking about. Just at the very end, you were talking about the IT platforms, and how you said that the technology, or lack thereof it, incompatibility of it all maybe, is putting people at risk.

How many different systems are there at HUD that you have to patch together and that you are dealing with? How subpar are they? And how worried are you about this?

Secretary CARSON. I am very worried about them. We are trying to bring them now under a single umbrella so that we can provide the appropriate oversight accountability.

I can't even begin to tell you how serious an issue it is and how much at risk it puts us.

Mr. YOUNG. When you say bring it under one umbrella, you are talking about one pinpoint Chief Information Officer who is over-seeing everything—

Secretary CARSON. Yes.

Mr. YOUNG [continuing]. Or putting it under one umbrella of one system that talks to each other?

Secretary CARSON. Both. I want to have a principal person who is responsible. And then, of course, he will have different arms of responsibility going down to the different segments.

But we need to have a system whereby I can say: How much money in this grant to Cincinnati has been spent and for what purpose? I need to be able to find that out right away. It shouldn't take me 3½ months to find that out.

Mr. YOUNG. No, it shouldn't. Okay. Thank you for that.

And when you talk about putting people at risk, are you talking about the integrity of the security of the system in terms of cybersecurity—

Secretary CARSON. Absolutely.

Mr. YOUNG [continuing]. And people trying to hack and steal people's identity or their personal or financial information?

Secretary CARSON. We are getting 2,000 to 3,000 hack attempts a week.

Mr. YOUNG. Goodness. Okay.

Has that been consistent since you have been leading over there at HUD?

Secretary CARSON. We get about that many FOIAs also. But, yes, it has been quite consistent.

Mr. YOUNG. Yeah, the numbers, they correlate, I guess, maybe.

RURAL HOUSING

Let me just pivot to something else: rural housing. I represent a very rural district. It is a very unique district. I have got the most populated county in the State of Iowa, Polk County, in my district.

Secretary CARSON. I have been there.

Mr. YOUNG. I have seen you. We thought maybe you would buy a house there.

And then we have the least populated county in the State, Adams County, in southwest Iowa.

What are some of the actions HUD has taken to help alleviate the lack of rural housing that we need? And where are you going with this? What are your challenges? And what do you see as solutions?

Secretary CARSON. Well, as you probably know, there is a multi-agency council, led by agriculture, to deal with the issues of housing, to deal with the issues of communication, because, as you know, there is no broadband access in many of those counties, which I think is inhibitory, to look at education. So that, obviously, is going to continue.

But, as I mentioned before, I believe one of the biggest things that we can do for rural housing is to eliminate the huge regulatory burdens that we have on manufactured housing. I think this is an area that has been underutilized and will provide a tremendous advantage for us in the future.

Mr. YOUNG. I would love to work with you on knowing what some of those regulatory burdens are with manufactured housing.

Secretary CARSON. Oh, believe me.

Mr. YOUNG. I appreciate what you do. I appreciate the heart that you have for people ultimately with what you do. And thank you for being here today.

Secretary CARSON. Thank you very much.

Mr. YOUNG. Thank you, Mr. Chairman.

REVERSE MORTGAGES

Mr. DIAZ-BALART. I want to thank the gentleman.

Mr. Secretary, I am going to throw two quick issues at you. One of them is home equity conversion mortgage programs, or reverse mortgages.

A November 2017 article stated that HUD's own data shows that the default rates have increased 646 percent in 2016. There are also studies, for example, that show default rates of those mortgages were 10 percent following the housing crisis.

I am, frankly, a little concerned about that program, and I want to work with you to kind of dive into it and make sure that our seniors are protected. I am not sure if those default rates are actually accurate or not. Supposedly, there are huge numbers of seniors defaulting, which is, obviously, something that is unacceptable. Those are folks that have to be protected.

So not really a question, but just to let you know that that is something that I want to, if we can, soon, let's get together and let's figure out what we can do to make sure that those senior citizens are protected.

Secretary CARSON. Well, it is a huge issue, the ability of seniors to age in place. The people who put the program together had very good intentions, but they didn't put it together very well. So we inherited a mess and had to take some pretty severe, stern remedies. I think it has largely stemmed the tide in terms of the disaster that was occurring there.

But we were draining from the MMIF \$12.5 billion over a 9-year period. That was ridiculous.

Mr. DIAZ-BALART. That is a huge percentage, too, these mortgages or these products.

Secretary CARSON. Exactly. So we understand that problem and are dealing with it very effectively.

Mr. DIAZ-BALART. Good. And I look forward to it, because that is an issue that we need to make sure is working for the folks that it is supposed to be working for, which are our seniors.

Secretary CARSON. Absolutely.

Mr. DIAZ-BALART. I think there is some question whether it is doing that.

DISASTERS

Obviously, the State of Florida and other parts were hit harder by the hurricanes. Actually, the district that I represent was hit rather severely.

So there are areas, for example, like Everglades City and Plantation Island and Chokoloskee and Immokalee, those are folks that are just anxious to work with the State to get back on their feet. So anything that you and your team can do to help them prepare for a long-term recovery plan would be very helpful.

Secretary CARSON. Absolutely.

Mr. DIAZ-BALART. And I look forward to continuing working with you on that.

Any idea as to where the action plans—because, obviously, the States and the territories have to come up with an action plan—any idea where they are, Texas, Florida, Puerto Rico, et cetera?

Secretary CARSON. Well, we are in constant communication with them.

One of the things that, hopefully, people have noticed is that we have made an effort to work with the local agencies and the State agencies, with FEMA, with SBA. We have made an attempt to get rid of a lot of the regulatory burden so that we could get money into people's hands much faster, and we will continue to do that throughout the entire process.

Mr. DIAZ-BALART. Mr. Secretary, part of that, which is kind of new, right, which I am very proud of, is this mitigation emphasis. About a minimum of \$12 billion is appropriated to deal with mitigation activities.

Secretary CARSON. Absolutely.

MITIGATION

Mr. DIAZ-BALART. It is one of the things that we have talked about here all the time, about making sure that we don't keep throwing good money after bad, right? We know these storms are coming again.

Secretary CARSON. I was thinking about, when the gentleman was talking about his brother-in-law who was living on the second floor, and one of the things that we are looking at is what kind of materials can we use instead of traditional drywall. There are a lot of things that are aquaphobic, they push water away rather than soak it in, and we need to start looking at some of those things.

Mr. DIAZ-BALART. Well, I look forward to working with you. And, also, if you have any specific plans to make sure that States are prepared to spend those mitigation funds effectively, again, so that we don't have to continue to have these huge costs in both taxpayer money, but also, obviously, suffering for the folks out there.

So I look forward to working with you. And I think we have to be very aggressive to make sure that those funds are well spent by the States.

Secretary CARSON. Absolutely.

Mr. DIAZ-BALART. Mr. Price.

Mr. PRICE. Thank you, Mr. Chairman.

PUBLIC HOUSING CAPITAL FUND

Mr. Secretary, I would like to turn to public housing, and, in particular, the budget proposal for the Public Housing Capital Fund.

Last year you proposed slashing that fund by 68 percent. That is the principal source of Federal funds to preserve affordable housing for more than 2 million citizens. You proposed that in the face of a backlog now approaching \$50 billion in public housing deferred maintenance.

Now, of the 1.1 million households who depend on Federal public housing, due to the failures of the private housing market, more than half include fixed-income seniors, people with disabilities as heads of household.

So we opposed those proposed cuts, as you know, last year. But instead of taking this lesson to heart, you are now proposing to totally eliminate the Public Housing Capital Fund.

Now, I listened carefully to your testimony this morning as to how you propose to deal with that. It appears you are effectively merging the capital fund into the operating fund. You just said that.

Secretary CARSON. Yes.

Mr. PRICE. But then you proposed cutting the operating fund. You are proposing cutting that by 25 percent from the fiscal year 2017 enacted level.

And then you went one step further. I want to ask you if I have this right. But you went one step further. You want to eliminate a lot of public housing and move everyone into the voucher program versus RAD conversions.

Now, RAD conversions are used in my district. They can work well. But it appears you are looking at virtually a wholesale conversion. But if that were the case, wouldn't we see some increase in funding for that?

We need to see a corresponding increase in your request for new Section 8 vouchers, but that is not in the budget either.

So what am I missing here? I am trying to follow the money. But it appears that the funds are cut for one program, then you move it into another program that is also cut, and then you move it into another program that is also cut. What is going on?

Secretary CARSON. I appreciate the question, and I understand your perspective.

The fact of the matter is what seem to work extremely well are the RAD conversions, moving away from the whole concept of public housing, quite frankly, and changing it to communities that are holistic and well developed. And that is going to be one of the primary purposes of the opportunity zones. That is going to release an enormous amount of money to be able to do just what you are talking about.

It is going to be a little bit of an adjustment to move from the idea of public housing, because that is what we are used to, but I think this is going to work much better.

Mr. PRICE. Opportunity zones? Okay. Does that somehow compensate for everything I have said here this morning? You are just defaulting on that billions, tens of billions of dollars in public housing maintenance. Supposedly that is just not going to be addressed.

And then, secondly, operating funds for public housing slashed. I mean, that is not even adequate for operating, much less absorbing capital expenses.

And then RAD. If we are going to go to RAD, we need some additional Section 8 vouchers.

How do opportunity zones compensate for any of that? And how does the money flow? That is what I am trying to do, follow the money.

Secretary CARSON. Well, if you have been following the money, you know that capital neglect has continued to grow. You say it is \$50 billion now.

Mr. PRICE. That is, I think, a good estimate, yes.

Secretary CARSON. When I came into this office, it was \$26 billion. And it seems like, traditionally, over the last many years it just continues to grow.

Mr. PRICE. \$26 billion is a 2010 figure.

Secretary CARSON. Yeah. So what that says to me is that maybe we need to be looking for a different model. Maybe we need to be thinking about a different way to do this, something that actually works. That is why we are doing it this way.

Mr. PRICE. Could I ask you, Mr. Secretary, is the fact that public housing needs maintenance, just as any facilities need maintenance, why is that an indication this doesn't work? That is the basic question.

And then, to the extent that we need both maintenance and operating funds, how can you slash both?

Secretary CARSON. But that maintenance cost continues to go up.

Mr. PRICE. Of course. That is the way maintenance works. That is the way maintenance of highways works, and that is the way maintenance of many facilities work.

Secretary CARSON. It doesn't have to work that way, because when you look at a lot of the communities that have been changed through public-private partnerships, the private sector becomes very interested in that development and maintains that development because their income stream is associated with the viability of that.

Those are the models that work, and, particularly, when we make them multi-income facilities. I think that is a much better way to proceed than the way that we have been doing it in the past.

Mr. PRICE. Well, I know my time has expired. I would say that—

Mr. DIAZ-BALART. Why don't you, if Mr. Dent doesn't have any questions, why don't you proceed?

GENTRIFICATION

Mr. PRICE. All right. I do want to explore this. And I would like to turn to the issue of gentrification, if we might, just briefly.

I am just puzzled by this. I admit to being puzzled by this. I have seen the RAD conversions work very well. I am not disputing that this is a good solution for many communities, for many housing authorities. It has worked very well in Durham, North Carolina, for example.

But that begs the question of what happens to this public housing stock. Is the implication just that we abandon public housing, that we conclude it, quote, "hasn't worked"?

Secretary CARSON. We change it.

Mr. PRICE. Well, but in the meantime it is a very, very messy prospect, isn't it, all this deteriorating housing stock just deteriorating further, no funds to address that?

Secretary CARSON. Well, you might be interested to know that in their reserves Public Housing has over \$4 billion.

Mr. PRICE. We are talking \$50 billion. We are talking \$50 billion in maintenance needs. And I just reiterate, this isn't an indication of program failure, this is just how maintenance works with any facilities.

Secretary CARSON. Well, I agree with you that we need to do things, but we need to be looking toward a different way, a different solution.

And, again, you mentioned the opportunity zones. Opportunity zones present a splendid opportunity to do the very same thing that the RAD program does for these facilities that you are talking about, and most of them will tend to be in the opportunity zones of the States.

Mr. PRICE. Well, I think this subcommittee, in a bipartisan fashion, has demonstrated an openness to innovation here, and, in particular, to the RAD program.

What I think isn't credible is simply choking off the funding for existing public housing, both operating and capital, and then not putting additional voucher money into the RAD program, assuming that is where we are going. That just isn't credible as a budget proposition.

Secretary CARSON. Well, actually, more money has been put into our request for the RAD program.

Mr. PRICE. The money, as I understand it, the money in your budget for increased vouchers has to do with holding present Section 8 holders harmless, it does not make room for major new RAD conversions.

Secretary CARSON. Well, I will tell you this, because we may not come to a complete agreement on this: Whatever the final budget is, we are going to use that money very effectively and very efficiently.

Mr. PRICE. We will certainly hope to collaborate with you to make sure that is true.

If I may, Mr. Chairman, let me just raise a question. This can be answered briefly, but it is mainly a signaling of a concern. And it is not the first time you have heard that, it is not the first time I have mentioned it, or other members.

Gentrification. We are grappling with this all over the country, as you well know. Economic development is leading to rising rents, rising property values, displacing long-term residents and businesses. We know this new growth can bring a lot of opportunity and improvements, but the benefits aren't usually equally shared. Displacement disproportionately impacts communities of color.

So every community in my district is dealing with this. It is true across the country. There are lots of forces—market forces, zoning laws, other factors—that contribute to gentrification and displacement.

We need to make sure HUD is part of the broader conversation and can play a constructive role in mitigating these consequences.

I know you have thought about this. I know plenty of communities are dealing with it. I wonder to what extent you consider gentrification and related economic displacement as a concern of Federal policy, and what your plans are going forward to tailor HUD programs to more effectively address this and give communities resources to address it.

Secretary CARSON. Well, the key thing we want to do is make sure that people have choice, people can go where they want to go.

One of the things that I am sure you have discovered is that when you are looking at urban areas and you say to people, "I want you to move out here," they don't want to move out there. They actually want to stay where they are. They just want it to be the right kind of community.

And when we have taken some of the worst places, you look at East Lake in the Atlanta area, I mean, it was like the epicenter of crime and poverty. And through the public-private partnerships it is now an ideal community. Their problem is now everybody from the outside wants to move into there.

That is the kind of problem that we should have. We should be making places so nice that everybody wants to move in there, rather than worried about the other way around.

Mr. PRICE. Well, let me just say that we addressed this in the fiscal year 2017 omnibus, as you know, asking for a more formal report from HUD about strategies and best practices to address displacement of lower-income families and longtime residents from urban areas. This is a report that is past due.

I think it would be very helpful if you would finalize those thoughts in a more formal way and give us a basis for future collaboration.

Secretary CARSON. Okay. Will do.

Mr. PRICE. Thank you.

Secretary CARSON. Thank you.

Mr. DIAZ-BALART. Thank you, Mr. Price.

Mr. Secretary, let me just hit you with one last issue. You have been exceedingly forthright.

HUD IT

We talked earlier about HUD's information technology system, and you mentioned your concerns. I think it is more than valid.

Since 1991, the IG has reported that HUD lacks an integrated financial management system. And since 2003 HUD has been

working to replace its current core financial management system with, frankly, minimal, minimal success.

This subcommittee has tried countless times to help HUD modernize its IT system, but projects always end up costing much more than anticipated and the results do not measure up to what was promised. And you mentioned your concern about why that is so important.

GAO published a study last year on the cost estimates HUD developed for four selected IT investments, and only one project more than minimally met GAO's best practices on comprehensive, well-documented, accurate, and credible cost estimates.

So we know how desperately HUD needs to revitalize its IT system—you have been, obviously, keen on that—invest in new technology. But, we can't keep spending good money after bad money.

Now, your new CIO brings a great deal of experience and expertise in his new role. I commend, frankly, your decision to conduct a top-to-bottom analysis on the IT system before deciding where to target funding and where to target investment.

This is something you have inherited, Mr. Secretary, much of the IT issues. But now that you have had over a year, or about a year, to assess HUD's information technology system, do you have any plans to revitalize HUD's IT infrastructure? How can we ensure that the implementation will actually be successful and that the dollars that this committee provides will be well spent?

Again, this is a frustration that we have had. It is an issue that I know you are very concerned about. So I would like to throw that at you.

Secretary CARSON. Well, first of all, our legacy systems require about \$250 million a year just to patch and maintain. So in 4 years you are talking a billion dollars just thrown down the toilet.

We are in the process of moving to a cloud platform right now. That process has already started.

But we actually are going to need a significant upfront amount of money, like \$500 million, to really convert ourselves over to the modern technology platform. And we can keep patching and throwing away money, or we can do what needs to be done and fix it for good.

Mr. DIAZ-BALART. Mr. Secretary, I want to thank you. Again, I know that this is something you are really focused on. It has been a huge, huge frustration, to say the least.

Secretary CARSON. It is a linchpin.

Mr. DIAZ-BALART. It is. And you mentioned that it, frankly, gets to the point where it is risky not having an IT system that is adequate and works.

So let me thank you, Mr. Secretary, and the HUD staff, for your answers and for your participation, your willingness to take on tough issues that have been lingering there for HUD, in some cases, for decades, and including the issue of the furniture, which you have been very, very aggressive about dealing with.

The committee staff will be in contact with your budget office regarding questions for the record. Mr. Secretary, I know that we have a number of questions that may be submitted, and I would imagine that a lot of members have questions, as well.

If you would please ask and work with OMB to return the information for the record to the subcommittee within 30 days from Friday so we will be able to publish the transcripts of today's hearing and make informed decisions when crafting the fiscal year 2019 bill that is already well in progress.

Mr. Price, any final comments?

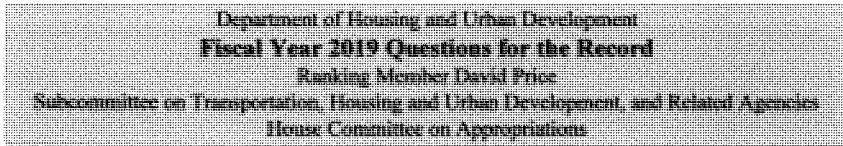
Mr. PRICE. No. Thank you.

Mr. DIAZ-BALART. Mr. Secretary, the country is lucky to have your willingness to serve, and we thank you for your service. We look forward to continuing to work with you.

Secretary CARSON. I appreciate the spirit of this committee. You have been very, very respectful and kind. Thank you.

Mr. DIAZ-BALART. Thank you.

With that, the hearing is adjourned.



Price #1

Tenant-Based Rental Assistance

Question: Please provide a list of all PHAs that have turned back HUD-VASH or any other special purpose vouchers in each of the past 3 fiscal years.

Answer: Over the past three years, there have been no PHAs that requested HUD to recapture HUD-VASH or any other special purpose vouchers.

Tenant-Based Rental Assistance

Question: Please provide a list of all PHAs that have terminated or consolidated their tenant-based Section 8 programs in each of the past 3 fiscal years.

Answer: The following table provides a list of PHAs that have terminated or consolidated their tenant-based Section 8 program.

DIVESTING HA#	HOUSING AUTHORITY	YEAR DIVESTED
MA884	BROCKTON AREA MULTI SERVICES INC.	2015
TX232	HOUSING AUTHORITY OF THE CITY OF BECKVILLE	2015
FL880	HOUSING PARTNERSHIP INC.	2015
NY568	TOWN OF POUGHKEEPSIE	2015
WA019	HOUSING AUTHORITY OF THE CITY OF KALAMA	2015
CA122	CITY OF HOLLISTER	2015
GA266	CITY OF MARIETTA	2015
CA107	YUBA COUNTY HOUSING AUTHORITY	2015
PA066	CORRY HOUSING AUTHORITY	2015
TX024	COMMERCE HOUSING AUTHORITY	2015
IN069	FULTON CO. HSG AUTHORITY	2015
MN045	EAST GRAND FORKS ECONOMIC DEVELOPMENT HOUSING AUTHORITY	2015
VT011	ST ALBANS HSG AUTHORITY	2015
WA069	FERRY COUNTY JOINT HOUSING AUTHORITY	2015
VA045	MARTINSVILLE REDEVELOPMENT & HOUSING AUTHORITY	2015
WV013	BUCKHANNON HOUSING AUTHORITY	2015
TX033	CORSICANA HOUSING AUTHORITY	2015
WI050	RICE LAKE HOUSING AUTHORITY	2015
NC043	TROY HOUSING AUTHORITY	2015
AL010	FAIRFIELD ALABAMA HOUSING AUTHORITY	2015
NY039	HIA OF OGDENSBURG	2015
MO219	ABCD HOUSING AGENCY	2015
FL096	WAKULLA CO SECTION 8 HOUSING	2015
NY893	TRANSITIONAL SERVICES OF NEW YORK FOR LONG ISLAND,	2015
NY894	FAMILY AND CHILDREN'S ASSOCIATION	2016
TX291	HOUSING AUTHORITY OF GRAPEVINE	2016
NY432	VILLAGE OF HORSEHEADS	2016
TX564	ALAMO AREA COUNCIL OF GOVERNMENT	2016
MN010	SOUTH ST PAUL HRA	2016
MA126	BRIDGEWATER HOUSING AUTHORITY	2016

FL143	HOUSING & NEIGHBORHOOD DEVELOPMENT	2016
MN186	CLEARWATER COUNTY HRA	2016
IL069	CLARK COUNTY HOUSING AUTHORITY	2016
AL173	HA MONROEVILLE	2016
AL013	HA TARRANT	2016
IL070	HOUSING AUTHORITY OF THE COUNTY OF CUMBERLAND	2016
TX530	LA MARQUE, CITY OF	2016
PA089	VENANGO COUNTY HOUSING AUTHORITY	2016
NY176	VILLAGE OF MOUNT KISCO SEC. 8	2017
RQ076	MUNICIPALITY OF JAYUYA	2017
NJ215	BURLINGTON COUNTY BOARD OF SOCIAL SERVICES	2017
MD013	ST. MICHAELS HOUSING AUTHORITY	2017
NM030	HOUSING AUTHORITY CITY OF GRANTS	2017
PA889	1260 HOUSING DEVELOPMENT CORP.	2017
MA071	DUXBURY HSG AUTHORITY	2017
MN017	MOORHEAD PUBLIC HOUSING AGENCY	2017
CA009	CITY OF UPLAND HOUSING AUTHORITY	2017
LA099	INDEPENDENCE (TOWN OF) HOUSING AUTHORITY	2017
LA075	PONCHATOULA HOUSING AUTHORITY	2017
LA217	WASHINGTON PARISH HSG AUTHORITY, SEC.8 PROGRAM	2017
NY155	TOWN OF SMITHTOWN	2017
MN803	SCOTT CARVER DAKOTA CAP AGENCY, INC.	2018
ND028	HOUSING AUTHORITY OF FOSTER COUNTY	2018
KS169	SEDGWICK COUNTY HOUSING AUTHORITY	2018
ND057	HOUSING AUTHORITY OF THE COUNTY OF WELLS	2018
ND057	HOUSING AUTHORITY OF THE COUNTY OF WELLS	2018
RI013	PORTSMOUTH HOUSING AUTHORITY	2018

Year	Total PHAs Fully Divesting
2015	24
2016	14
2017	13
*2018	6

*Count based on approved transfers that have occurred so far this year

Tenant-Based Rental Assistance

Question: How many HUD-VASH vouchers are currently available for use?

Answer: As of February 2018, of the 87,864 HUD-VASH vouchers funded prior to fiscal year 2017, 94 percent were currently leased or issued (or were in the process of being issued). From these pre-FY2017 funded vouchers, over 5,000 HUD-VASH vouchers are currently available for use. Furthermore, the Consolidated Appropriations Act, 2017 provided an additional \$40 million for HUD-VASH. Fiscal Year 2017 HUD-VASH awards, announced on April 5, 2018, supported 5,211 new HUD-VASH vouchers.

IT Modernization

Question: Please provide a list of all IT systems, subsystems or IT contracts decommissioned or terminated in FY 2018. Provide the cost of each system, subsystem or contract in each of the past 3 fiscal years.

Answer: See attached table. Note that the last row is for planned de-commissioning in FY 2019.



List of any systems
contracts to be dec

List of Systems/Contracts to be Decommissioned/Terminated in 2018 and 2019

System Code	System Acronym	System Name	Organization	Year to be Decommissioned	Three Year O&M Costs (see footnote)
P196	ArcGIS	ArcGIS - Online Mapping Tool	PD&R-REM, PROGRAM MONITORING & RESEARCH DIVISION	2018	This is part of HUD's efforts to migrate to the cloud. The related license and server costs are part of the enterprise End Users Support and data center contracts. The only cost impact is in those contracts, and is very small and difficult to measure.
D77C	HGM	HUD GIS Maps	OCHO:DO, DATA CENTER SERVICE DIVISION	2018	This application was supported under the primary EGIS Support Contract, which is a fixed price contract that does not link O&M costs to individual subsystems. The data previously used by D77C is still being offered to users in other forms.
D77B	SHGIS	Single Family Geospatial Information System	HOUSING/OAS/FAM, ASSET MGMT AND DISPOSITION DIVISION	2018	This application was supported under the primary EGIS Support Contract, which is a fixed price contract that does not link O&M costs to individual subsystems. The data previously used by D77B is still being offered to users in other forms.
P089	RASS-P	Resident Assessment Subsystem	PIH-DEPARTMENTAL REAL ESTATE ASSESSMENT CENTER	2018	There has been no contract support during the past three fiscal years.
D91A	TEAM	Total Estimation and Allocation Mechanism	CFO-OFFICE OF THE ASSISTANT CFO FOR SYSTEMS	2018	There has been no contract support during the past three fiscal years.
A39	HCFSS	HUD Consolidated Financial Statement System	CFO-OFFICE OF THE ASSISTANT CFO FOR SYSTEMS	2018	FY15 \$131,516; FY16 \$156,688; \$FY17 \$87,476
A75I	PSCRS	Personal Services Cost Reporting Sub-system	CFO-OFFICE OF THE ASSISTANT CFO FOR SYSTEMS	2018	There has been no contract support during the past three fiscal years.
P120	SCATS	Security Control and Tracking System	OCHCO	2019	O&M costs around \$8,000 annually for the last three years.

Note on O&M Costs

By the time systems are fully de-commissioned, they are often inactive for some time. The de-commissioning process also takes time to complete. The costs of sub-systems are often difficult to separate from the primary systems. There are no contracts to be terminated based on these system de-commissionings.

IT Modernization

Question: Please provide a list of all IT systems, subsystems or IT contracts planned for decommissioning or termination in FY 2019. Provide the cost of each system, subsystem or contract in each of the past 3 fiscal years.

Answer: See attached table above. The last row represents planned system decommissioning in 2019.

PHAs in Receivership

Question: How many PHAs in receivership does the department plan to return to local control in FY 2018?

Answer: Currently there are three PHAs in receivership, as shown below. One is planned to be returned to local control in fiscal year 2018, the other two are planned to be returned prior to the end of calendar year 2018.

Wellston - planned return is September 2018;

Gary - planned return is December 2018; and

Alexander County - planned return is December 2018.

PHAs in Receivership

Question: How many PHAs in receivership did the department return to local control in FY 2017?

Answer: Two PHAs were returned to local control in fiscal year 2017:

Lafayette in November 2016; and

East St. Louis in September 2017.

Next Generation Management System (NGMS) Status Update

Question: What is the status of the NGMS project?

Answer: There are no current development or planned projects/activities related to the former NGMS Transformation Initiative.

Next Generation Management System (NGMS) Status Update

Question: Please provide a detailed accounting of DM&E expenditures, both planned and actual, for FY 14, FY 2015, FY 2016, FY 2017, and FY 18 that directly support NGMS.

Answer: The table below provides the NGMS initiative expenditures. Housing Choice Voucher NGMS cash management requirements will be completed under the enterprise Subsidies Management Program (eSM Program).

NGMS Obligations by Source Year 1/
(\$ in thousands)

	FY 2014		FY 2015		FY 2016		FY 2017	
	Planned 2/	Actual	Planned	Actual 3/	Planned	Actual	Planned	Actual
Project Portfolio & Risk Management	\$812	\$812	-	-	-	-	-	-
Tool Phase 2/								
Project Management Support	\$1,185	\$1,185	-	-	-	-	-	-
Budget Forecasting and Formulation	\$2,475	\$2,075	\$552	\$943	-	-	-	-
Voucher Tool								
Total NGMS Obligations	\$4,472	\$4,072	\$552	\$943	-	-	-	-

1/ Funding for NGMS was awarded by vendor and multiple vendors work on multiple NGMS modules; obligations by module as provided in the table are estimates.

2/ Planned obligations include \$400K from FY 2014 expenditure plan and \$4.072 million from No Year funds.

3/ Actual obligations include \$552K of No Year funds and \$391 of carryover from FY 2014.

Working Capital Fund

Question: Please provide a list of transfers into and out of the working capital fund. For each, provide the office charged and the intent of the transfer.

Answer: The attached table details the transfers into the Working Capital Fund (WCF). The WCF is a revolving fund account that provides enterprise-wide shared services to Customers across HUD. In FY 2017 and FY 2018, these services included Financial Management, Procurement, and Travel Services, Human Resources Processing, Human Resources Systems, and Payroll Processing. Reimbursements paid into the WCF are used to provide these services on an annual basis. Per the FY 2017 Omnibus Appropriations, an additional \$5 million was transferred into the WCF as part of the corpus.

		FY2017 Actuals			FY2018 Year-to-Date	
	Account	Reimbursements	Non-Expenditure Transfers	Total	Anticipated Reimbursements	Total
Office of Administration	86-0335	971,212		971,212	903,263	903,263
Community Planning and Development	86-0338	4,123,336		4,123,336	3,946,498	3,946,498
Executive Offices	86-0332	783,333	400,000	1,183,333	782,282	782,282
Fair Housing and Equal Opportunity	86-0340	1,863,394		1,863,394	1,705,573	1,705,573
Ginnie Mae	86-0186	822,909		822,909	774,420	774,420
Lead Hazard Control and Healthy Homes	86-0341	576,127	900,000	1,476,127	435,910	435,910
Office of Housing	86-0334	10,641,729	3,700,000	14,341,729	9,658,477	9,658,477
Office of the Chief Financial Officer	86-0335	3,658,897		3,658,897	3,442,680	3,442,680
Office of the Chief Human Capital Officer	86-0335	1,122,058		1,122,058	942,430	942,430
Office of the Chief Information Officer	86-0335	1,994,972		1,994,972	1,654,192	1,654,192

Office of the Chief Procurement Officer	86-0335	1,356,218		1,356,218	1,095,103	1,095,103
Office of Departmental Equal Employment Opportunity	86-0335	245,692		245,692	204,653	204,653
Office of Field Policy and Management	86-0335	1,285,032		1,285,032	1,123,901	1,123,901
Office of the General Counsel	86-0335	1,585,186		1,585,186	1,402,716	1,402,716
Office of Strategic Planning and Management	86-0335	273,180		273,180	231,665	231,665
Policy Development and Research	86-0339	1,183,017		1,183,017	1,073,955	1,073,955
Office of Public and Indian Housing	86-0337	9,533,075		9,533,075	8,558,521	8,558,521
Total		42,019,366	5,000,000	47,019,366	37,936,239	37,936,239

Travel

Question: Please list all travel by the Secretary from his first day in office through the date of receipt of this question, including both official and political travel and categorizing each trip (or segments of a trip) as official or political. Please indicate the date of departure and return to Washington, DC., for each trip; the purpose of the trip; the number of HUD staff persons accompanying the Secretary; the total cost of the trip.

Answer: To be provided

Travel

Question: Please provide the same travel information as in the first question for all of political appointees, by name, on the HUD roster as the date of receipt of this question.

Answer: To be provided

Bonuses

Question: Please provide a list of all bonuses and cash awards from January 21, 2017 through the date of receipt of this question given to all HUD employees, noting which were for non-career staff. Please provide the information by pay grade, by agency or staff office, by fiscal year, with totals.

Answer: See attached table.



Price-13
Bonuses.pdf

**U.S Department of Housing and Urban Development
Awards Data (1/25/2017 - 03/31/2018)**

Grade	ADMIN	CFO	CIO	CPO	CPO	EO	FHEO	FPM	GNMA	HILHC	HOUSING	QCHCO	ODECO	OSPM	PDR	PHH	Grand Total
00	\$21,647.64	\$48,427.19	\$37,296.50	\$77,051.04	\$14,769.72	\$27,270.10	\$16,478.26	\$12,831.00	\$138,493.10	\$12,957.00	\$160,175.47	\$124,069.95	\$9,177.90	\$101,000.06	\$24,247.40	\$52,010.78	\$966,674.11
02		\$104.15															\$104.15
03		\$113.64									\$113.64						\$227.28
04		\$125.06		\$1,416.27			\$128.00					\$600.00					\$2,269.33
05	\$744.11	\$586.63		\$803.35	\$142.73		\$1,142.73	\$285.46			\$2,453.70						\$6,159.11
06	\$318.20						\$2,477.29										\$2,795.49
07		\$1,000.00		\$9,451.60	\$2,676.80		\$19,739.73	\$10,584.77			\$62,121.62	\$800.00		\$500.00		\$5,833.39	\$113,166.97
08	\$391.59			\$459.06			\$1,479.39				\$9,432.83	\$271.67		\$382.55	\$459.06	\$1,546.45	\$14,422.60
09	\$2,517.45	\$1,000.00		\$5,105.20	\$918.12		\$5,716.00	\$4,807.23	\$1,540.34	\$1,000.00	\$25,799.97		\$1,797.54	\$3,530.39		\$6,788.33	\$60,520.57
10	\$238.15			\$476.30			\$7,119.35	\$476.30			\$878.34	\$800.00		\$750.00		\$1,649.81	\$12,388.25
11	\$4,858.91		\$765.11	\$21,955.55	\$982.35	\$459.06	\$14,082.47	\$648.77			\$63,866.62	\$2,782.35	\$1,023.29	\$20,701.63		\$1,806.04	\$146,794.45
12	\$21,990.51	\$5,288.29	\$16,349.24	\$80,368.66	\$7,840.25	\$3,251.27	\$112,953.29	\$14,078.86	\$1,777.73	\$800.00	\$354,629.20	\$9,924.11		\$8,829.20		\$10,495.09	\$712,520.96
13	\$33,399.14	\$20,346.84	\$19,185.68	\$178,250.34	\$30,454.41	\$3,068.01	\$114,226.34	\$57,263.07	\$12,257.53	\$5,791.24	\$718,067.59	\$37,332.70	\$7,352.12	\$27,366.82		\$30,720.74	\$1,448,663.53
14	\$42,656.48	\$28,503.94	\$13,587.13	\$138,542.05	\$28,249.42	\$5,281.10	\$113,372.37	\$50,750.77	\$26,850.22	\$4,255.52	\$564,197.72	\$28,824.82	\$1,822.00	\$89,104.46		\$18,069.59	\$1,302,886.30
15	\$22,013.95	\$25,171.45	\$18,104.44	\$162,754.02	\$20,504.22	\$7,325.33	\$87,221.28	\$124,026.76	\$37,993.02	\$6,000.00	\$377,943.15	\$21,776.78	\$2,335.53	\$99,894.56		\$26,243.67	\$1,138,534.96
Grand Total	\$150,776.53	\$130,667.19	\$105,288.10	\$676,833.44	\$106,538.22	\$46,654.87	\$496,136.50	\$275,752.99	\$218,451.94	\$30,803.76	\$2,334,679.85	\$227,182.38	\$23,408.38	\$347,059.67	\$24,247.40	\$140,264.03	\$5,977,628.06

Note: The awards amount are all for Career Employees and that no awards were provided to the Non Career staff.

Public Housing Reserves

During the hearing, Secretary Carson testified:

“But, you might be interested to know that -- in their reserves public housing has over \$4 billion.”

Question: Please provide a list of all public housing authority reserves, by program and public housing agency.

Answer: Attached are the following tables:

- Summary table of the requested data for all PHAs, small PHAs, and non-small PHAs
- Detailed table showing this data at the PHA-level



Price#14 Operating
Fund Reserves.pdf

Operating Fund Reserves Summary as of 09.30.17

Category	Operating Reserves Current Year
All PHAs	\$ 4,473,387,004
Small PHAs	\$ 922,223,081
Non-Small PHAs	\$ 3,551,163,923

#	PHA CODE	PHA Name	Fiscal Year End	Units (ITEM_11190)	Operating Reserves Current Year
Summary Totals		Total - 3121 PHAs		1,066,869	4,473,387,004
2047	NY005	New York City Housing Authority	12/31/2016	173,537	\$ 1,038,485,213
2408	RQ005	PUERTO RICO PUBLIC HOUSING ADMINISTRATION	6/30/2017	51,528	\$ 193,227,883
733	IL002	Chicago Housing Authority	12/31/2016	18,345	\$ 206,513,259
2302	PA002	Philadelphia Housing Authority	3/31/2017	10,709	\$ 7,701,148
1174	MA002	Boston Housing Authority	3/31/2017	10,231	\$ 23,511,200
2130	OH003	Cuyahoga Metropolitan Housing Authority	12/31/2016	9,029	\$ (9,266,725)
413	FL005	MIAMI DADE PUBLIC HOUSING AND COMMUNITY DEV	9/30/2016	9,007	\$ 16,759,892
1242	MD002	Housing Authority Of Baltimore City	6/30/2017	8,157	\$ (53,551)
404	DC001	D.C. Housing Authority	9/30/2016	7,482	\$ 58,547,385
272	CA004	Housing Authority of the City of Los Angeles	12/31/2016	6,884	\$ 18,212,942
1926	NJ002	Newark Housing Authority	12/31/2016	6,559	\$ (6,781,713)
1408	MN002	PHA in and for the City of Minneapolis	12/31/2016	6,161	\$ 14,885,937
2563	TX006	San Antonio Housing Authority	6/30/2016	6,028	\$ 2,151,362
1701	NC003	Housing Authority of the City of Charlotte	12/31/2016	5,921	\$ 9,167,224
2479	TN005	Metropolitan Development & Housing Agency	9/30/2016	5,343	\$ 26,501,110
2131	OH004	CINCINNATI METROPOLITAN HOUSING AUTHORITY	6/30/2017	5,340	\$ 10,236,032
673	HI001	Hawaii Public Housing Authority	6/30/2017	4,949	\$ 37,407,780
2	AL001	Housing Authority of the Birmingham District	6/30/2016	4,885	\$ 14,881,453
269	CA001	Housing Authority of the City & County of SF	9/30/2016	4,470	\$ (3,305,339)
2134	OH007	Akron Metropolitan Housing Authority	12/31/2016	4,289	\$ 5,095,200
1407	MN001	Public Housing Agency of the City of St Paul	3/31/2017	4,248	\$ 12,443,342
2045	NY002	Buffalo Municipal Housing Authority	6/30/2017	4,207	\$ 3,079,233
494	GA006	Housing Authority of the City of ATLANTA Georgia	6/30/2017	4,174	\$ 8,638,757
2928	VA007	Richmond Redevelopment & Housing Authority	9/30/2016	4,024	\$ 2,929,819
2560	TX003	Housing Authority of the City of El Paso, TX	6/30/2016	3,997	\$ 18,623,514
2301	PA001	Housing Authority of the City of Pittsburgh	12/31/2015	3,940	\$ 16,375,634
1285	MI001	Detroit Housing Commission	6/30/2017	3,409	\$ 9,149,075
966	KY001	Louisville Metro Housing Authority	6/30/2016	3,382	\$ 9,070,228
2989	WI002	Housing Authority of the City of Milwaukee	12/31/2016	3,372	\$ 20,178,353
2562	TX005	Houston Housing Authority	12/31/2016	3,317	\$ 7,794,451
2950	VQ001	VIRGIN ISLANDS HOUSING AUTHORITY	12/31/2016	3,285	\$ 22,423,152
2477	TN003	Knoxville's Community Development Corp.	6/30/2017	3,255	\$ 16,301,382
2180	OK002	Housing Authority of the City of Oklahoma City	12/31/2016	3,050	\$ 10,756,919
2475	TN001	Memphis Housing Authority	6/30/2016	2,981	\$ 7,307,245
270	CA002	Housing Authority of the County of Los Angeles	6/30/2016	2,946	\$ 9,613,086
2959	WA001	Seattle Housing Authority	12/31/2016	2,945	\$ 4,764,005
2306	PA006	ALLEGHENY COUNTY HOUSING AUTHORITY	9/30/2016	2,923	\$ 3,918,903
409	FL001	Jacksonville Housing Authority	9/30/2016	2,859	\$ 8,842,513
2043	NV018	Southern Nevada Regional Housing Authority	9/30/2016	2,820	\$ 7,137,728
2927	VA006	Norfolk Redevelopment & Housing Authority	6/30/2017	2,817	\$ 3,859,200
1813	NE001	Omaha Housing Authority	12/31/2016	2,706	\$ 3,663,198
1532	MO001	St. Louis Housing Authority	9/30/2016	2,705	\$ 6,400,376
322	CO001	Housing Authority of the City and County of Denver	12/31/2016	2,670	\$ 15,624,603
2133	OH006	Lucas Metropolitan Housing Authority	12/31/2016	2,643	\$ 8,217,641
2132	OH005	GREAT DAYTON PREMIER MANAGEMENT	6/30/2017	2,632	\$ 3,093,539
370	CT001	Housing Authority of the City of Bridgeport	9/30/2016	2,607	\$ (1,055,056)
2383	RI001	Housing Authority Providence	6/30/2017	2,606	\$ 11,591,827
2478	TN004	Chattanooga Housing Authority	12/31/2016	2,560	\$ 4,084,588
2141	OH018	STARK METROPOLITAN HOUSING AUTHORITY	3/31/2017	2,546	\$ 2,116,288
2077	NY041	Rochester Housing Authority	9/30/2016	2,487	\$ 12,189,348
3	AL002	MOBILE HOUSING BOARD	12/31/2016	2,456	\$ 3,409,340
1181	MA012	Worcester Housing Authority	3/31/2017	2,434	\$ 7,285,158
1933	NJ009	Housing Authority City of Jersey City	3/31/2017	2,349	\$ 5,256,567
2044	NY001	Syracuse Housing Authority	6/30/2017	2,317	\$ 2,209,197

2239	OK073	Housing Authority of the City of Tulsa	12/31/2016	2,260	\$	13,098,185
2566	TX009	Housing Authority of the City of Dallas, Texas	12/31/2016	2,248	\$	11,344,141
411	FL003	TAMPA HOUSING AUTHORITY	3/31/2017	2,112	\$	7,778,428
2284	OR002	Housing Authority of Portland	3/31/2017	2,091	\$	691,548
872	KS001	Kansas City, KS Housing Authority	3/31/2017	2,084	\$	883,243
1177	MA006	Fall River Housing Authority	3/31/2017	2,040	\$	5,281,942
732	IL001	The Housing Authority of the City of East St. Louis	3/31/2017	1,993	\$	5,501,321
1071	LA001	Housing Authority of New Orleans	9/30/2016	1,987	\$	7,627,227
843	IN017	Indianapolis Housing Agency	12/31/2016	1,942	\$	7,178,719
490	GA001	Housing Authority of the City of Augusta	3/31/2017	1,924	\$	4,928,065
748	IL022	Rockford Housing Authority	9/30/2016	1,924	\$	3,509,064
2046	NY003	The Municipal Hsg Authority City Yonkers	6/30/2016	1,920	\$	5,826,205
1533	MO002	Housing Authority of Kansas City, Missouri	12/31/2016	1,911	\$	1,576,989
2410	SC002	HOUSING AUTHORITY OF THE CITY OF COLUMBIA	6/30/2017	1,887	\$	6,946,144
2314	PA014	HOUSING AUTHORITY OF THE COUNTY OF BEAVER	6/30/2017	1,847	\$	5,169,953
2313	PA013	HOUSING AUTHORITY OF THE CITY OF ERIE	3/31/2017	1,841	\$	3,744,256
839	IN011	Housing Authority of the City of Gary Indiana	3/31/2017	1,804	\$	1,633,153
2050	NY009	Albany Housing Authority	6/30/2017	1,801	\$	3,015,677
1201	MA035	Springfield Housing Authority	3/31/2017	1,792	\$	2,183,198
15	AL047	The Housing Authority of the City of Huntsville	3/31/2017	1,790	\$	3,212,229
2318	PA018	WESTMORELAND COUNTY HSG AUTHORITY	9/30/2017	1,788	\$	1,789,080
1934	NJ010	Housing Authority of the City of Camden	12/31/2016	1,778	\$	5,698,089
1711	NC013	The Housing Authority of the City of Durham	12/31/2016	1,764	\$	8,273,173
1178	MA007	New Bedford Housing Authority	12/31/2016	1,741	\$	17,644,899
2565	TX008	Corpus Christi Housing Authority	9/30/2016	1,729	\$	9,854,755
1173	MA001	Lowell Housing Authority	9/30/2016	1,698	\$	3,184,120
373	CT004	Housing Authority of the City of New Haven	9/30/2016	1,674	\$	2,630,140
273	CA005	City of Sacramento Housing Authority	12/31/2016	1,660	\$	7,775,687
750	IL025	Housing Authority Cook County	3/31/2016	1,645	\$	2,436,853
1192	MA024	Brockton Housing Authority	12/31/2016	1,625	\$	3,903,813
1175	MA003	Cambridge Housing Authority	3/31/2016	1,620	\$	4,505,527
2309	PA009	Reading Housing Authority	3/31/2017	1,609	\$	3,246,380
2559	TX001	Austin Housing Authority	3/31/2017	1,604	\$	3,718,992
271	CA003	Oakland Housing Authority	6/30/2017	1,594	\$	9,854,815
323	CO002	Housing Authority of the City of Pueblo	12/31/2016	1,577	\$	7,129,783
1938	NJ014	Housing Authority and Urban Redevelopment Age	3/31/2017	1,573	\$	246,537
2319	PA019	JOHNSTOWN HOUSING AUTHORITY	12/31/2016	1,504	\$	4,218,618
405	DE001	Wilmington Housing Authority	3/31/2017	1,500	\$	3,108,578
254	AZ001	City of Phoenix Housing Department	6/30/2017	1,497	\$	7,576,261
2308	PA008	Harrisburg Housing Authority	12/31/2016	1,481	\$	4,763,088
1076	LA006	Housing Authority of Monroe	6/30/2017	1,462	\$	10,712,379
2960	WA002	HA OF KING COUNTY	12/31/2016	1,461	\$	4,949,075
2311	PA011	Bethlehem Housing Authority	3/31/2017	1,438	\$	5,738,609
1700	NC002	Housing Authority of the City of Raleigh	3/31/2017	1,433	\$	5,255,628
2409	SC001	HOUSING AUTHORITY OF THE CITY OF CHARLESTON	9/30/2016	1,407	\$	1,364,526
2138	OH012	Lorain Metropolitan Housing Authority	6/30/2017	1,404	\$	3,147,972
1939	NJ015	Hoboken Housing Authority	9/30/2016	1,390	\$	3,868,399
1929	NJ005	Trenton Housing Authority	12/31/2016	1,368	\$	3,934,341
2357	PA057	Housing Authority of the County of Luzerne	12/31/2016	1,352	\$	1,117,854
6	AL006	Housing Authority of the City of Montgomery	3/31/2017	1,334	\$	13,604,984
2415	SC008	SC REGIONAL HOUSING AUTHORITY NO 1	12/31/2016	1,326	\$	9,201,258
1927	NJ003	Elizabeth Housing Authority	6/30/2016	1,320	\$	8,477,055
2081	NY046	Town of Hempstead Housing Authority	12/31/2016	1,309	\$	(52,433)
1713	NC015	Housing Authority of the City of Goldsboro	6/30/2017	1,291	\$	11,615,899
2315	PA015	FAYETTE COUNTY HOUSING AUTHORITY	6/30/2017	1,277	\$	1,726,617
2303	PA003	Scranton Housing Authority	9/30/2017	1,269	\$	5,570,923
2930	VA011	Roanoke Redevelopment & Housing Authority	9/30/2016	1,264	\$	8,447,255
1709	NC011	Housing Authority of the City of Greensboro	6/30/2017	1,259	\$	3,238,052
1936	NJ012	Bayonne Housing Authority	6/30/2017	1,253	\$	7,057,689
493	GA004	Housing Authority of the City of Columbus	6/30/2017	1,252	\$	1,738,040
412	FL004	Orlando Housing Authority	3/31/2017	1,251	\$	811,823

1944	NU021	Paterson Housing Authority	3/31/2017	1,241	\$	7,415,352
2129	OH002	Youngstown Metropolitan Housing Authority	6/30/2017	1,237	\$	2,154,959
2924	VA003	Newport News Redevelopment & Housing Authority	6/30/2017	1,234	\$	6,441,786
1	AK001	Alaska Housing Finance Corporation	6/30/2017	1,231	\$	12,563,143
1641	MS004	The Housing Authority of the City of Meridian	3/31/2017	1,226	\$	1,786,929
495	GA007	Housing Authority of the City of Macon-Bibb	12/31/2016	1,215	\$	7,981,272
3084	WV001	Charleston/Kanawha Housing Authority	3/31/2017	1,209	\$	1,785,516
2385	RI003	Woonsocket Housing Authority	12/31/2016	1,208	\$	5,926,407
2135	OH008	Trumbull Metropolitan Housing Authority	6/30/2017	1,200	\$	1,582,309
1190	MA022	Malden Housing Authority	9/30/2017	1,195	\$	5,199,610
1246	MD006	Hagerstown Housing Authority	9/30/2016	1,180	\$	4,569,691
1292	MI009	Flint Housing Commission	6/30/2017	1,173	\$	5,698,973
372	CT003	Housing Authority of the City of Hartford	12/31/2016	1,166	\$	5,707,389
1911	NH001	Manchester Housing & Redevelopment Authority	9/30/2016	1,162	\$	4,493,272
279	CA011	Housing Authority of the County Contra Costa	3/31/2017	1,160	\$	1,434,553
1409	MN003	HRA of DULUTH, MINNESOTA	9/30/2016	1,154	\$	2,985,910
1710	NC012	Housing Authority of the City of Winston-Salem	9/30/2016	1,148	\$	1,215,787
2140	OH015	BUTLER METROPOLITAN HOUSING AUTHORITY	6/30/2017	1,143	\$	3,181,601
1704	NC006	Housing Authority of the City of High Point	12/31/2016	1,132	\$	9,816,506
492	GA003	Housing Authority of the City of Athens	6/30/2017	1,119	\$	1,067,406
468	FL066	HIALEAH HOUSING AUTHORITY	12/31/2016	1,118	\$	6,298,475
2486	TN012	LaFollette Housing Authority	9/30/2016	1,116	\$	3,660,646
2053	NY012	Troy Housing Authority	12/31/2016	1,110	\$	4,186,159
491	GA002	Housing Authority of Savannah	3/31/2017	1,104	\$	8,600,594
969	KY004	Housing Authority of Lexington	6/30/2017	1,097	\$	3,778,585
256	AZ004	Housing and Community Development Tucson	6/30/2017	1,092	\$	3,426,196
2322	PA022	Housing Authority of the City of York	9/30/2017	1,061	\$	2,067,887
2384	RI002	Housing Authority of the City of Pawtucket	3/31/2017	1,057	\$	2,267,416
2338	PA038	Lackawanna County Housing Authority	6/30/2017	1,056	\$	1,584,454
1180	MA010	Lawrence Housing Authority	3/31/2017	1,054	\$	9,911,487
2937	VA019	Fairfax County Redevelopment & Hsg Authority	6/30/2017	1,051	\$	2,646,225
1707	NC009	Fayetteville Metropolitan Housing Authority	9/30/2016	1,036	\$	5,420,609
287	CA024	COUNTY OF SAN JOAQUIN HOUSING AUTH.	9/30/2016	1,031	\$	6,071,488
2128	OH001	Columbus Metropolitan Housing Authority	12/31/2016	1,028	\$	8,002,800
840	IN012	Housing Authority of the City of New Albany	3/31/2017	1,015	\$	7,580,288
149	AR002	North Little Rock Housing Authority	6/30/2017	1,007	\$	6,364,028
1267	ME003	Portland Housing Authority	6/30/2017	1,005	\$	2,484,772
275	CA007	County of Sacramento Housing Authority	12/31/2016	1,003	\$	1,092,124
2067	NY028	Schenectady Municipal Housing Authority	3/31/2017	1,002	\$	1,653,517
755	IL030	St. Clair County Housing Authority	6/30/2017	998	\$	3,298,650
2561	TX004	Housing Authority of Fort Worth	12/31/2016	998	\$	8,539,772
2568	TX011	Housing Authority of the City of Laredo	3/31/2017	994	\$	14,312,147
734	IL003	Peoria Housing Authority	12/31/2016	987	\$	(182,813)
1928	NU004	North Bergen Housing Authority	6/30/2017	977	\$	1,994,760
17	AL049	Greater Gadsden	6/30/2017	969	\$	1,719,697
2006	NM001	City of Albuquerque Housing Authority	6/30/2016	948	\$	4,356,536
499	GA023	Housing Authority of the City of Albany	9/30/2016	930	\$	3,355,817
743	IL014	Housing Authority for LaSalle County	6/30/2017	929	\$	4,427,762
283	CA019	Housing Authority of the County of San Bernardino	9/30/2016	925	\$	10,295,203
5	AL005	PHENIX CITY HOUSING AUTHORITY	9/30/2016	924	\$	3,867,892
2922	VA001	Portsmouth Redevelopment & Housing Authority	6/30/2017	916	\$	3,940,222
1176	MA005	Holyoke Housing Authority	12/31/2016	914	\$	3,018,134
2088	NY055	Town of Oyster Bay Housing Authority	9/30/2016	911	\$	1,780,471
1073	LA003	Housing Authority of East Baton Rouge	9/30/2016	905	\$	5,012,127
151	AR004	Housing Authority of the City of Little Rock	12/31/2016	900	\$	2,924,034
2567	TX010	Housing Authority of the City of Waco	9/30/2016	893	\$	4,011,891
2048	NY006	Utica Housing Authority	12/31/2016	891	\$	2,958,046
45	AL077	HA TUSCALOOSA	3/31/2017	887	\$	6,822,534
451	FL047	HOUSING AUTHORITY OF THE CTY OF FORT MYERS	3/31/2017	879	\$	2,521,889
967	KY002	Housing Authority of Covington	6/30/2017	879	\$	5,656,665
2317	PA017	WASHINGTON COUNTY HOUSING AUTHORITY	9/30/2016	877	\$	989,986

2305	PA005	HOUSING AUTHORITY OF THE CITY OF MCKEESPORT	3/31/2017	872	\$	833,855
749	IL024	Housing Authority of Joliet	6/30/2017	867	\$	2,138,157
847	IN021	Housing Authority of the City of Terre Haute	9/30/2017	860	\$	1,454,518
1241	MD001	HOUSING AUTHORITY OF THE CITY OF ANNAPOLIS	6/30/2017	860	\$	919,339
2347	PA047	Wilkes Barre Housing Authority	12/31/2016	856	\$	2,013,750
970	KY006	Housing Authority of Paducah	3/31/2017	854	\$	2,106,651
371	CT002	Housing Authority Of The City Of Norwalk	3/31/2017	853	\$	1,050,855
1258	MD018	Housing Commission Of Anne Arundel County	6/30/2017	852	\$	799,540
671	GA285	NORTHWEST GA HOUSING AUTHORITY	12/31/2016	846	\$	1,611,227
2052	NY011	Niagara Falls Housing Authority	3/31/2017	844	\$	6,864,327
979	KY015	Housing Authority of Newport	12/31/2016	840	\$	2,340,612
1338	MI058	Lansing Housing Commission	6/30/2017	833	\$	2,223,209
2326	PA026	HOUSING AUTH CO OF LAWRENCE	12/31/2016	831	\$	3,338,131
447	FL041	HOUSING AUTHORITY OF THE CITY OF FORT PIERCE	6/30/2017	824	\$	2,839,876
2304	PA004	Allentown Housing Authority	6/30/2016	820	\$	1,061,693
3086	WV004	Housing Authority of the City of Huntington	6/30/2017	816	\$	5,105,730
90	AL125	HA BESSEMER	6/30/2017	812	\$	8,836,346
841	IN015	Housing Authority of South Bend	9/30/2016	812	\$	(726,257)
2411	SC003	HOUSING AUTHORITY OF SPARTANBURG	9/30/2016	807	\$	3,177,499
374	CT005	Housing Authority of the City of New Britain	12/31/2016	803	\$	4,160,237
2307	PA007	Chester Housing Authority	6/30/2017	792	\$	363,813
2144	OH021	Springfield Metropolitan Housing Authority	9/30/2016	786	\$	963,678
2137	OH010	Portsmouth Metropolitan Housing Authority	6/30/2017	785	\$	1,393,555
742	IL012	Decatur Housing Authority	3/31/2017	784	\$	781,865
777	IL053	Housing Authority of the County of Jackson, IL	6/30/2017	783	\$	2,543,254
415	FL007	Housing Authority of City of Daytona Beach	6/30/2017	779	\$	5,118,662
2427	SC024	SC REGIONAL HOUSING AUTHORITY NO 3	6/30/2017	777	\$	6,887,578
2990	WI003	Madison Community Development Authority	12/31/2016	775	\$	1,004,746
2430	SC027	HOUSING AUTHORITY OF FLORENCE	9/30/2017	769	\$	5,107,268
2925	VA004	Alexandria Redevelopment & Housing Authority	12/31/2016	766	\$	5,561,900
1074	LA004	HOUSING AUTHORITY OF LAKE CHARLES	9/30/2016	761	\$	2,493,447
1586	MO058	Springfield Housing Authority	6/30/2017	759	\$	269,153
2042	NV001	CITY OF RENO HOUSING AUTHORITY	6/30/2016	751	\$	1,690,812
672	GQ001	Guam Housing & Urban Renewal Authority	9/30/2016	750	\$	7,334,344
832	IN003	Fort Wayne Housing Authority	6/30/2017	748	\$	3,158,171
854	IN029	Housing Authority of the City of East Chicago	12/31/2016	748	\$	1,777,435
1188	MA020	Quincy Housing Authority	6/30/2016	747	\$	555,996
1718	NC020	Housing Authority of the City of Wilson	12/31/2016	747	\$	2,180,889
1717	NC019	Rocky Mount Housing Authority	12/31/2016	742	\$	7,109,840
735	IL004	Springfield Housing Authority	12/31/2016	739	\$	2,019,648
2564	TX007	Housing Authority of the City of Brownsville	6/30/2017	738	\$	6,016,387
873	KS002	Topeka Housing Authority	12/31/2016	734	\$	893,160
1309	MI027	Inkster Housing Commission	12/31/2016	734	\$	3,609,053
375	CT006	Waterbury Housing Authority	6/30/2017	732	\$	3,350,610
1708	NC010	Eastern Carolina Regional Housing Authority	9/30/2016	732	\$	4,366,278
1712	NC014	Housing Authority of the City of Lumberton	3/31/2017	729	\$	1,977,139
291	CA028	Housing Authority of Fresno County	12/31/2016	727	\$	2,112,835
2335	PA035	Housing Authority of the County of Dauphin	6/30/2017	726	\$	1,609,453
1699	NC001	Housing Authority of the City of Wilmington	3/31/2017	724	\$	3,148,368
1702	NC004	Housing Authority of the City of Kinston	12/31/2016	721	\$	1,962,043
774	IL050	Housing Authority of the County of Williamson	12/31/2016	717	\$	453,904
1720	NC022	Housing Authority of the City of Greenville	9/30/2016	714	\$	2,541,868
1952	NI030	West New York Housing Authority	9/30/2016	714	\$	4,645,262
2143	OH020	Belmont Metropolitan Housing Authority	3/31/2017	714	\$	3,142,585
292	CA030	Tulare County Housing Authority	6/30/2016	710	\$	17,951,643
2287	OR006	Housing Authority & Comm Svcs of Lane Co	9/30/2016	707	\$	629,555
346	CO028	Housing Authority of the City of Colorado Springs	12/31/2016	705	\$	838,831
1184	MA015	Medford Housing Authority	9/30/2016	699	\$	4,288,615
2476	TN002	Johnson City Housing Authority	9/30/2017	696	\$	341,190
1107	LA055	Housing Authority of City of Opelousas	6/30/2017	690	\$	6,509,237
784	IL061	Housing Authority of the County of Franklin	12/31/2016	683	\$	1,354,278

2387	RI005	The Housing Authority of the City of Newport	3/31/2017	682	\$	1,873,847
7	AL007	Housing Authority of the City of Dothan	12/31/2016	670	\$	4,974,894
2139	OH014	Jefferson Metropolitan Housing Authority	12/31/2016	668	\$	1,830,208
293	CA031	Housing Authority of the City of Oxnard	6/30/2017	666	\$	7,045,944
852	IN026	Housing Authority of the City of Elkhart	3/31/2017	666	\$	1,045,208
1072	LA002	HOUSING AUTHORITY OF SHREVEPORT	9/30/2016	665	\$	4,440,318
2511	TN038	Morristown Housing Authority	12/31/2016	665	\$	1,484,115
1912	NH002	Nashua Housing Authority	9/30/2016	662	\$	4,730,785
1958	NI037	Irvington Housing Authority	3/31/2017	654	\$	(717,199)
2351	PA051	Bucks County Housing Authority	12/31/2016	648	\$	1,374,984
289	CA026	Housing Authority of the County of Stanislaus	9/30/2016	647	\$	9,229,555
4	AL004	ANNISTON HA	3/31/2017	645	\$	3,182,897
2057	NY016	Binghamton Housing Authority	6/30/2017	641	\$	924,020
276	CA008	Housing Authority of the County of Kern	6/30/2017	631	\$	3,816,701
465	FL063	Gainesville Housing Authority	3/31/2017	631	\$	1,389,205
2051	NY010	Watertown Housing Authority	12/31/2016	629	\$	4,199,481
775	IL051	Housing Authority of the City of Bloomington, IL	12/31/2016	628	\$	1,411,743
25	AL057	Sylacauga Housing Authority	6/30/2017	624	\$	2,225,190
380	CT013	East Hartford Housing Authority	9/30/2016	617	\$	2,556,888
3085	WV003	Housing Authority of the City of Wheeling	9/30/2017	617	\$	5,820,645
1289	MI006	Saginaw Housing Commission	6/30/2017	616	\$	785,879
392	CT029	West Haven Housing Authority	3/31/2017	612	\$	427,254
2316	PA016	Schuylkill County Housing Authority	3/31/2017	609	\$	1,309,323
2911	UT003	Housing Authority of the County of Salt Lake	6/30/2017	608	\$	1,471,271
2312	PA012	Montgomery County Housing Authority	12/31/2016	604	\$	1,052,128
414	FL006	Area Housing Commission	3/31/2017	603	\$	4,183,120
16	AL048	Housing Authority of the City of Decatur	6/30/2017	600	\$	4,060,432
1983	NI063	Vineland Housing Authority	9/30/2016	600	\$	1,502,400
2059	NY018	Plattsburgh Housing Authority	6/30/2017	599	\$	915,240
1026	KY063	Housing Authority of Bowling Green	9/30/2017	595	\$	1,586,718
2992	WI006	La Crosse Housing Authority	12/31/2016	593	\$	3,947,989
421	FL013	HOUSING AUTHORITY OF THE CITY OF KEY WEST	12/31/2016	590	\$	1,323,828
496	GA009	Housing Authority of the City of Brunswick	6/30/2017	589	\$	1,771,408
1197	MA031	Somerville Housing Authority	3/31/2017	584	\$	2,711,110
2078	NY042	White Plains Housing Authority	3/31/2017	584	\$	3,632,321
1937	NI013	Housing Authority of the City of Passaic	12/31/2016	580	\$	1,859,838
2323	PA023	Housing Authority County of Delaware	3/31/2017	580	\$	6,970,580
1080	LA023	Housing Authority of the City of Alexandria	6/30/2017	579	\$	1,927,813
1947	NI024	Phillipsburg Housing Authority	6/30/2017	578	\$	10,601,060
8	AL008	Selma Housing Authority	12/31/2016	577	\$	1,412,795
1803	ND014	Fargo Housing and Redevelopment Authority	12/31/2016	576	\$	2,605,155
2578	TX022	Housing Authority of Wichita Falls	3/31/2017	575	\$	1,320,609
875	KS004	Wichita Housing Authority	12/31/2016	573	\$	79,054
1543	MO013	Housing Authority of the City of Poplar Bluff	3/31/2017	571	\$	904,404
2481	TN007	Jackson Housing Authority	12/31/2016	570	\$	4,530,784
54	AL086	Jefferson County Housing Authority	12/31/2016	569	\$	436,653
1075	LA005	Housing Authority of the City of Lafayette	9/30/2016	568	\$	2,201,081
1954	NI033	Woodbridge Housing Authority	9/30/2016	564	\$	4,567,199
2336	PA036	The Housing Auth of the City of Lancaster	9/30/2016	564	\$	1,876,638
842	IN016	Housing Authority of the City of Evansville	12/31/2016	562	\$	1,218,457
1273	ME009	Housing Authority City of Bangor	12/31/2016	562	\$	1,738,787
1646	MS030	Mississippi Regional Housing Authority No. V	6/30/2017	562	\$	2,396,707
1306	MI024	Bay City Housing Commission	9/30/2016	560	\$	1,891,979
2152	OH029	ASHTABULA METROPOLITAN HOUSING AUTHORITY	12/31/2016	555	\$	1,420,806
973	KY009	Housing Authority of Owensboro	6/30/2017	550	\$	3,898,395
836	IN007	Kokomo Housing Authority	12/31/2016	544	\$	175,062
2283	OR001	Housing Authority of Clackamas County	6/30/2017	544	\$	1,187,980
386	CT023	Bristol Housing Authority	6/30/2017	541	\$	1,796,461
259	AZ009	Housing Authority of Maricopa County	6/30/2017	538	\$	1,960,859
2963	WA005	HA City of Tacoma	12/31/2016	538	\$	782,863
473	FL073	Tallahassee Housing Authority	6/30/2016	537	\$	1,116,254

1767	NC072	Statesville Housing Authority	12/31/2016	537	\$	2,666,158
541	GA100	Housing Authority of the City of Valdosta	6/30/2017	531	\$	754,547
513	GA069	Housing Authority of the City of Dublin	6/30/2017	530	\$	3,946,853
2331	PA031	ALTOONA HOUSING AUTHORITY	6/30/2017	530	\$	1,092,657
2579	TX023	Housing Authority of the City of Beaumont	9/30/2016	530	\$	6,354,928
2480	TN006	Kingsport Housing and Redevelopment Authority	3/31/2017	529	\$	902,587
2977	WA025	Housing Authority City of Bellingham	12/31/2016	527	\$	2,798,830
1546	MO017	Independence Housing Authority	3/31/2017	526	\$	1,027,625
2339	PA039	Housing Authority of the County of Armstrong	12/31/2016	525	\$	551,113
157	AR016	Camden Housing Authority	9/30/2016	519	\$	1,866,429
741	IL011	The Housing Authority Of The City Of Danville, IL	3/31/2017	518	\$	973,142
2393	RI011	Warwick Housing Authority	12/31/2016	517	\$	7,581,592
321	CA143	Imperial Valley Housing Authority	6/30/2016	511	\$	1,353,937
1186	MA017	Taunton Housing Authority	12/31/2016	511	\$	5,094,386
408	DE004	Delaware State Housing Authority	6/30/2017	508	\$	1,929,630
1134	LA090	Housing Authority of the City of Houma	9/30/2016	507	\$	921,926
2484	TN010	The Clarksville Housing Authority	9/30/2017	507	\$	2,179,101
1951	NJ028	Hackensack Housing Authority	9/30/2016	504	\$	3,473,989
2337	PA037	Housing Authority of the City of Pottsville	3/31/2017	502	\$	485,769
2473	SD045	Pennington County Housing and Redevelopment Commk	3/31/2017	500	\$	6,498,057
1199	MA033	Brookline Housing Authority	3/31/2017	499	\$	1,300,039
1981	NJ061	Millville Housing Authority	9/30/2016	497	\$	534,285
304	CA052	HOUSING AUTHORITY OF COUNTY OF MARIN	12/31/2016	496	\$	1,959,756
2506	TN033	Highlands Residential Services	9/30/2016	496	\$	1,221,974
2495	TN021	Dyersburg Housing Authority	6/30/2017	495	\$	6,965,246
779	IL056	Housing Authority of the County of Lake, IL	9/30/2016	493	\$	1,498,235
810	IL090	Aurora Housing Authority of the City of Aurora	3/31/2016	492	\$	56,051
477	FL080	PALM BEACH COUNTY HOUSING AUTHORITY	9/30/2016	490	\$	658,104
1639	MS002	The Housing Authority of the City of Laurel	3/31/2017	488	\$	3,471,208
2068	NY029	Lackawanna Municipal Housing Authority	6/30/2017	488	\$	1,727,869
2575	TX019	Eagle Pass Housing Authority	6/30/2017	488	\$	2,618,616
740	IL010	Grtr Metro. Area Hsng Auth of Rock Island County	3/31/2017	486	\$	4,520,179
747	IL020	Moline Housing Authority	3/31/2017	486	\$	732,264
2618	TX065	Harlingen Housing Authority	3/31/2017	485	\$	3,064,575
71	AL105	Housing Authority of the City of Talladega, AL	12/31/2016	484	\$	3,403,258
2929	VA010	Danville Redevelopment & Housing Authority	12/31/2016	483	\$	867,657
1537	MO007	Housing Authority of the City of Columbia, MO	9/30/2016	480	\$	1,299,493
428	FL021	PAHOKEE HOUSING AUTHORITY	6/30/2017	479	\$	5,399,405
507	GA062	Housing Authority of the City of Americus	9/30/2016	479	\$	1,289,261
2149	OH026	COLUMBIANA METROPOLITAN HOUSING AUTHORITY	6/30/2016	479	\$	728,836
2069	NY030	Elmira Housing Authority	12/31/2016	478	\$	431,520
21	AL053	Housing Authority of Hamilton, Alabama	12/31/2016	477	\$	764,723
1664	MS076	The Housing Authority of the City of Columbus	12/31/2016	477	\$	940,944
134	AL174	Housing Authority of the City of Alexander City	9/30/2016	476	\$	1,040,307
738	IL007	Alexander County Housing Authority	9/30/2016	476	\$	(239,211)
767	IL043	Housing Authority - County of Saline	12/31/2016	474	\$	985,413
1946	NJ023	Morristown Housing Authority	9/30/2016	470	\$	2,619,344
278	CA010	City of Richmond Housing Authority	6/30/2016	469	\$	1,272,043
2321	PA021	Housing Authority of the County of Lycoming	12/31/2016	469	\$	928,921
1690	MT002	Great Falls Housing Authority	3/31/2017	468	\$	4,206,091
2931	VA012	Chesapeake Redevelopment & Housing Authority	12/31/2016	467	\$	1,650,735
2943	VA025	Suffolk Redevelopment and Housing Authority	6/30/2017	466	\$	1,787,858
2988	WI001	Housing Authority of the City of Superior	12/31/2016	465	\$	1,433,022
1931	NJ007	Asbury Park Housing Authority	3/31/2017	463	\$	3,022,209
274	CA006	Housing Authority City of Fresno	12/31/2016	461	\$	2,857,059
983	KY019	Housing Authority of Middlesborough	6/30/2017	460	\$	997,057
1191	MA023	Lynn Housing Authority	3/31/2017	459	\$	1,752,633
296	CA035	Housing Authority of the City of San Buenaventura	9/30/2016	458	\$	634,022
1913	NH003	Dover Housing Authority	6/30/2017	458	\$	2,464,010
2136	OH009	Zanesville Metropolitan Housing Authority	6/30/2016	458	\$	1,897,896
2350	PA050	Tioga County Housing Authority	6/30/2017	458	\$	1,648,004

2340	PA040	The Housing Authority of Clinton County	12/31/2016	457	\$	342,421
1955	NI034	Garfield Housing Authority	3/31/2017	456	\$	1,165,652
1949	NI026	Union City Housing Authority	6/30/2017	455	\$	1,264,175
975	KY011	Housing Authority of Hopkinsville	6/30/2017	453	\$	795,580
43	AL075	BOAZ HOUSING AUTHORITY	6/30/2017	451	\$	2,229,403
1287	MI004	Hamtramck Housing Commission	12/31/2016	450	\$	1,276,545
739	IL009	The Housing Authority of Henry County	3/31/2017	449	\$	778,788
2310	PA010	HOUSING AUTHORITY OF THE COUNTY OF BUTLER	12/31/2016	449	\$	596,007
1969	NI049	Bridgeton Housing Authority	9/30/2017	448	\$	565,733
2573	TX017	Housing Authority of the City of Galveston	6/30/2016	448	\$	7,374,534
295	CA033	COUNTY OF MONTEREY HSG AUTH	6/30/2016	447	\$	
1932	NI008	Long Branch Housing Authority	6/30/2017	447	\$	4,811,958
22	AL054	FLORENCE H/A	9/30/2016	446	\$	1,987,854
751	IL026	Housing Authority of the City of Waukegan	12/31/2016	446	\$	1,891,580
780	IL057	Housing Authority of Marion County	12/31/2016	445	\$	(104,762)
504	GA059	Housing Authority of the City of Gainesville	9/30/2016	444	\$	1,753,687
537	GA096	Housing Authority of the City of Camilla	3/31/2017	442	\$	299,484
2489	TN015	Athens Housing Authority	9/30/2017	441	\$	3,206,161
2252	OK095	Housing Authority of the City of Shawnee	12/31/2016	438	\$	1,243,824
1269	ME005	Lewiston Housing Authority	6/30/2017	437	\$	1,861,622
1733	NC035	Sanford Housing Authority	9/30/2016	437	\$	1,180,674
425	FL018	Panama City Housing Authority	9/30/2016	436	\$	1,549,065
1099	LA042	Housing Authority of the City of Bossier City	6/30/2017	435	\$	969,472
1640	MS003	The Housing Authority of the City of McComb	3/31/2017	433	\$	933,823
300	CA044	Housing Authority of the County of Yolo	6/30/2017	431	\$	930,361
508	GA063	Housing Authority of the City of Cordele	9/30/2016	431	\$	1,123,635
394	CT031	Torrington Housing Authority	12/31/2016	430	\$	502,631
1674	MS086	Housing Authority of the City of Vicksburg	9/30/2016	430	\$	903,264
1288	MI005	Pontiac Housing Commission	3/31/2017	429	\$	338,361
976	KY012	Housing Authority of Henderson	3/31/2017	428	\$	936,016
588	GA160	Housing Authority of the City of Warner Robins	6/30/2017	425	\$	1,632,886
1245	MD005	Housing Authority of the City of Cumberland	3/31/2017	425	\$	984,202
692	IA020	Des Moines Municipal Housing Agency	6/30/2017	424	\$	1,548,170
137	AL177	HA TROY	6/30/2017	422	\$	1,240,048
536	GA095	Housing Authority of the City of Newnan	6/30/2017	422	\$	537,036
2526	TN053	McMinnville Housing Authority	12/31/2016	422	\$	1,020,232
1914	NH004	Portsmouth Housing Authority	12/31/2016	421	\$	1,703,367
460	FL057	Palatka Housing Authority	3/31/2017	420	\$	4,091,190
502	GA026	Housing Authority of the City of LaGrange	3/31/2017	420	\$	1,846,762
805	IL085	Knox County Housing Authority	3/31/2017	420	\$	1,007,882
2512	TN039	Shelbyville Housing Authority	12/31/2016	420	\$	2,082,365
799	IL079	Morgan County Housing Authority	6/30/2017	419	\$	2,940,176
2343	PA043	The Housing Auth of the City of Nanticoke	9/30/2017	419	\$	1,263,420
2388	RI006	Cranston Housing Authority	9/30/2017	419	\$	6,259,678
2389	RI007	East Providence Housing Authority	9/30/2016	417	\$	5,361,588
2374	PA080	HOUSING AUTHORITY OF THE COUNTY OF MCKEAN	9/30/2016	416	\$	1,036,826
2527	TN054	Cleveland Housing Authority	6/30/2017	416	\$	2,107,005
286	CA023	COUNTY OF MERCED HOUSING AUTHORITY	9/30/2016	415	\$	6,000,658
2972	WA018	HA OF Grays Harbor County	12/31/2016	415	\$	1,264,977
1320	MI039	Port Huron Housing Commission	6/30/2017	413	\$	1,939,155
427	FL020	HOUSING AUTHORITY OF BREVARD COUNTY	3/31/2017	412	\$	1,625,449
745	IL016	Quincy Housing Authority	12/31/2016	409	\$	1,952,006
1244	MD004	HOUSING OPPRTY COM OF MONTGOMERY CO	6/30/2016	409	\$	3,320,884
1682	MS107	The Housing Authority of the City of Greenwood	3/31/2017	406	\$	3,971,440
1930	NI006	Perth Amboy Housing Authority	3/31/2017	406	\$	2,581,347
2938	VA020	Petersburg Redevelopment & Housing Authority	12/31/2016	406	\$	1,380,440
1243	MD003	Frederick Housing Authority	3/31/2017	404	\$	1,788,831
2352	PA052	Housing Authority of the County of Lebanon	6/30/2017	403	\$	1,431,718
36	AL068	Sheffield Housing Authority	3/31/2017	402	\$	849,053
982	KY018	Housing Authority of Winchester	3/31/2017	400	\$	7,929,588
2255	OK099	Housing Authority of the City of Muskogee	12/31/2016	400	\$	1,000,075

2363	PA064	Bradford County Housing Authority	6/30/2017	400	\$	1,528,721
2533	TN060	Newport Housing Authority	9/30/2016	400	\$	859,861
1752	NC057	Gastonia Housing Authority	9/30/2016	399	\$	1,324,721
2445	SC056	CHARLESTON CO HSG & REDEV AUTH	6/30/2016	399	\$	(245,182)
2538	TN065	Maryville Housing Authority	12/31/2016	399	\$	627,918
1155	LA115	Housing Authority of the City of Natchitoches	3/31/2017	398	\$	2,078,318
2615	TX062	Edinburg Housing Authority	3/31/2017	396	\$	855,273
978	KY014	Housing Authority of Danville	3/31/2017	394	\$	1,003,058
41	AL073	HOUSING AUTHORITY OF THE CITY OF OZARK	3/31/2017	393	\$	1,896,576
754	IL029	Housing Authority of the City of Freeport	3/31/2017	393	\$	312,486
2926	VA005	Hopewell Redevelopment & Housing Authority	3/31/2017	393	\$	553,684
1815	NE003	Hall County Housing Authority	6/30/2017	390	\$	1,069,277
2572	TX016	Del Rio Housing Authority	6/30/2017	390	\$	2,657,761
1645	MS019	Mississippi Regional Housing Authority No. IV	6/30/2017	389	\$	1,062,460
2502	TN029	Gallatin Housing Authority	12/31/2016	389	\$	6,580,259
2912	UT004	Housing Authority of Salt Lake City	12/31/2016	389	\$	1,743,294
156	AR015	Housing Authority of the City of Texarkana	3/31/2017	387	\$	5,381,420
230	AR099	Housing Authority of the City of Forrest City	9/30/2017	386	\$	1,828,325
2076	NY039	Ogdensburg Housing Authority	3/31/2017	386	\$	1,850,302
2412	SC004	THE GREENVILLE HOUSING AUTHORITY	12/31/2016	385	\$	3,012,727
746	IL018	Housing Authority of the City of Rock Island	9/30/2016	384	\$	2,223,018
542	GA101	Housing Authority of the City of Tifton	9/30/2016	383	\$	1,705,763
1179	MA008	Chicopee Housing Authority	6/30/2017	383	\$	3,013,953
1665	MS077	The Housing Authority of the City of Tupelo	12/31/2016	383	\$	2,097,285
2147	OH024	Chillicothe Metropolitan Housing Authority	9/30/2017	383	\$	941,269
527	GA086	Housing Authority of the City of Waynesboro	6/30/2017	382	\$	5,807,733
1730	NC032	Washington Housing Authority	9/30/2016	382	\$	866,631
519	GA076	Housing Authority of the City of Douglas	3/31/2017	381	\$	1,508,444
517	GA073	Housing Authority of the City of Monroe	6/30/2017	379	\$	2,312,728
1792	NC118	Roanoke-Chowan Regional Housing Authority	6/30/2017	378	\$	1,784,852
2324	PA024	Easton Housing Authority	12/31/2016	378	\$	1,803,394
83	AL118	EUFULA HOUSING AUTHORITY	12/31/2016	377	\$	1,268,040
2084	NY050	Housing Authority of Long Beach	3/31/2017	377	\$	2,905,413
1255	MD015	Housing Authority of Prince Georges County	6/30/2016	376	\$	725,266
2934	VA016	Charlottesville Redev & Housing Authority	3/31/2017	376	\$	250,726
115	AL152	HA NORTHPORT	6/30/2017	375	\$	860,913
1987	NJ067	Bergen County Housing Authority	3/31/2017	374	\$	
2062	NY021	Cortland Housing Authority	3/31/2017	374	\$	1,498,239
2424	SC021	HOUSING AUTHORITY OF MARION	9/30/2017	374	\$	5,031,588
1725	NC027	Hendersonville Housing Authority	9/30/2017	373	\$	584,996
2289	OR008	Housing and Urban Renewal Agency of Polk County	9/30/2017	373	\$	2,388,553
2574	TX018	Housing Authority of Lubbock	9/30/2017	372	\$	1,982,758
2923	VA002	Bristol Redevelopment & Housing Authority	3/31/2017	372	\$	1,177,187
410	FL002	HOUSING AUTHORITY OF THE CITY OF ST. PETERSBURG	12/31/2016	370	\$	870,454
422	FL015	Northwest Florida Regional Housing Authority	12/31/2016	370	\$	4,102,678
1293	MI010	Benton Harbor Housing Commission	9/30/2016	370	\$	640,240
1761	NC066	Burlington Housing Authority	9/30/2017	370	\$	462,549
849	IN023	Housing Authority of the City of Jeffersonville	9/30/2016	369	\$	200,464
2425	SC022	HOUSING AUTHORITY OF ROCK HILL	12/31/2016	369	\$	3,741,065
1316	MI035	Battle Creek Housing Commission	9/30/2017	367	\$	4,079,093
2509	TN036	Springfield Housing Authority	12/31/2016	366	\$	763,601
164	AR024	West Memphis Housing Authority	6/30/2017	365	\$	2,322,300
170	AR031	Hot Springs Housing Authority	6/30/2017	365	\$	1,729,170
1036	KY074	Housing Authority of Ashland	6/30/2017	365	\$	957,271
384	CT020	Housing Authority of the City of Danbury	12/31/2016	364	\$	837,509
990	KY026	Housing Authority of Glasgow	12/31/2016	364	\$	2,146,700
2334	PA034	Housing Authority of the County of Franklin	3/31/2017	364	\$	1,628,905
771	IL047	Macoupin County Housing Authority	9/30/2016	362	\$	818,486
30	AL062	Housing Authority of the City of Lanett, AL	9/30/2017	361	\$	2,364,419
172	AR034	Trumann Housing Authority	12/31/2016	361	\$	4,995,562
920	KS053	Lawrence/Douglas County Housing Authority	12/31/2016	361	\$	2,009,170

1481	MN085	Housing & Redevelopment Authority of Austin	9/30/2016	361	\$	2,473,932
2145	OH022	GREENE METROPOLITAN HOUSING AUTHORITY	3/31/2017	361	\$	852,157
2955	VT005	Barre Housing Authority	3/31/2017	361	\$	293,424
2105	NY077	Town of Islip Housing Authority	6/30/2017	360	\$	5,248,024
834	IN005	Housing Authority of the City of Muncie	3/31/2017	359	\$	1,393,085
2095	NY062	Poughkeepsie Housing Authority	3/31/2017	359	\$	1,726,146
677	IA004	Ottumwa Housing Authority	3/31/2017	358	\$	602,194
667	GA281	ETOWAH AREA CONSOLIDATED	3/31/2017	357	\$	722,528
1945	NJ022	New Brunswick Housing Authority	6/30/2017	356	\$	64,471
503	GA028	Housing Authority of the City of Waycross	3/31/2017	355	\$	2,340,902
737	IL006	Housing Authority of Champaign County	12/31/2016	354	\$	202,980
2491	TN017	Lebanon Housing Authority	6/30/2017	354	\$	2,097,375
2539	TN066	Bristol Housing	9/30/2017	354	\$	665,820
736	IL005	Granite City Housing Authority	12/31/2016	353	\$	5,027,190
1691	MT003	Housing Authority of Butte	6/30/2017	353	\$	358,119
1692	MT004	Helena Housing Authority	6/30/2017	352	\$	771,943
2103	NY070	Lockport Housing Authority	3/31/2017	352	\$	868,294
1990	NJ070	Cliffside Park Housing Authority	3/31/2017	351	\$	2,049,328
317	CA092	Housing Authority of the County of Ventura	6/30/2017	350	\$	1,255,527
2064	NY023	Freeport Housing Authority	12/31/2016	350	\$	182,770
161	AR021	Housing Authority of the City of Osceola	9/30/2016	348	\$	1,503,238
666	GA280	FLINT AREA CONSOLIDATED	9/30/2016	347	\$	1,005,126
831	IN002	Vincennes Housing Authority	6/30/2017	347	\$	575,294
1185	MA016	Chelsea Housing Authority	12/31/2016	347	\$	1,760,419
2333	PA033	HOUSING AUTHORITY OF THE CITY OF MEADVILLE	3/31/2017	347	\$	1,591,632
789	IL067	Housing Authority of the County of Union	3/31/2017	346	\$	708,702
1278	ME020	South Portland Housing Authority	9/30/2017	346	\$	409,903
299	CA043	COUNTY OF BUTTE HSG AUTH	9/30/2016	345	\$	1,312,481
1719	NC021	Housing Authority of the County of Wake	6/30/2017	345	\$	312,357
1960	NJ039	Plainfield Housing Authority	12/31/2016	345	\$	1,037,754
1968	NJ048	Neptune Housing Authority	9/30/2017	345	\$	494,748
2330	PA030	The Housing Auth of the City of Carbondale	12/31/2016	344	\$	1,428,577
2087	NY054	Ithaca Housing Authority	9/30/2016	341	\$	1,109,903
3114	WY002	Housing Authority of the City of Cheyenne	3/31/2017	341	\$	613,880
14	AL014	The Guntersville Housing Authority	6/30/2017	340	\$	1,081,690
772	IL048	Perry County Housing Authority	6/30/2017	340	\$	556,507
1081	LA024	Bogalusa Housing Authority	9/30/2016	340	\$	1,906,222
1313	MI031	Muskegon Heights Housing Commission	3/31/2017	340	\$	648,841
2055	NY014	Port Chester Housing Authority	3/31/2017	340	\$	1,401,213
2013	NM009	Santa Fe Civic Housing Authority	6/30/2016	337	\$	2,377,989
1062	KY107	Housing Authority of Pikeville	12/31/2016	336	\$	236,947
1741	NC046	Town of Chapel Hill Department of Housing	6/30/2017	336	\$	(71,097)
379	CT011	Housing Authority of the City of Meriden	9/30/2016	335	\$	1,117,693
2061	NY020	Saratoga Springs Housing Authority	6/30/2016	335	\$	827,146
1286	MI003	Dearborn Housing Commission	9/30/2017	333	\$	2,441,909
464	FL062	PINELLAS COUNTY HOUSING AUTHORITY	12/31/2016	331	\$	1,119,017
393	CT030	Milford Redevelopment and Housing Partnership	3/31/2017	330	\$	1,989,654
1249	MD009	Housing Authority Of Crisfield	3/31/2017	330	\$	183,043
505	GA060	Housing Authority of the City of Moultrie	9/30/2017	328	\$	3,480,905
828	IL126	Housing Authority of the City of Marion, Illinois	12/31/2016	328	\$	7,264,460
383	CT019	Greenwich Housing Authority	12/31/2016	327	\$	554,112
1724	NC026	Elizabeth City Housing Authority	6/30/2017	327	\$	2,083,219
2346	PA046	Housing Authority of the County of Chester	12/31/2016	327	\$	547,188
2386	RI004	Central Falls Housing Authority	9/30/2017	327	\$	1,430,147
2426	SC023	HOUSING AUTHORITY OF SUMTER	12/31/2016	327	\$	2,008,495
3088	WV006	Housing Authority of the City of Martinsburg	6/30/2017	327	\$	5,630,866
2547	TN076	Elizabethton Housing and Development Agency	12/31/2016	326	\$	1,371,231
2586	TX030	Housing Authority of Temple	9/30/2017	326	\$	839,927
2932	VA013	Lynchburg Redevelopment & Housing Authority	12/31/2016	326	\$	1,001,171
1024	KY061	Housing Authority of Georgetown	9/30/2017	325	\$	596,633
1662	MS072	The Housing Authority of the City of Corinth	6/30/2017	325	\$	731,737

2531	TN058	Greeneville Housing Authority	6/30/2017	325	\$	1,698,633
3106	WV027	Clarksburg/Harrison Housing Authority	6/30/2017	323	\$	1,891,628
1349	MI073	Grand Rapids Housing Commission	6/30/2017	322	\$	545,515
2528	TN055	Harriman Housing Authority	6/30/2017	322	\$	661,025
626	GA200	Housing Authority of the City of Milledgeville	9/30/2017	321	\$	446,766
1535	MO004	Housing Authority of St. Louis County	12/31/2016	321	\$	1,314,054
2637	TX085	Victoria Housing Authority	3/31/2017	321	\$	2,136,996
20	AL052	HA CULLMAN	9/30/2017	320	\$	779,400
426	FL019	HOUSING AUTHORITY OF THE CITY OF COCOA	6/30/2017	320	\$	1,849,673
1504	MN147	DAKOTA COUNTY CDA	6/30/2017	320	\$	3,098,856
1814	NE002	Lincoln Housing Authority	3/31/2017	320	\$	1,817,274
2899	TX509	Cameron County Housing Authority	9/30/2017	320	\$	657,712
1539	MO009	Housing Authority of the City of Jefferson	3/31/2017	319	\$	361,106
12	AL012	Housing Authority of the City of Jasper	6/30/2017	318	\$	212,917
389	CT026	Manchester Housing Authority	9/30/2017	316	\$	778,301
2515	TN042	Crossville Housing Authority	12/31/2016	316	\$	813,014
2437	SC035	HOUSING AUTHORITY OF NEWBERRY	12/31/2016	315	\$	967,838
2327	PA027	HOUSING AUTHORITY OF THE COUNTY OF HUNTINGDON	3/31/2017	314	\$	605,773
1751	NC056	City of Hickory Public Housing Authority	9/30/2016	311	\$	824,967
416	FL008	SARASOTA HOUSING AUTHORITY	3/31/2017	310	\$	840,475
848	IN022	Housing Authority of the City of Bloomington	9/30/2016	310	\$	760,339
2589	TX033	Housing Authority of Corsicana	9/30/2016	310	\$	870,275
376	CT007	Housing Authority of the City of Stamford	6/30/2016	309	\$	2,175,224
782	IL059	Housing Authority of Jefferson County	3/31/2017	309	\$	844,759
2945	VA029	Cumberland Plateau Regional Housing Authority	3/31/2017	309	\$	356,288
877	KS006	Dodge City Housing Authority	9/30/2016	308	\$	750,454
2114	NY088	New Rochelle Housing Authority	6/30/2017	308	\$	2,357,445
2353	PA053	Sunbury Housing Authority	6/30/2017	307	\$	2,967,837
570	GA133	Housing Authority of the City of Alma	12/31/2016	306	\$	1,358,036
1101	LA044	Housing Authority of the City of Thibodaux	12/31/2016	306	\$	3,098,444
1200	MA034	North Adams Housing Authority	9/30/2017	306	\$	782,451
2063	NY022	Cohoes Housing Authority	9/30/2016	306	\$	2,266,967
2065	NY025	Watervliet Housing Authority	9/30/2016	306	\$	8,135,799
2106	NY079	Glens Falls Housing Authority	3/31/2017	306	\$	4,381,900
2116	NY093	Olean Housing Authority	6/30/2017	306	\$	1,260,848
130	AL169	The Housing Authority of the City of Prichard	6/30/2017	304	\$	(39,597)
1565	MO036	Housing Authority of the City of Caruthersville	12/31/2016	304	\$	1,323,788
265	AZ028	Chandler Housing & Redevelopment Division	6/30/2017	303	\$	3,241,482
837	IN009	Housing Authority of the City of Richmond	6/30/2017	303	\$	199,698
2001	NJ092	Morris County Housing Authority	12/31/2016	303	\$	1,775,699
2153	OH031	Portage Metropolitan Housing Authority	12/31/2016	303	\$	594,201
2342	PA042	Housing Authority of the City of Pittston	12/31/2016	302	\$	947,557
2521	TN048	Lawrenceburg Housing Authority	12/31/2016	302	\$	1,012,479
2535	TN062	Dayton Housing Authority	9/30/2016	302	\$	647,911
390	CT027	Housing Authority of the Town of Stratford	12/31/2016	301	\$	3,097,169
2446	SC057	HOUSING AUTHORITY OF N CHARLESTON	6/30/2016	301	\$	3,178,018
143	AL189	Top of Alabama Regional Housing Authority	12/31/2016	300	\$	377,991
1011	KY047	Campbellsville Housing and Redevelopment Authority	3/31/2017	300	\$	931,030
1077	LA011	Housing Authority of Westwego	6/30/2017	300	\$	1,288,323
1291	MI008	River Rouge Housing Commission	6/30/2017	300	\$	1,199,567
1412	MN006	HRA of WINONA, MINNESOTA	3/31/2017	300	\$	153,312
1721	NC023	Housing Authority of the Town of Mount Airy	9/30/2017	300	\$	2,106,137
2328	PA028	The Housing Authority of Monroe County	12/31/2016	300	\$	830,960
597	GA170	Housing Authority of the City of LaFayette	12/31/2016	299	\$	2,085,428
846	IN020	Housing Authority of the City of Mishawaka	6/30/2017	299	\$	1,149,670
1314	MI032	Benton Township Housing Commission	9/30/2017	299	\$	536,129
2344	PA044	The Housing Authority of the City of Hazleton	12/31/2016	299	\$	620,417
2421	SC018	HOUSING AUTHORITY OF LAKE CITY	6/30/2017	299	\$	1,295,465
1202	MA036	Newton Housing Authority	12/31/2016	298	\$	2,672,623
1416	MN010	HRA OF THE CITY OF SOUTH ST PAUL, MINNESOTA	12/31/2016	298	\$	1,367,883
1547	MO018	Housing Authority of the City of Kennett	3/31/2017	298	\$	1,068,433

2630	TX078	Housing Authority of Sherman	3/31/2017	298	\$	1,149,271
2757	TX229	Housing Authority of Diboll	3/31/2017	298	\$	1,150,875
10	AL010	Fairfield Housing Authority	3/31/2017	297	\$	280,990
2576	TX020	Housing Authority of the City of Bryan	3/31/2017	297	\$	4,265,097
1638	MS001	The Housing Authority of the City of Hattiesburg	9/30/2016	296	\$	1,425,282
1644	MS007	The Housing Authority of the City of Clarksdale	9/30/2017	296	\$	280,433
2541	TN069	Martin Housing Authority	9/30/2017	296	\$	242,256
2431	SC028	HOUSING AUTHORITY OF GEORGETOWN	12/31/2016	295	\$	1,344,762
2570	TX014	Housing Authority of Texarkana	12/31/2016	294	\$	2,899,566
1106	LA054	Housing Authority of Ruston	6/30/2017	293	\$	839,824
1294	MI011	Monroe Housing Commission	9/30/2016	293	\$	2,101,598
1681	MS105	The Housing Authority of the City of Natchez	9/30/2017	293	\$	1,916,309
2082	NY048	Gloversville Housing Authority	9/30/2017	293	\$	1,123,896
2183	OK005	Housing Authority of the City of Lawton	6/30/2017	293	\$	890,213
2429	SC026	HOUSING AUTHORITY OF BEAUFORT	9/30/2016	293	\$	1,207,350
2519	TN046	Columbia Housing and Redevelopment Corporatio	12/31/2016	293	\$	486,169
695	IA023	Municipal Housing Agency of Council Bluffs	12/31/2016	292	\$	1,207,805
980	KY016	Housing Authority of Richmond	6/30/2017	291	\$	962,231
1086	LA029	Housing Authority of Crowley	9/30/2016	291	\$	3,850,442
65	AL099	HA SCOTTSBORO	12/31/2016	290	\$	
610	GA184	Housing Authority of the City of Conyers	6/30/2017	290	\$	1,806,143
1778	NC084	Robeson County Housing Authority	6/30/2017	290	\$	100,412
186	AR050	Housing Authority of the City of Helena	12/31/2016	289	\$	813,076
419	FL011	HOUSING AUTHORITY OF THE CITY OF LAKE LAND	12/31/2016	289	\$	308,224
498	GA011	Housing Authority of the City of Decatur	12/31/2016	289	\$	1,041,469
1440	MN038	HRA of ST. CLOUD, MINNESOTA	12/31/2016	289	\$	1,226,568
2375	PA081	Lehigh County Housing Authority	12/31/2016	289	\$	1,286,239
660	GA247	Housing Authority of the City of Thomaston	6/30/2017	288	\$	1,140,912
1093	LA036	Housing Authority of the City of Morgan City	9/30/2016	288	\$	231,081
2656	TX105	Crystal City Housing Authority	12/31/2016	288	\$	615,972
2964	WA006	HA City of Everett	6/30/2017	288	\$	2,280,375
127	AL166	Housing Authority of the City of Chickasaw	6/30/2017	287	\$	679,589
859	IN035	Brazil Housing Authority	12/31/2016	287	\$	316,757
1322	MI041	Big Rapids Housing Commission	3/31/2017	287	\$	617,605
406	DE002	Dover Housing Authority	12/31/2016	286	\$	(41,227)
2422	SC019	HOUSING AUTHORITY OF UNION	12/31/2016	286	\$	2,270,241
1310	MI028	Mount Clemens Housing Commission	6/30/2017	285	\$	1,177,007
509	GA064	Housing Authority of the City of Bainbridge	9/30/2016	284	\$	243,337
804	IL084	Fulton County Housing Authority	6/30/2017	284	\$	1,886,533
1136	LA092	Housing Authority of St. James Parish	9/30/2016	284	\$	907,584
1807	ND021	Burleigh County Housing Authority	12/31/2016	284	\$	1,559,994
2345	PA045	HOUSING AUTHORITY OF THE COUNTY OF GREENE	12/31/2016	284	\$	1,136,710
2639	TX087	San Marcos Housing Authority	9/30/2017	284	\$	118,048
1657	MS066	The Housing Authority of the City of Picayune	3/31/2017	282	\$	693,472
1768	NC073	Oxford Housing Authority	3/31/2017	282	\$	1,650,997
2320	PA020	MERCER COUNTY HOUSING AUTHORITY	6/30/2017	281	\$	315,373
2361	PA061	HOUSING AUTHORITY OF THE COUNTY OF JEFFERSON	3/31/2017	281	\$	233,629
145	AL192	South Central Alabama Regional HA	3/31/2017	280	\$	822,386
2111	NY085	Village of Hempstead HA	3/31/2017	280	\$	(174,821)
2268	OK123	Housing Authority of Osage County	3/31/2017	280	\$	695,945
2975	WA021	HA City of Pasco and Franklin County	6/30/2017	280	\$	1,528,214
797	IL076	Housing Authority of the County of McDonough	9/30/2017	279	\$	356,579
2341	PA041	The Housing Auth of the County of Mifflin	12/31/2016	279	\$	454,707
809	IL089	Housing Authority Of The County Of DeKalb	3/31/2017	278	\$	590,743
2483	TN009	Union City Housing Authority	3/31/2017	278	\$	444,181
1542	MO012	Housing Authority of the City of Charleston	12/31/2016	277	\$	595,804
2439	SC037	HOUSING AUTHORITY OF ANDERSON	12/31/2016	277	\$	929,591
2488	TN014	Fayetteville Housing Authority	9/30/2017	276	\$	484,379
470	FL070	Alachua County	12/31/2016	275	\$	1,643,168
2199	OK024	Housing Authority of the City of Ada	6/30/2017	275	\$	1,469,348
1629	MO188	Housing Authority of the City of Joplin, MO	3/31/2017	274	\$	593,050

1689	MT001	Housing Authority of Billings	6/30/2017	274	\$	939,077
2420	SC017	HOUSING AUTHORITY OF GAFFNEY	6/30/2017	274	\$	1,319,624
11	AL011	Housing Authority of the City of Fort Payne	9/30/2017	273	\$	612,590
158	AR017	Housing Authority of the City of Pine Bluff	3/31/2017	273	\$	1,407,662
450	FL046	Crestview Housing Authority	12/31/2016	273	\$	2,602,684
988	KY024	Housing Authority of Hazard	9/30/2017	273	\$	450,966
2109	NY082	Peekskill Housing Authority	3/31/2017	273	\$	844,492
2228	OK062	Housing Authority of the City of McAlester	6/30/2017	273	\$	326,287
24	AL056	Haleyville Housing Authority	3/31/2017	272	\$	890,385
1128	LA080	Housing Authority of Lafourche Parish	9/30/2016	272	\$	657,789
1413	MN007	HRA of VIRGINIA, MINNESOTA	3/31/2017	272	\$	1,011,235
1566	MO037	Housing Authority of the City of West Plains	12/31/2016	272	\$	1,068,288
811	IL091	Warren County Housing Authority	3/31/2017	271	\$	4,426,942
991	KY027	Housing Authority of Paintsville	3/31/2017	271	\$	669,261
163	AR023	Housing Authority of the County of Poinsett	6/30/2017	270	\$	17,870
863	IN041	Housing Authority of the City of Marion, IN	6/30/2017	270	\$	815,647
2601	TX046	Mission Housing Authority	6/30/2017	270	\$	1,166,571
305	CA053	KINGS COUNTY HOUSING AUTH	6/30/2017	268	\$	398,466
1953	NJ032	Rahway Housing Authority	6/30/2017	268	\$	299,855
2497	TN024	Tulahoma Housing Authority	9/30/2017	268	\$	722,296
2750	TX222	Housing Authority of Crockett	3/31/2017	268	\$	823,301
1940	NJ016	Harrison Housing Authority	3/31/2017	267	\$	1,318,155
2010	NM006	Housing Authority of the City of Gallup	6/30/2017	267	\$	381,443
152	AR005	Blytheville Housing Authority	9/30/2016	265	\$	599,829
257	AZ006	Flagstaff Housing Authority	6/30/2017	265	\$	452,550
757	IL032	Whiteside County Housing Authority	3/31/2017	265	\$	494,200
1182	MA013	Waltham Housing Authority	9/30/2016	265	\$	301,810
2011	NM007	Housing Authority of the City of Las Vegas	6/30/2017	265	\$	998,627
2148	OH025	LAKE METROPOLITAN HOUSING AUTHORITY	6/30/2017	265	\$	442,269
2952	VT002	Brattleboro Housing Authority	3/31/2017	265	\$	395,679
985	KY021	Housing Authority of Cynthia	6/30/2017	263	\$	529,685
1317	MI036	Sault Ste Marie Housing Commission	3/31/2017	263	\$	2,329,112
650	GA232	Housing Authority of the City of College Park	6/30/2017	262	\$	812,582
1124	LA074	Housing Authority of Sabine Parish	12/31/2016	262	\$	751,871
1915	NH005	Concord Housing Authority	9/30/2017	262	\$	2,075,271
3066	WI142	Waukesha Housing Authority	9/30/2017	262	\$	246,487
168	AR028	Housing Authority of the City of Newport	6/30/2017	261	\$	1,216,088
544	GA104	Housing Authority of the City of Sylvester	12/31/2016	261	\$	590,249
2093	NY060	Amsterdam Housing Authority	12/31/2016	261	\$	3,383,765
297	CA039	Housing Authority of the City of Calexico	6/30/2017	260	\$	521,727
1805	ND017	Minot Housing Authority	12/31/2016	260	\$	989,276
2004	NJ204	Gloucester County Housing Authority	12/31/2016	260	\$	1,294,158
2695	TX163	Robstown Housing Authority	3/31/2017	260	\$	608,262
2846	TX330	Housing Authority of the City of Brenham	6/30/2017	260	\$	282,918
1766	NC071	Thomasville Housing Authority	12/31/2016	259	\$	2,601,189
2428	SC025	HOUSING AUTHORITY OF CONWAY	9/30/2017	259	\$	2,599,561
981	KY017	Housing Authority of Maysville	12/31/2016	258	\$	538,478
2935	VA017	Hampton Redevelopment & Housing Authority	12/31/2016	258	\$	976,048
858	IN034	Sullivan Housing Authority	3/31/2017	255	\$	343,296
500	GA024	Housing Authority of the City of Thomasville	9/30/2017	254	\$	564,570
1347	MI070	Marquette Housing Commission	9/30/2016	254	\$	1,626,676
432	FL025	HOUSING AUTHORITY OF THE CITY OF TITUSVILLE	3/31/2017	252	\$	678,235
1967	NJ047	Carteret Housing Authority	12/31/2016	252	\$	998,857
2400	RI018	Lincoln Housing Authority	9/30/2016	252	\$	837,826
2414	SC007	HOUSING AUTHORITY OF AIKEN	9/30/2016	252	\$	377,413
806	IL086	Bureau County Housing Authority	3/31/2017	251	\$	453,878
1410	MN004	THE HRA OF HIBBING, MINNESOTA	9/30/2016	251	\$	982,795
2142	OH019	Ironton Metropolitan Housing Authority	9/30/2016	251	\$	1,949,195
378	CT010	Willimantic Housing Authority	6/30/2017	250	\$	1,411,870
851	IN025	Housing Authority of the City of Charlestown	9/30/2017	250	\$	2,458,368
1339	MI059	St Clair Shores Housing Commission	12/31/2016	250	\$	622,944

1652	MS060	The Housing Authority of the City of Brookhaven	9/30/2017	250	\$	310,723
1906	NE125	North Platte Housing Authority	12/31/2016	250	\$	1,201,360
1948	NI025	Housing Authority of the City of Orange	3/31/2017	250	\$	678,656
2008	NM003	Mesilla Valley Public Housing Authority	6/30/2017	250	\$	1,779,590
2397	RI015	West Warwick Housing Authority	12/31/2016	250	\$	884,690
559	GA119	Housing Authority of the City of Calhoun	3/31/2017	249	\$	405,988
1759	NC064	Kings Mountain Housing Authority	9/30/2017	249	\$	2,180,363
1957	NI036	Guttenberg Housing Authority	3/31/2017	249	\$	510,560
2530	TN057	Ripley Housing Authority	12/31/2016	249	\$	565,082
430	FL023	HOUSING AUTHORITY OF THE CITY OF BRADENTON	3/31/2017	248	\$	308,253
2914	UT007	Housing Authority of the City of Provo	9/30/2017	248	\$	1,649,176
3090	WV008	Housing Authority of the City of Williamson	9/30/2017	248	\$	654,612
3093	WV011	Housing Authority of the City of Moundsville	12/31/2016	248	\$	762,069
377	CT009	Middletown Housing Authority	3/31/2017	247	\$	1,163,853
1094	LA037	Housing Authority of the City of Minden	6/30/2017	247	\$	1,493,105
1541	MO011	Housing Authority of the City of Moberly	3/31/2017	247	\$	1,386,955
1618	MO129	Housing Authority of the City of Hannibal	6/30/2017	247	\$	397,753
1744	NC049	Morganton Housing Authority	12/31/2016	247	\$	2,659,317
2079	NY044	Geneva Housing Authority	9/30/2017	247	\$	57,047
2558	TN125	Franklin County Housing Authority	12/31/2016	247	\$	520,485
778	IL055	Housing Authority - City of Alton	3/31/2017	246	\$	855,551
1891	NE100	Fremont Housing Authority	9/30/2017	246	\$	2,291,166
2058	NY017	Jamestown Housing Authority	12/31/2016	246	\$	1,503,403
2164	OH044	Allen Metropolitan Housing Authority	6/30/2017	246	\$	954,945
756	IL031	DeWitt County Housing Authority	9/30/2017	245	\$	552,670
2291	OR011	Housing Authority of the City of Salem	9/30/2016	245	\$	448,825
2536	TN063	Sevierville Housing Authority	12/31/2016	245	\$	2,157,131
3013	WI037	Stevens Point Housing Authority	12/31/2016	245	\$	354,398
310	CA069	Housing Authority of the City of Madera	6/30/2017	244	\$	2,635,582
568	GA131	Housing Authority of the City of Swainsboro	3/31/2017	244	\$	2,153,183
2083	NY049	The City of Beacon Housing Authority	9/30/2016	244	\$	814,847
2514	TN041	Covington Housing Authority	6/30/2017	244	\$	2,032,582
167	AR027	Housing Authority of the City of Marianna	3/31/2017	243	\$	608,558
1648	MS047	The Housing Authority of the City of Starkville	6/30/2017	243	\$	545,801
1790	NC114	Pembroke Housing Authority	12/31/2016	243	\$	339,457
1791	NC117	Roanoke Rapids Housing Authority	6/30/2017	243	\$	1,040,767
2162	OH042	GEAUGA METROPOLITAN HOUSING AUTHORITY	12/31/2016	243	\$	1,346,403
2297	OR022	Housing Authority of Washington County	6/30/2017	243	\$	739,025
1765	NC070	Lincolnton Housing Authority	9/30/2017	242	\$	1,196,157
3014	WI038	Fond du Lac Housing Authority	6/30/2017	242	\$	816,072
27	AL059	Housing Authority of the City of Tusculmbia	3/31/2017	241	\$	508,198
35	AL067	Housing Authority of the City of Athens, Al	12/31/2016	240	\$	631,053
1254	MD014	Wicomico County Housing Authority	12/31/2016	240	\$	(802,894)
1970	NI050	East Orange Housing Authority	12/31/2016	240	\$	259,079
2962	WA004	Peninsula Housing Authority	6/30/2017	240	\$	643,586
3022	WI047	Sheboygan Housing Authority	3/31/2017	240	\$	937,240
2710	TX178	Alice Housing Authority	3/31/2017	238	\$	348,124
2946	VA030	Marion Redevelopment & Housing Authority	3/31/2017	238	\$	123,140
2956	VT006	Winooski Housing Authority	3/31/2017	238	\$	733,207
814	IL094	Livingston County Housing Authority	9/30/2017	237	\$	521,403
194	AR060	Housing Authority of the City of West Helena	12/31/2016	236	\$	1,309,701
266	AZ035	Yuma City Housing Authority	6/30/2017	235	\$	(265,679)
995	KY031	Housing Authority of Williamsburg	9/30/2016	235	\$	418,210
1195	MA028	Framingham Housing Authority	12/31/2016	235	\$	761,521
2070	NY031	Massena Housing Authority	6/30/2017	235	\$	31,192
2577	TX021	Housing Authority of the City of Brownwood	6/30/2017	235	\$	614,637
2625	TX073	Pharr Housing Authority	9/30/2016	235	\$	419,330
2603	TX048	Housing Authority of Paris	6/30/2017	234	\$	1,150,996
765	IL041	Massac County Housing Authority	6/30/2017	233	\$	579,711
2096	NY063	Dunkirk Housing Authority	6/30/2017	233	\$	731,536
1918	NH008	Housing Authority of the City of Rochester NH	12/31/2016	232	\$	892,811

2500	TN027	Humboldt Housing Authority	12/31/2016	232	\$	785,860
556	GA116	Housing Authority of the City of Carrollton	6/30/2017	231	\$	2,504,998
763	IL039	Kankakee County Housing Authority	6/30/2017	231	\$	1,007,664
1538	MO008	HOUSING AUTHORITY OF THE CITY OF SIKESTON	12/31/2016	231	\$	1,507,798
1748	NC053	Hamlet Housing Authority	12/31/2016	230	\$	1,118,997
793	IL071	Pike County Housing Authority	12/31/2016	228	\$	1,213,580
312	CA072	SANTA CRUZ COUNTY HSG AUTH	6/30/2017	227	\$	6,379,112
2151	OH028	ERIE METROPOLITAN HOUSING AUTHORITY	6/30/2017	227	\$	279,400
2373	PA079	HOUSING AUTHORITY OF THE COUNTY OF WARREN	12/31/2016	227	\$	1,060,387
2434	SC031	HOUSING AUTHORITY OF CHERAW	9/30/2017	227	\$	1,384,713
263	AZ023	Nogales Housing Authority	3/31/2017	226	\$	1,233,227
803	IL083	Winnebago County Housing Authority	3/31/2017	226	\$	83,619
2508	TN035	Franklin Housing Authority	12/31/2016	226	\$	330,980
2585	TX029	Mercedes Housing Authority	9/30/2016	226	\$	2,995,856
984	KY020	Housing Authority of Mount Sterling	12/31/2016	225	\$	941,735
1723	NC025	Rockingham Housing Authority	6/30/2017	225	\$	790,389
2157	OH036	WAYNE METROPOLITAN HOUSING AUTHORITY	12/31/2016	224	\$	417,326
123	AL160	TUSKEGEE HOUSING AUTHORITY	9/30/2016	223	\$	756,531
385	CT022	New London Housing Authority	12/31/2016	223	\$	149,451
391	CT028	Vernon Housing Authority	12/31/2016	223	\$	568,104
510	GA065	Housing Authority of the City of West Point	6/30/2017	223	\$	936,858
2217	OK044	Housing Authority of the City of Hugo	12/31/2016	223	\$	968,963
475	FL075	CLEARWATER HOUSING AUTHORITY	3/31/2017	222	\$	990,072
838	IN010	Housing Authority of the City of Hammond	12/31/2016	222	\$	2,033,359
1004	KY040	Housing Authority of Mayfield	12/31/2016	222	\$	552,650
1211	MA047	Falmouth Housing Authority	6/30/2017	222	\$	897,597
2433	SC030	HOUSING AUTHORITY OF GREENWOOD	3/31/2017	222	\$	1,048,597
514	GA070	Housing Authority of the City of Fitzgerald	9/30/2017	221	\$	986,003
776	IL052	Randolph County Housing Authority	12/31/2016	221	\$	1,601,963
996	KY032	Housing Authority of Morehead	12/31/2016	221	\$	140,654
2202	OK027	Housing Authority of the City of Miami, Oklaho	9/30/2017	221	\$	490,956
2329	PA029	SOMERSET COUNTY HOUSING AUTHORITY	9/30/2017	221	\$	617,541
1297	MI014	Albion Housing Commission	9/30/2017	220	\$	503,371
1935	NJ011	Housing Authority of the Borough of Lodi	9/30/2017	220	\$	352,839
522	GA080	Housing Authority of the City of Eastman	6/30/2017	219	\$	1,720,360
1777	NC082	Ayden Housing Authority	6/30/2017	219	\$	1,315,479
1087	LA030	Housing Authority of Ville Platte	6/30/2017	218	\$	684,220
1703	NC005	Housing Authority of the City of New Bern	12/31/2016	218	\$	1,295,123
2009	NM004	Housing Authority of the City of Alamogordo	6/30/2017	218	\$	982,203
2933	VA015	Norton Redevelopment & Housing Authority	3/31/2017	218	\$	793,191
2939	VA021	Wytheville Redev. & Housing Authority	6/30/2017	218	\$	759,836
1545	MO016	Marshall Housing Authority	3/31/2017	217	\$	1,207,288
2970	WA014	HA Of Grant County	12/31/2016	217	\$	382,309
2505	TN032	Lewisburg Housing Authority	12/31/2016	216	\$	687,583
511	GA066	Housing Authority of the City of Jesup	9/30/2016	214	\$	174,149
808	IL088	Housing Authority Of The County of Wayne, Illinois	9/30/2017	214	\$	149,957
972	KY008	Housing Authority of Somerset	12/31/2016	214	\$	307,332
1353	MI078	Manistee Housing Commission	12/31/2016	214	\$	316,795
2767	TX240	Housing Authority of Vernon	9/30/2017	214	\$	757,683
93	AL128	HA SAMSON	12/31/2016	213	\$	680,931
2159	OH038	CLERMONT METROPOLITAN HOUSING AUTHORITY	9/30/2016	213	\$	889,678
1677	MS093	Oxford Housing Authority	12/31/2016	212	\$	637,767
2102	NY069	Glen Cove Public Housing Authority	9/31/2017	212	\$	2,287,447
284	CA021	Housing Authority of the County of Santa Barbara	12/31/2016	211	\$	1,081,703
759	IL035	Lee County Housing Authority	6/30/2017	211	\$	214,010
2843	TX327	Housing Authority of the City of Abilene	9/30/2017	211	\$	2,504,957
76	AL110	HA PIEDMONT	6/30/2017	210	\$	947,249
760	IL036	Housing Authority of the County of Vermilion, Ill.	9/30/2017	210	\$	(119,091)
986	KY022	Housing Authority of Lebanon	12/31/2016	210	\$	530,476
1755	NC060	Roxboro Housing Authority	12/31/2016	210	\$	108,900
3037	WI065	City of Appleton Housing Authority	12/31/2016	210	\$	864,612

28	AL060	HA RUSSELLVILLE	6/30/2017	209	\$	665,392
2368	PA071	Housing Authority of the County of Berks	3/31/2017	209	\$	446,022
2581	TX025	San Benito Housing Authority	9/30/2016	209	\$	442,498
2994	WI011	Marshfield Community Development Authority	3/31/2017	209	\$	449,754
539	GA098	Housing Authority of the City of Pelham	6/30/2017	208	\$	523,100
1540	MO010	Housing Authority of the City of Mexico	3/31/2017	208	\$	2,252,406
1950	NJ027	Princeton Housing Authority	6/30/2017	208	\$	547,492
2371	PA075	Housing Authority of the County of Cumberland	6/30/2017	208	\$	317,834
2498	TN025	Trenton Housing Authority	9/30/2017	208	\$	2,396,091
3097	WV015	Housing Authority of the City of Beckley	6/30/2017	208	\$	336,747
968	KY003	Housing Authority of Frankfort	12/31/2016	207	\$	1,901,491
1979	NJ059	Pleasantville Housing Authority	3/31/2017	207	\$	1,877,876
2167	OH049	WARREN METROPOLITAN HOUSING AUTHORITY	12/31/2016	207	\$	1,042,433
2000	NJ083	Secaucus Housing Authority	3/31/2017	206	\$	-
481	FL104	Pasco County Housing Authority	9/30/2016	205	\$	581,512
994	KY030	Housing Authority of Murray	3/31/2017	205	\$	320,164
2485	TN011	Pulaski Housing Authority	9/30/2017	205	\$	391,847
1655	MS063	The Housing Authority of the City of Yazoo City	12/31/2016	204	\$	1,634,724
1760	NC065	Monroe Housing Authority	9/30/2017	204	\$	1,634,028
2516	TN043	Rogersville Housing Authority	9/30/2017	204	\$	638,436
3094	WV012	Housing Authority of the City of Grafton	3/31/2017	204	\$	606,425
1737	NC040	Smithfield Housing Authority	6/30/2017	203	\$	959,732
166	AR026	Housing Authority of the City of Morrilton	6/30/2016	202	\$	210,940
1007	KY043	Housing Authority of Fulton	3/31/2017	202	\$	313,926
1434	MN032	HRA IN AND FOR THE CITY OF BRAINERD, MINNESOTA	12/31/2016	202	\$	487,131
2355	PA055	Shamokin Housing Authority	9/30/2017	202	\$	800,842
3065	WI139	Shawano County Housing Authority	12/31/2016	202	\$	527,051
1621	MO138	Wellston Housing Authority	12/31/2016	201	\$	492,257
424	FL017	HOUSING AUTHORITY OF THE CITY OF MIAMI BEACH	6/30/2017	200	\$	299,896
565	GA128	Housing Authority of the City of Thomson	12/31/2016	200	\$	807,526
827	IL120	Housing Authority of Edgar County	6/30/2017	200	\$	889,078
1079	LA013	Housing Authority of Jefferson Parish	9/30/2016	200	\$	1,049,751
1085	LA028	Housing Authority of Rayne	9/30/2016	200	\$	899,152
1290	MI007	Ecorse Housing Commission	6/30/2017	200	\$	118,733
1620	MO133	Nevada Housing Authority	6/30/2017	200	\$	1,452,667
1666	MS078	The Housing Authority of the City of Water Valley	12/31/2016	200	\$	1,199,181
1776	NC081	Asheboro Housing Authority	3/31/2017	200	\$	1,316,954
1986	NJ066	Housing Authority City of Linden	9/30/2017	200	\$	939,517
2110	NY084	Town of Ramapo Housing Authority	12/31/2016	200	\$	943,132
2325	PA025	CONNELLSVILLE HOUSING AUTHORITY	9/30/2017	200	\$	623,147
2349	PA049	BRADFORD CITY HOUSING AUTHORITY	12/31/2013	200	\$	293,954
2360	PA060	Housing Auth of the County of Northumberland	3/31/2017	200	\$	460,123
2910	UT002	Housing Authority of the City of Ogden	6/30/2017	200	\$	1,819,632
325	CO004	Housing Authority of the City of Alamosa	3/31/2017	199	\$	2,295,991
399	CT040	Housing Authority of the Town of Glastonbury	6/30/2017	199	\$	1,521,393
440	FL034	PLANT CITY HOUSING AUTHORITY	12/31/2016	199	\$	1,465,212
593	GA166	Housing Authority of the City of Claxton	6/30/2017	199	\$	767,459
844	IN018	Housing Authority of the City of Tell City	6/30/2017	199	\$	137,238
1328	MI048	Melvindale Housing Commission	12/31/2016	199	\$	686,401
1770	NC075	City of Albemarle Department of Public Housing	6/30/2017	199	\$	855,862
2032	NM050	Housing Authority of the County of Santa Fe	6/30/2017	199	\$	1,221,987
2041	NM088	Northern Regional Housing Authority	6/30/2017	199	\$	532,413
169	AR029	Housing Authority of the City of Van Buren	6/30/2017	198	\$	926,740
200	AR068	Hope Housing Authority	6/30/2017	198	\$	630,030
821	IL103	Housing Authority of the Village of Oak Park	12/31/2016	198	\$	688,801
1114	LA063	Housing Authority of the City of Sulphur	12/31/2016	198	\$	1,262,524
2493	TN019	Jefferson City Housing Authority	12/31/2016	198	\$	1,330,090
2592	TX036	Housing Authority of Borger	3/31/2014	198	\$	190,157
326	CO005	Trinidad Housing Authority	3/31/2017	197	\$	1,864,730
1544	MO014	Housing Authority of the City of Fulton	3/31/2017	197	\$	617,817
1780	NC087	Mid-East Regional Housing Authority	9/30/2016	197	\$	1,099,428

228	AR097	Housing Authority of the City of Fayetteville	9/30/2017	196	\$	1,137,972
288	CA025	CITY OF EUREKA HSG AUTH	12/31/2016	196	\$	261,036
478	FL081	HOUSING AUTHORITY OF THE CITY OF DEERFIELD BEACH	9/30/2016	196	\$	202,593
722	ID001	Twin Falls Housing Authority	12/31/2016	196	\$	563,005
2494	TN020	Murfreesboro Housing Authority	3/31/2017	196	\$	1,329,501
100	AL136	Housing Authority of the Town of Ashland	9/30/2016	195	\$	707,519
701	IA030	Keokuk Housing Authority	12/31/2016	195	\$	278,089
1003	KY039	Housing Authority of Pineville	3/31/2017	195	\$	2,801,903
1304	MI022	Alpena Housing Commission	12/31/2016	195	\$	209,405
1380	MI115	Wyoming Housing Commission	3/31/2017	195	\$	548,951
1941	NU017	Summit Housing Authority	12/31/2016	195	\$	1,723,110
2379	PA087	HOUSING AUTHORITY OF THE COUNTY OF ERIE	12/31/2016	195	\$	427,327
2398	RI016	Coventry Housing Authority	12/31/2016	195	\$	251,004
2958	VT009	Bennington Housing Authority	6/30/2017	195	\$	577,678
3040	WI068	Wisconsin Rapids Housing Authority	12/31/2016	195	\$	261,210
3046	WI074	Green Bay Housing Authority	6/30/2017	195	\$	1,110,469
234	AR104	Springdale Housing Authority	9/30/2017	194	\$	867,918
688	IA015	Low Rent Housing Agency of Burlington	12/31/2016	194	\$	857,651
1183	MA014	Revere Housing Authority	3/31/2017	194	\$	946,141
1788	NC102	Rowan County Housing Authority	9/30/2017	194	\$	583,058
1798	ND001	Housing Authority of Cass County	12/31/2016	194	\$	91,669
2125	NY400	Kenmore Municipal Housing Authority	6/30/2017	194	\$	2,282,915
2436	SC033	HOUSING AUTHORITY OF MULLINS	6/30/2017	194	\$	3,088,514
2582	TX026	Housing Authority of Denison	9/30/2017	194	\$	513,939
764	IL040	Logan County Housing Authority	9/30/2017	193	\$	924,699
768	IL044	Housing Authority of the City of Pekin	12/31/2016	193	\$	585,850
1272	ME008	Waterville Housing Authority	6/30/2017	193	\$	1,240,183
1375	MI105	Highland Park Housing Commission	9/30/2016	193	\$	(19,707)
744	IL015	Madison County Housing Authority	12/31/2016	192	\$	2,151,018
1715	NC017	Redevelopment Commission of the Town of Tarboro	3/31/2017	192	\$	1,641,364
1764	NC069	North Wilkesboro Housing Authority	6/30/2017	192	\$	741,259
2401	RI019	Bristol Housing Authority	6/30/2017	192	\$	1,382,822
2482	TN008	Paris Housing Authority	6/30/2017	192	\$	1,738,942
2580	TX024	Housing Authority of Commerce	9/30/2016	192	\$	796,544
79	AL114	LINEVILLE HOUSING AUTHORITY	9/30/2017	191	\$	1,481,336
1112	LA061	Housing Authority of the Town of Jonesboro	9/30/2017	191	\$	828,941
1270	ME006	Brunswick Housing Authority	6/30/2017	191	\$	240,298
2942	VA024	Wise County Redevelopment & Housing Authority	9/30/2016	191	\$	298,934
87	AL122	Childersburg Housing Authority	9/30/2016	190	\$	304,089
855	IN030	Washington Housing Authority	12/31/2016	190	\$	681,611
2362	PA063	HOUSING AUTHORITY OF THE CITY OF DUBOIS	9/30/2017	190	\$	76,228
2609	TX054	New Boston Property Management	3/31/2017	190	\$	335,083
2969	WA012	HA City of Kennewick	6/30/2017	190	\$	66,896
526	GA085	Housing Authority of the City of Quitman	6/30/2017	189	\$	447,927
845	IN019	Housing Authority of the City of Michigan City	9/30/2016	189	\$	252,552
888	KS017	Atchison Housing Authority	3/31/2017	189	\$	217,951
1602	MO074	Housing Authority of the City of Sedalia, MO	12/31/2016	189	\$	768,111
144	AL190	Housing Authority of Greene County, AL	12/31/2016	188	\$	(18,547)
761	IL037	Montgomery County Housing Authority	12/31/2016	188	\$	922,992
2112	NY086	North Hempstead Housing Authority	3/31/2016	188	\$	180,223
2182	OK004	Housing Authority of the City of Idabel	6/30/2017	188	\$	1,019,034
2823	TX303	Seguin Housing Authority	9/30/2016	188	\$	864,878
2940	VA022	Waynesboro Redevelopment & Housing Authority	12/31/2016	188	\$	426,290
787	IL065	Clay County Housing Authority	12/31/2016	187	\$	1,051,060
909	KS040	Fort Scott Housing Authority	3/31/2017	187	\$	766,477
1033	KY071	Housing Authority of Bardstown	12/31/2016	187	\$	1,041,670
1974	NJ054	Housing Authority of the Township of Lakewood	12/31/2016	187	\$	265,690
55	AL087	Housing Authority of the City of Hartselle	6/30/2017	186	\$	166,768
438	FL032	Ocala Housing Authority	9/30/2016	186	\$	548,402
532	GA091	Housing Authority of the City of Buford	3/31/2017	186	\$	2,203,821
971	KY007	Housing Authority of Madisonville	3/31/2017	186	\$	385,034

2086	NY052	Batavia Housing Authority	12/31/2016	186	\$	334,709
2419	SC016	HOUSING AUTHORITY OF GREER	12/31/2016	186	\$	828,629
2961	WA003	Housing Authority of the City of Bremerton	9/30/2016	186	\$	413,992
524	GA083	Housing Authority of the City of Cairo	12/31/2016	185	\$	468,454
862	IN039	Housing Authority of the City of Angola	12/31/2016	185	\$	650,637
1268	ME004	Presque Isle Housing Authority	6/30/2017	185	\$	1,071,486
531	GA090	Housing Authority of the City of Royston	12/31/2016	184	\$	1,054,847
1680	MS103	The Housing Authority of the City of Jackson	6/30/2017	184	\$	356,288
39	AL071	Housing Authority of Guin, Alabama	6/30/2017	183	\$	719,924
1734	NC036	Selma Housing Authority	6/30/2017	183	\$	449,408
1773	NC078	Plymouth Housing Authority	12/31/2016	183	\$	1,309,568
1084	LA027	Housing Authority of New Iberia	3/31/2017	182	\$	262,906
2540	TN068	Smithville Housing Authority	6/30/2017	182	\$	610,239
2614	TX061	Housing Authority of Sweetwater	3/31/2017	182	\$	2,276,355
2953	VT003	Rutland Housing Authority	3/31/2017	182	\$	831,496
75	AL109	Housing Authority of the City of Demopolis, AL	12/31/2016	180	\$	401,564
159	AR018	Housing Authority of the City of Magnolia	12/31/2016	180	\$	508,346
199	AR066	Russellville Housing Authority	6/30/2017	180	\$	972,591
239	AR117	Polk County Housing Authority	9/30/2017	180	\$	609,914
1020	KY057	Housing Authority of Carrollton	3/31/2017	180	\$	449,909
1351	MI076	Niles Housing Commission	12/31/2016	180	\$	333,051
1978	NJ058	Salem Housing Authority	9/30/2016	180	\$	247,564
2155	OH033	Cambridge Metropolitan Housing Authority	3/31/2017	180	\$	99,277
2364	PA065	CLEARFIELD COUNTY HOUSING AUTHORITY	3/31/2017	180	\$	1,076,307
2777	TX251	Housing Authority of Brady	9/30/2017	180	\$	1,131,043

Housing for the Disabled (Section 811) and Housing for the Elderly (Section 202)

In our hearing last year, we had discussed the Housing for the Disabled (Section 811) and Housing for the Elderly (Section 202) programs last year. This is a great place for government to work with faith-based organizations to make a positive impact on the lives of our most vulnerable populations. I'm exceptionally proud that we were able in the recently enacted Omnibus to provide an increase of \$83.4 million in 808, including \$82.6 million for new construction. For Section 202, we also provided funding for new construction--\$105 million and an overall increase over FY 17 of \$175.6 million.

Question: How will HUD implement this funding for construction of new units?

Answer: HUD is proud of its partnership under the Section 202 and 811 programs with nonprofit housing organizations, including faith-based organizations. The funding for new Section 202 properties will be competitively awarded to nonprofit housing organizations through Notices of Funding Availability (NOFAs), issued at different points in 2018 and 2019. For Section 202, HUD aims to fund properties that advance housing for the elderly as a platform for living independently and aging in place. HUD will expect these properties to be at the forefront of design and best practices in supportive housing for low-income elderly persons in order to promote the long-term health and social needs of low- and very-low income elderly persons. HUD was also provided up to \$10 million in the fiscal year 2017 Appropriations Act for new Section 202 housing and will include part of that funding in the NOFAs. HUD has already conducted necessary research and prepared draft materials, and as a result, HUD expects it will be able to publish a Section 202 NOFA later this fiscal year.

For Section 811, HUD is currently in the initial stages of a months-long program design phase. In the coming months, HUD plans to host a listening session with stakeholders to receive their input on the implementation of this new funding. Staff are reviewing Capital Advance and Project Rental Assistance program authorizations and regulatory structures with the Office of General Counsel in order to establish parameters for development of a new program. Once that task is completed, Multifamily Housing staff will collaborate with HUD's Office of Policy Development and Research in the design and development of a NOFA.

Knowledge gained from the implementation and management of the Section 811 Project Rental Assistance Demonstration, as well as its most recent evaluation, will be instrumental during the program design phase. In recognizing the complicated nature of coordinating services for this population, HUD expects to continue its partnership with the Centers for Medicare and Medicaid Services on this implementation.

This partnership will ensure that persons with disabilities will be able to access appropriate supportive services in order to live in an integrated community setting. We expect to complete the program design phase for the Section 811 NOFA no later than winter 2019 and announce the competition shortly thereafter.

“Rent Reform”

Your budget request assumes savings from what you're again calling "rent reform" and other cost saving measures. Last year, similar proposals we rejected on a bipartisan basis, and this year we are still waiting for HUD to provide additional details about these so-called reforms. What is already clear is that your proposals would increase rents for able-bodied tenants by at least \$111 per month on average. Imposing work requirements or increasing mandatory minimum rents shifts program costs onto our most vulnerable populations. Furthermore, in 2016, 90 percent of public housing households were elderly, had disabilities, worked, had recently worked, or were subject to work requirements through another program. Many individuals in public housing receive other forms of assistance with certain work or job training requirements.

Question: How do HUD's proposed "reforms" fit with other requirements that an assisted population might have (say, for example, to receive SNAP benefits)? I know the Trump Administration is always concerned about businesses not being overly burdened with regulations—how are you ensuring that individuals with few resources are not burdened with conflicting requirements from the government? Did HUD coordinate with other agencies when formulating this proposal?

Answer: In developing the rent reform legislative proposal, HUD consulted with a variety of stakeholders, public housing authorities (PHAs), scholars, and interest groups. The proposed bill text was circulated to all Federal agencies with potential equities for review and comment via the standard interagency process. Two primary goals of the rent reform package are to simplify program administration and increase local control and choice. Moving to a simpler income calculation and limiting the frequency of income recertifications will significantly reduce the burden on residents, PHAs, and property owners. Furthermore, by providing local partners with increased flexibility and choice in implementing different rent structures, rent reform will eliminate the one-size-fits-all approach and enable our partners to implement the rent structure and/or adopt work requirements that work best with their local priorities and the families they serve. HUD looks forward to working with you to ensure all our Federal assistance programs are more streamlined, complement each other, and are easier to navigate.

“Rent Reform”

You often say that one of your main goals as HUD Secretary is to encourage people to be more self-sufficient. If that is your goal, it would make sense to see proposed increases for programs like ROSS and FSS that provide individuals and families with training, support, and other resources. Instead you've proposed flat-funding FSS and eliminating ROSS. It seems unfair to impose work requirements while cutting self-sufficiency assistance programs.

Question: How does that make any sense?

Answer: HUD is committed to helping work-able families move up the ladder of opportunity to economic and housing self-sufficiency. The Administration's focus at this time is on supporting the Family Self-Sufficiency (FSS) and Jobs Plus programs, which are uniquely tailored to coordinate resources and support while also counteracting the disincentive to work built into an income-based rental calculation. Aside from these two programs, the provision of services, like support for resident self-sufficiency, will continue to be an eligible expense under the Operating Fund, and HUD encourages PHAs to use this resource to support such activities. In addition, due to the competing priorities for federal funding, the Department intends to continue to explore collaborative opportunities with other Federal agencies and with non-federal sources to support self-sufficiency programs.

Please note that the results of the Congressionally-requested evaluation of the ROSS program will be available in 2019 and results from the first longitudinal randomized control study of FSS are due in late 2018.

“Rent Reform”

HUD claims that current tenants who are elderly and disabled will not face rent increases when your policies are enacted. But what are your plans for new tenants? As I mentioned earlier, the average annual household income for Section 202 (Elderly) households is approximately \$13,300; and for the Disabled population, two-thirds of those assisted have developmental disabilities or chronic mental illness.

Question: How do you expect these individuals to come up with extra cash?

Answer: New elderly and disabled tenants will be required to pay the proposed Core or Choice rent structures, as described in the legislative proposal from HUD. Under the Core rent structure, new elderly and disabled households will pay 30 percent of their gross income for rent, versus the current 30 percent of adjusted gross income. In addition, there will be a standard minimum monthly rent of \$50. HUD will also provide public housing agencies and owners with flexible Choice rent structures which they can implement if they choose. The proposal includes hardship exemptions for households who cannot afford the tenant-paid rent.

“Rent Reform”

Question: Congress has mandated that HUD perform research on the Moving to Work (MTW) program and how PHAs are utilizing work requirements. HUD is in the process of studying what works and what doesn't. Yet with these rent reforms, you are putting the proverbial cart before the horse. Why not wait until you get the results of the study before moving forward?

Answer: The proposed rent reform legislation will provide all PHAs, if they determine it is appropriate for their markets and residents, with the option to implement work requirements and other alternative rent structures with the Secretary's approval. To date, several of the existing MTW agencies have implemented work requirements. In their MTW Plans and Reports, MTW agencies provided detailed information on how these work requirements are implemented and standard metrics on what outcomes have been achieved. Upon enactment of the proposed rent reform legislation, HUD will use the experience of the existing MTW agencies as it develops, through regulation, the work requirement option to be available to all PHAs.

The Consolidated Appropriations Act, 2016 requires HUD to direct each cohort of agencies designated as MTW to implement one specific policy change, which HUD will evaluate rigorously. To determine which policies should be evaluated, the statute required HUD to form and consult with a Federal Research Advisory Committee (the Committee), established in May 2016. The Committee was responsible for recommending policies for HUD to consider studying and the methods to conduct the evaluations of those policies. The Committee discussed many different potential policies to be studied and ultimately recommended the following: Impact of MTW Flexibility on Small PHAs; Rent Reform; Work Requirements; and Landlord Incentives. HUD will use the experience of the existing MTW agencies to develop specific policies that will be studied by a cohort of agencies under the MTW expansion.

“Rent Reform”

Question: These proposals really belong in front of the authorizing committees—what consulting did you do with them prior to including these proposals in your request?

Answer: Our legislative proposal has been transmitted to HUD's authorizing committees, the House Financial Services Committee and Senate Committee on Banking, Housing, and Urban Affairs. In developing our proposal, we consulted with a variety of stakeholders, Federal agencies, PHAs, scholars, and interest groups.

Department of Housing and Urban Development
Fiscal Year 2019 Questions for the Record
 Congressman John Culberson
 Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
 House Committee on Appropriations

Culberson #1

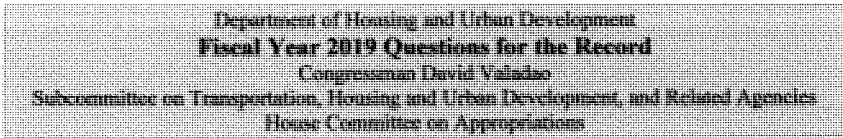
CDBG-DR Unmet Methodology

Question: As HUD determines the unmet needs of areas affected by major declared disasters that occurred in 2017, what data and methodology will HUD employ when allocating Texas' unmet needs as appropriated in P.L. 115-56 and P.L. 115-123? In particular, will aggregate uninsured damage amounts by state be used? Hurricanes Harvey, Maria, and Irma were the costliest disasters of 2017 and will no doubt receive the majority of these funds. According to an analysis reported by the Insurance Journal on January 24, 2018, Hurricane Harvey caused an uninsured loss of \$70 billion compared to a \$38 billion uninsured loss from Hurricane Maria and a \$32 billion uninsured loss from Hurricane Irma. Please provide the data and methodology HUD will use to allocate these dollars to Texas.

Answer: On April 10, 2018, HUD notified grantees of their share of the \$28 billion of Community Development Block Grant Disaster Recovery (CDBG-DR) funding appropriated under Public Law 115-123, meeting the statutory requirement that no less than one-third of the funds be announced within 60 days of enactment.

The formula combines four elements: (1) funding for remaining serious unmet housing and business need for 2017 disasters; (2) funding for local cost share requirement for FEMA Public Assistance for 2017 disasters plus an allocation to Puerto Rico (PR) and the U.S. Virgin Islands (VI) to reflect the required \$2 billion of electric grid enhancement; (3) an adjustment to ensure PR and VI receive a minimum of \$11 billion as required by law; and (4) funding for mitigation activities for all disasters funded under CDBG-DR in 2015, 2016, and 2017.

HUD uses aggregate uninsured damages, but does not use the private sector estimates described in the question. Instead, HUD uses FEMA Individual Assistance and SBA Disaster Loan applicant data to make the estimates as described in detail in the draft appendix for the Federal Register Notice that would govern the use of the funds appropriated under P.L. 115-123 for CDBG-DR. More detail about HUD's use of data and methodology for CDBG-DR was provided in a briefing to staff of the Appropriations Subcommittees on April 5, 2018, in advance of the announcement, and HUD is happy to answer additional methodology questions.



Valadao #1

Homelessness

People who experience homelessness and housing instability in rural areas may have different needs than those living in urban areas. In rural areas, families may be more likely to live in substandard or overcrowded housing rather than being completely unsheltered.

One of the three HUD Homeless Assistance Grants is the Rural Housing Stability (RHS) Grant. The RHS Grant would allow rural communities to serve a broader range of individuals and families than the other two homeless assistance grants, including those living in the worst housing situation in their geographic area. Since the RHS Grant was enacted, in 2009, HUD has not implemented the program. And in December of 2017, HUD withdrew the proposed rule that had been issued for the program.

Question: Does HUD ever plan to issue grants under the RHS program?

Answer: HUD is committed to ending homelessness in rural communities. Not only do rural areas lack affordable housing, they also face unique challenges in addressing homelessness including limited infrastructure – especially transportation – that links people to housing, health care, employment, and other supportive services.

HUD has prioritized rural homelessness in its strategic plan and intends to develop unique solutions to address rural homelessness with a four-pronged strategy:

1. Review legislative and regulatory changes required to better address the needs of partners in rural communities;
2. Evaluate program implementation barriers that impede efforts to address the needs of rural communities;
3. Build meaningful partnerships within HUD, other Federal agencies, large nonprofit organizations, and communities to identify effective solutions to address unique challenges of rural areas and communicate those strategies to communities; and
4. Establish a technical assistance plan to focus on rural solutions and capacity building.

This effort focuses on the core purpose of the RHS Program—to rehouse or improve the housing situations of persons in rural areas to gain housing stability.

The 2019 Budget request to make some eligible costs from the RHS Program available to rural communities through the Continuum of Care (CoC) Program would allow rural

communities to take advantage of solutions unique to their needs. This would also help inform HUD's understanding of how to implement the activities most effectively in rural areas and to determine other rural community needs.

HUD has not abandoned the RHS Program regulations. In reviewing public comments, many commenters expressed support for funding targeted to rural areas and for eligible activities that provide unique solutions for rural communities. However, many commenters also raised concerns about establishing a program that appeared to contradict the existing planning structures in CoCs. This request to make some of the RHS program costs eligible, paired with HUD's multi-pronged strategy to better address rural homelessness, will provide HUD a critical opportunity to learn effective strategies for engaging rural communities to end homelessness.

Homelessness

In the President's FY2019 budget, there is a proposal, specifically Section 238 in the HUD Budget Justifications, which would allow rural communities to use HUD Continuum of Care program homeless funding for additional activities not allowed under the statute, including home repairs and relocation assistance.

Question: Is this meant to take the place of the RHS grant? Does HUD have draft legislation it plans to release? How would rural areas be defined?

Answer: While HUD has continued working through public comments on the proposed Rural Housing Stability Assistance (RHS) Program, HUD would like to make the benefits of the proposed program available as soon as practicable. Because the voice of the community is central to HUD's efforts to address rural homelessness, HUD will seek their feedback in implementing proposed eligible costs, eligible activities, and program requirements.

HUD is exploring whether further legislative changes are necessary and will consider community feedback in this effort.

For the purpose of implementing eligible activities under the RHS Program, HUD intends to use the definition of rural established in the McKinney-Vento Homeless Assistance Act, i.e., an area or community that:

1. has no part of it within an area designated as a standard metropolitan statistical area by the Office of Management and Budget; or
2. is within an area designated as a metropolitan statistical area or considered as part of a metropolitan statistical area, and at least 75 percent of its population is located on U.S. Census blocks classified as non-urban; or
3. is located in a State that has population density of less than 30 persons per square mile (as reported in the most recent decennial census), and of which at least 1.25 percent of the total acreage of such State is under Federal jurisdiction, provided that no metropolitan city in such State is the sole beneficiary of the grant amounts awarded under this part.

Moving to Work

In 2016, Congress authorized an expansion of the Moving to Work demonstration, which HUD is currently implementing. There are Public Housing Agencies in my district that are interested in participating in the expanded Moving to Work demonstration, but do not meet the selection criteria.

Question: Aside from Moving to Work the FY2019 HUD budget request includes a number of proposals that could provide similar flexibility for small Public Housing Agencies. Can you discuss those proposals and how they might relieve administrative burdens and promote more flexibilities for small Public Housing Agencies?

Answer: The FY 2019 Budget Request includes several proposals that would increase administrative flexibility and reduce burden for public housing agencies (PHAs), including small PHAs:

- HUD's rent reform legislative proposal: HUD has submitted a legislative proposal to Congress that will provide PHAs with the option, like MTW agencies, to choose alternative rent structures that work best for their communities, including the option to implement minimum work requirements for work-able residents. Under the proposal, PHAs that continue to use the core rent structure would move to a simpler income calculation and limit the frequency of income recertifications, significantly reducing their administrative burdens.
- Public Housing administrative flexibilities: HUD is seeking broad authority to waive public housing statutory and regulatory requirements to provide PHAs with the flexibility to tailor and apply policies that address their individual needs and are acceptable within their local communities. These waivers would encourage increased local discretion and flexibility in terms of how PHAs operate their public housing programs in a challenging budgetary environment. Specifically, HUD is requesting to waive statutory and regulatory provisions related to PHA administrative, planning, and reporting requirements; energy audits; income recertifications; and program assessments.
- Public Housing Capital and Operating Fund flexibility: This proposal permits PHAs to use FY 2019 and prior Public Housing Operating Funds, and prior Public Housing Capital funds for any eligible public housing purpose, regardless of the fund from which the amounts were allocated and provided. Currently only very small PHAs (under 250 units) that are not troubled and operate public housing in a safe, clean and healthy condition have full flexibility. Larger PHAs are permitted to transfer only 20 percent of the Operating Fund to the Capital Fund and vice versa. Full flexibility will enable all PHAs to focus limited Federal resources on local priorities without being constrained by the statutory limitations of each fund.
- Housing Choice Voucher (HCV) Program flexibilities: HUD is also requesting broad authority to waive statutory and regulatory requirements for the HCV program. This authority is limited to the setting and adjustment of allowable rent levels, payment standards, tenant rent contributions, occupancy standards, PHA assessments, or other

PHA administrative, planning and reporting requirements. This proposal will provide PHAs with a variety of options for cost savings and administrative relief that reflect the specific needs of the individual PHA.

Community Housing Development Organization

I have heard that some HUD offices have determined that mutual self-help housing organizations utilizing the USDA Rural Development program are not considered to be pursuing Community Housing Development Organization (CHDO) activity under the HOME program-eligible activities in the HOME program.

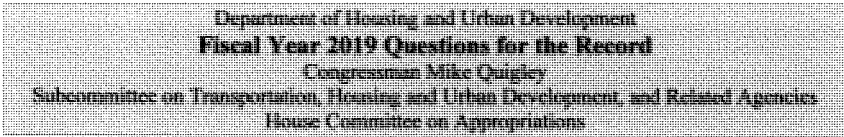
Question: Given the degree of hands on nature of this program – where the nonprofit is involved in every step of the development – how could these CHDOs not be considered as owners, developers, or sponsors?

Answer: The National Affordable Housing Act requires that HOME participating jurisdictions use at least 15 percent of each annual HOME allocation only for housing that is owned, developed or sponsored by organizations that qualify as community housing development organizations (CHDOs). To be eligible for funds from the CHDO set-aside, the organization must meet the capacity, board composition, and other regulatory requirements for qualification as a CHDO and the specific project to be funded must meet the definitions established in the HOME regulations for housing owned, developed, or sponsored by CHDOs.

The HOME regulations state that housing for homeownership is "developed" by a CHDO when the CHDO is both the owner (in fee simple absolute) and the developer of new housing that will be constructed or existing substandard housing that will be rehabilitated for sale to low-income families. As the developer, the CHDO must have effective control throughout the development process, including arranging project financing, maintaining sole charge of construction, and selling the property to an eligible low-income homebuyer upon construction completion.

Nonprofit organizations participating in the USDA Mutual Self-Help Housing Program engage in a variety of activities that support the development of homebuyer housing in rural communities, including carrying out pre-development work, assisting families in filing loan applications, and providing training, technical assistance, and construction supervision to groups of participating families. Families constructing and purchasing homes through USDA's self-help method obtain USDA Section 502 loans for construction and permanent financing. As a direct lender, USDA requires applicants to obtain title to the property before the loan may be closed. Because the title to the property is transferred to the homebuyer before development, a nonprofit organization participating in this self-help program is not acting as the developer and cannot qualify for funding from the HOME CHDO set-aside.

While nonprofit organizations participating in the USDA Mutual Self-Help Housing Program unfortunately cannot qualify for CHDO set-aside funding, these projects can receive regular HOME funding.



Quigley #1

US Interagency Council on Homelessness

I have long been a supporter of the mission and purpose of the US Interagency Council on Homelessness. Homelessness, in any amount, among any population, is unacceptable in a modern, wealthy, and prosperous society and I believe we should do whatever we can to ensure that every American has a place to call home.

USICH is not part of HUD, instead it serves as an interagency convener, ensuring that policies and procedures across the government are coherent and in sync and working with localities to establish and employ best practices when it comes to reducing homelessness.

The President's FY 19 budget has proposed completely dramatically reducing funding for USICH and if the program is eliminated or seriously shrunk, its responsibilities would almost certainly fall to HUD.

Question: Given that HUD has not requested any additional funding or personnel to take over for USICH, is HUD prepared to step in as the interagency group coordinating and catalyzing the Federal response to homelessness across the 19 Federal member agencies that USICH currently works with?

Answer: HUD is committed to working across agencies along with state, local, and private partners to leverage other programs to end homelessness. In fulfilling one of its main roles, United States Interagency Council on Homelessness' (USICH) has made significant progress in the promotion of interagency collaboration to combat homelessness. Thanks to the efforts of USICH to pave the way for collaboration across agencies, HUD has good relationships with Federal partners and could coordinate the interagency effort if needed.

Climate Change

Dr. Carson, last year, President Trump announced his intention to withdraw the United States from the Paris Agreement. The Agreement, which I believe is a crucial framework for achieving the carbon pollution reductions necessary to tackle man-made climate change, is an unprecedented display of global will towards addressing climate change.

In response to the President's decision, HUD issued a statement praising the withdrawal and specifically mentioned the need to protect the "most vulnerable Americans." There is ample evidence, however, that truly protecting the most vulnerable Americans requires responding to the threats and challenges posed by climate change. For instance, a number of studies late last year concluded that nearly 2% of all homes in the United States are at risk of being deemed uninhabitable due to flooding from sea level rise by 2100- impacting major cities like New York, Boston, New Orleans, and, in the Chairman's home state, Miami- where nearly 1 in 8 homes may be impacted. In addition, as you well know, poorer communities tend to be centralized in inner cities, where they are more susceptible to heat waves and increased levels of urban air pollution. When low-income Americans have to spend more of their limited income on healthcare and energy to keep cool, they can't devote the resources necessary to housing.

Question: From a HUD and housing point of view, should addressing climate change and its impacts be a high priority?

Answer: The mission of HUD is to strive to ensure every American has access to safe and decent housing. HUD is not the lead department with respect to the environment. Regarding future flooding risks, Congress provided in Public Law 115-123 a total of \$28 billion in CDBG-DR funding, of which up to \$16 billion was to address remaining unmet needs from major disasters in 2017 and at least \$12 billion was to support mitigation activities among CDBG-DR grantees that experienced presidentially declared disasters from 2015 through 2017. Mitigation can broadly be described as actions taken to protect communities from the predictable damage from future events, such as flooding. HUD allocated the \$28 billion in April 2018. After addressing remaining 2017 unmet needs at a total of \$12 billion, the Department was able to make an additional \$3.9 billion available for mitigation. This brought the total amount available for mitigation to nearly \$16 billion for recent CDBG-DR grantees.

Question: Does HUD have a plan in place to address and increase in demand for affordable housing from Americans if climate impacts are allowed to continue unabated?

Answer: See response above.

SHOP

The Self-Help Homeownership Opportunity Program (SHOP) is an important, unique and efficient federal program. SHOP is the only HUD grant program that provides funding exclusively for homeownership projects serving lower-income people.

SHOP supports non-profit organizations that use the self-help model to acquire land, purchase foreclosed or abandoned properties and improve the infrastructure of homes for first-time, lower-income homeowners.

In addition, SHOP has leveraged over \$2 billion of private investment into communities. Even with this significant return on investment, it was still proposed to be eliminated under the FY19 budget.

It is programs like SHOP, with such strong leveraging capability, that revitalizes thousands of neighborhoods, that we should be supporting.

Question: Can you explain why important programs like SHOP that leverage the private funding that this Administration consistently champions are being zeroed out in this budget?

Answer: HUD's proposal to eliminate the Self-Help Homeownership Opportunity Program (SHOP) does not mean that it is ineffective or not worthwhile. However, there was a need to direct Federal resources to other activities that were a higher priority. State and local governments are better positioned to serve their communities based on local needs and priorities.

CDBG Resilience

Dr. Carson, as I'm sure you know, CDBG – Disaster Recovery money has been used extensively to help rebuild after the terrible storms in Texas, Florida, and Puerto Rico. Since it's used in the wake of a natural disaster, CDBG- DR requires that grantees consider resilience to extreme weather to ensure that structures built to replace buildings that were recently destroyed aren't themselves susceptible to natural hazards.

Question: Would you be supportive of a resilience requirement in the base CDBG program to help make sure that all structures constructed using CDBG funds are built to withstand the rigors of natural hazards?

Answer: The Department published a Final Rule amending 24 CFR Part 91 to require grantees to incorporate the consideration of resilience to natural hazards and broadband needs into the consolidated planning process. The Rule (81 FR 90997) provided that the new requirements apply to a consolidated plan submitted on or after January 1, 2018. The regulations describe how Community Planning and Development (CPD) grantees should consider resilience to natural hazards and broadband needs and require grantees to include information from their analyses in the consolidated plan. A state or local government will determine whether such risks exist, and, if the grantee determines risks exist, what actions, if any, should be taken to address them. As indicated in the preamble to the Rule: "HUD does not mandate what objectives grantees should achieve or what activities grantees are to undertake with their formula funding."

Department of Housing and Urban Development
Fiscal Year 2018 Questions for the Record
 Katherine Clark - Congresswoman
 Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
 House Committee on Appropriations

Clark#1

Taylor Weyeneth

It has been reported that the Department has hired Taylor Weyeneth to "focus on opioid policy" at HUD. Mr. Weyeneth was forced to resign his position at the Office of National Drug Control Policy (ONDCP) because of his lack of experience, and it has been reported that Mr. Weyeneth fabricated information on his resume. Following Lynne Patton, this is at least the second time in the past year that the Department has hired an individual who fabricated their qualifications.

Question: What work experience, excluding his very brief tenure at ONDCP, does Mr. Weyeneth possess that qualifies him to work on opioid policy at HUD?

Answer: Mr. Weyeneth's work history contained sufficient experience in entry-level positions in the administrative and legal fields to qualify him to work in the entry-level position for which he was hired, that of Special Assistant in the Office of Community Planning and Development (CPD). In this role, Mr. Weyeneth provided administrative support to CPD leadership and was not in a policymaking position. However, Mr. Weyeneth is no longer an employee of the Department.

Question: What criteria was used to evaluate Mr. Weyeneth's suitability for this position?

Answer: Mr. Weyeneth's previous employment experience in administrative positions led to the decision to hire him in an entry-level position providing support in the Office of Community Planning and Development (CPD).

Question: Knowing that Mr. Weyeneth was forced to resign his previous position at ONDCP, why did the Department hire Mr. Weyeneth?

Answer: Based on his work experience in entry-level administrative positions, the Department's White House Liaison believed that Mr. Weyeneth was qualified for the position for which he interviewed and hired, that of an entry-level Special Assistant in the Office of Community Planning and Development (CPD), which was seeking additional administrative help.

Question: Who made the decision to hire Mr. Weyeneth?

Answer: Based on his work experience in entry-level administrative positions, the Department's White House Liaison believed that Mr. Weyeneth was qualified for the position for which he interviewed and hired, that of an entry-level Special Assistant in the Office of Community Planning and Development (CPD), which was seeking additional administrative help.

Question: Other than Mr. Weyeneth, how many HUD employees work exclusively on opioid policy?

Answer: HUD does not have any employees that work exclusively on opioid policy. Many HUD programs target the most vulnerable citizens in our communities, including individuals with substance abuse issues. For example, the Continuum of Care competitive grant program provides funding for permanent supportive services that work with the chronically homeless who have addictions.

Question: What is the Department's current opioid policy? Is the Department planning on altering that opioid policy and if so how?

Answer: The Department is currently coordinating with the White House's Office of National Drug Control Policy on combating the opioid epidemic. We have also convened all program offices to think through strategic changes with rules and guidance that will support the efforts of interdiction, law enforcement and prevention. We are continuing to study local success stories across the country, identifying good models and data to be integrated in HUD's support new Notices of Funding Availability.

Federal Financing Bank Program

In 2014, the Department of Housing and Urban Development (HUD) announced an initiative with the Treasury Department/Federal Financing Bank (FFB) to provide capital for multifamily loans originated by Housing Finance Agencies (HFAs) under the Federal Housing Administration's (FHA) Risk Sharing program. The goals of the initiative included reducing the interest rate for affordable multifamily developments compared to tax-exempt bonds, increasing the supply and preservation of affordable housing, and ensuring competitive financing to underserved markets often served by HFAs. The program built on the long-standing and successful partnership between HUD and the nation's HFAs, while managing the risk to FHA's insurance fund by requiring that participating HFAs be in good standing with HUD, have a minimum independent agency rating of "A", and share the risk of all loans originated under the program equally with HUD.

The program has proven to be a valuable tool for HFAs as they carry out their mission to create and preserve affordable housing. Specifically, state HFAs have demonstrated, through the Risk Share program, a willingness to materially share risk with HUD to support affordable housing to an extent not present in any other HUD program or embraced by any other market participant.

In Massachusetts, over 6,000 units of affordable housing were preserved in 2016—a record high for the Commonwealth—and state's housing finance agency helped preserve 1,759 units utilizing FFB.

Within the last few months, HUD indicated that it will not request or provide additional commitment authority for FY 2019 for the Risk-Sharing FFB program, effectively halting this program and eliminating a valuable tool for many HFAs. And while conditions in the tax-exempt market have improved, the availability of this resource is limited by federal statute, which imposes an annual cap on the amount of tax-exempt bonds states can issue. Moreover, states and districts across the country continue to struggle to meet the considerable demand for affordable housing, and HFAs need access to competitive financing to help create and preserve affordable housing in the markets they serve.

Question: What factors and data will HUD evaluate to determine the conditions under which the Agency would restart the Risk-Sharing FFB program?

Answer: The Risk-Sharing FFB initiative goal is to reduce the interest rate for affordable multifamily housing developments from that available through tax-exempt bonds which are the primary HFA capital tool for affordable multifamily housing loans. At the height of the financial crisis, the cost of tax-exempt bond financing exceeded the cost of Ginnie Mae Mortgage Backed Securities by over 200 basis points, limiting investment in affordable multifamily housing. During the past year, tax-exempt bond rates have fallen to within 30 basis points of Ginnie Mae.

HUD believes the market has stabilized and there is no further need for the Risk-Sharing FFB initiative at this time. HUD will monitor interest rate pricing going forward.

Question: Does the Department continue to support the HUD/HFA Risk Sharing program? While FFB is on pause, how will HUD work with HFAs to ensure access to capital to meet the shared mission of creating and preserving affordable housing?

Answer: HUD continues to support the HFA Risk-Sharing program and considers the program an integral part of HUD's efforts to encourage investment in affordable housing. HUD continues to work with HFA's to enhance the usage of the program.

WEDNESDAY, APRIL 11, 2018.

RAIL SAFETY AND INFRASTRUCTURE—STAKEHOLDER PERSPECTIVES

WITNESSES

STEPHEN GARDNER, EXECUTIVE VICE PRESIDENT, AMTRAK

ED HAMBERGER, PRESIDENT AND CHIEF EXECUTIVE OFFICER, ASSOCIATION OF AMERICAN RAILROADS

JOHN FRY, PRESIDENT, DREXEL UNIVERSITY

JAMES DERWINSKI, CEO/EXECUTIVE DIRECTOR, METRA COMMUTER RAILROAD

Mr. DIAZ-BALART. We call the subcommittee to order today. We have convened a panel of key rail stakeholders to hear your perspectives on rail, and safety, and infrastructure, and so we know that the rail network is obviously a critical component of our transportation system and frankly of the national economy.

And it carries one-third of U.S. exports, and delivers 5 million tons of freight, and transports about 85,000 passengers every day via intercity passenger rail. And obviously commuter rail, as we know that number is even higher.

So, in today's hearing we are going to discuss the significance of rail. Of rail to the country, to the nation, its effect on our national economy, and consider obviously the funding needs as we develop the '19 Bill, and the funding needs for this critical mode of transportation.

And obviously, particularly as we turn our attention to crafting our 2019 Bill, it is important to listen to the stakeholders. And we want to thank you once again for your involvement.

Our distinguished panel today consists of some of the key players in this area. So, I would like to welcome you. Stephen Gardner, Executive Vice President of Amtrak is here, there you, good to see you. Ed Hamberger, President and Chief Executive Officer of the Association of American Railroads; how are you, sir? Good to see you. James Derwinski, CEO and Executive Director of the Metra Commuter Rail; and Mr. John Fry, the President of Drexel University. Thank you all for being here.

As you know recently there was a significant bipartisan breakthrough in Congress which we are all happy about, that sets the stage for us to be able to invest in our nation's future, including the program under the jurisdiction—and the programs under the jurisdiction of this Subcommittee. And that is exactly what we do.

We passed the recent Omnibus 2018 Bill, and this Subcommittee invested over 10 billion in new infrastructure. Our Appropriations Bill was, in many respects, an Infrastructure Bill, the Infrastructure Bill. There has been a lot of speculation, a lot of talk about wanting to do things in infrastructure, a lot of different ideas, but

this is real, the money is on the table, and we are very proud of that.

So, the Bill provides a total of 3.1 billion for the Federal Railroad Administration which is an increase of more than 1.2 billion over the 2017 enacted level.

We provided increases to every FRA account, again, ranging from research and safety accounts, to Amtrak and to infrastructure and safety grant programs. All of these programs are vital. They are incredibly important for our nation's rail system.

And the bill also provided substantial funding increases to the Federal Transit Administration Programs, plus \$1.5 billion for TIGER Grants, a huge increase from the 2017 enacted level. And again, these are infrastructure investment, these fund levels will allow us to make critical investments in real infrastructure, address the maintenance backlog, which is something that we have been talking about, and have been concerned about for so many years, to ensure the state of good repair, and to increase the safety of our rail systems in 2018.

And we expect to continue, by the way, to make critical investments in our nation's rail infrastructure in 2019. Again, with all the talk of infrastructure, this Subcommittee's work, in essence, is real. It is not theory, it is real money now, which, again, I think is important.

So we would like to hear from our panel today, about frankly your views; your views on rail infrastructure and safety, the importance of the rail system to our communities, and frankly to our national economy as a whole.

And what we in Congress can do to make sure that our nation continues to move forward in that direction, continues to make the right choices, we want to make sure that the taxpayer money meets our common goals. To continue to improve safety, address the state of good repair backlog, and to balance our economic competitiveness.

And so you are here today as key partners and key leaders in those efforts, and so, you know, I thank you for spending your time with us here today.

And with that, I would like to yield to my dear friend, and the Ranking Member Mr. Price. Mr. Price.

MR. PRICE. Thank you, Mr. Chairman. I am pleased to be here this morning, and to welcome this diverse group of witnesses, to talk about rail safety and infrastructure. So, thanks to all of you for joining us.

I also want to congratulate our Chairman, and the entire Subcommittee for our successful conclusion of the Fiscal 2018 Appropriations process. It was, admittedly, six months late, but we got it done, and the end result was a bipartisan product that fulfills key priorities for members on both sides of the aisle.

I was getting, and over this break, I was getting a very positive reaction from all around my district about this bill, and told them I was reminded of Churchill's dictum that, of course we did the right thing, we always do the right thing in democracies, we just try everything else first. That is sort of what one was reminded of the way this went.

But as the Chairman has stressed, the result was especially positive for critical transportation and housing programs that this Subcommittee oversees. So, it is a good investment, a good set of investments, and this of course includes rail, the largest rail investment in nearly a decade.

So this is a particularly appropriate panel to hear from today, whether it is freight rail moving goods, or passenger and commuter rail moving people, rail remains a critical mode of transportation, a major economic engine for our country.

I am interested to hear about the challenges and opportunities facing our rail stakeholders, the investment priorities, positive training control implementation, the future of commuter and inter-city passenger rail.

The rail ecosystem is complex. The various industry and government entities operating within the system simply have to work together if it is to run smoothly.

So, I hope this hearing will continue to facilitate these working relationships and help inform our Subcommittee as we shift our attention to the Fiscal Year 2019 Appropriations Bill. Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Let me also, on the onset, say that I know you are all aware there is a number of hearings going on at the same time. And so, we will have people coming in and out, and so, ahead of time I want to thank you for your understanding and your patience for that.

So, we will proceed in the standard five-minute round, when we get to the questions. But now, you know, obviously your full testimony will be submitted for the record.

Let me just find my page here. So, Mr. Gardner, thank you again, and as I said, your testimony will be submitted for the record. And you are recognized.

Mr. GARDNER. Good morning. Thank you, Mr. Chairman. And thank you Ranking Member Price, and the whole Subcommittee, for your time today in this hearing on rail safety and infrastructure. My name is Stephen Gardner, I am Amtrak's Executive Vice President and Chief Commercial Officer.

It is my pleasure to testify before you today. Before beginning, on behalf of the entire company I want to thank all the members of the Subcommittee and their staffs for the impressive and urgently needed funding provided to Amtrak and passenger rail this year.

And I particularly would like to note our sincere appreciation in regard for Chairman Frelinghuysen, who has been a longtime ally and passenger of ours during his 23 years serving the district.

Second, I would like to thank my colleagues here at the table, as well as Secretary Chao, and Administrator Batory in the U.S. Department of Transportation, for their partnership and support of Amtrak.

The FY'18 Appropriation Bill provides 1.94 billion for Amtrak's Northeast Corridor and National Network, nearly \$450 million more than last year's level; this much-needed funding to support long-standing and critical infrastructural project on the NEC, and allow Amtrak to continue to improve our assets, and our operations across our national network.

This strong support moves us past maintaining the status quo and into an era of addressing our twin challenges of old and unreliable assets, and growing passenger demand. We look forward to working the Subcommittee as we progress the programming of these funds, and as you consider funding levels for FY'19.

Equally important the Bill included several—funding for several DFT programs, such as the Federal State Partnership Program, CRISI, which also includes funding for important PTC implementation, and FTA's Capital Investment Program.

We are pleased to see Congress provide DOT with these critical tools to support rail, and we intend to work with our various partners to pursue all appropriate grand opportunities once the official funding notices are made available by DOT.

The Department is our closest partner, and we have a strong working relationship with its leadership and staff. Together, we will collaborate in FY'18 and beyond, on the best ways to advance intercity passenger rail across the nation.

Taking together your Subcommittee and this Congress have made historic investments in passenger rail that we believe will serve as a foundation for a new era of modernization and improvement.

We are confident of the increasing relevancy of intercity passenger rail will make a big mark in the century ahead. Population growth, greater organization and increasing air and highway congestion and a generation shift—taken together, these investments are going to be a huge boost of support for Amtrak. We stand ready to work with our partners to advance critical construction projects on the NEC, and launch a new phase of improvements across the national network, which includes the state supported of the long distance routes that carried over 19 million of our 31 million riders last year.

We plan to invest in purchasing new locomotives and rolling stock, making station improvements, strengthening safety, building partnerships or service expansion and improvement with our state, commuter partners and host railroads. Against these investments we will continue to drive improved operating performance and revenue growth as part of our efforts to reduce our net loss while modernizing our services.

We have already begun analyzing our network structure and fleet plan for opportunities to better match capacities to demand, reducing efficiencies and bring innovation to our suite of products and services.

The significant challenge we face in improving our products is our on-time performance. As you know, Amtrak is dependent on 28 host railroads for the vast majority of our routes, and poor OTP on these routes has reached crisis levels in many cases, following 5 years of increasing delays.

The largest cause of delays is freight train interference which is often caused as a result of host railroads failure to provide Amtrak's trains preference over freight transportation as required by law.

To address this growing problem, Amtrak is requesting Congress to provide the Private Right of Action, so that Amtrak can enforce

its preference in court, just as any other company would have the right to go to court if its rights were being violated.

We look forward to working with Congress to find a solution to what has become an existential crisis and challenge for our national network services.

Finally, we remain diligently focused on working together with our host and tenant railroads to implement PTC in accordance with the 2018 deadline. And ultimately achieve PTC levels of safety across our entire network.

Guiding this process is Amtrak's New Safety Management System that is helping to drive a more proactive and collaborative safety process, and the mitigating risk and hazards before they turn into incidents.

As you begin your work in FY'19, we hope that the FY'18 enacted levels will serve as the new baseline for funding, for passenger rail service, the service that is so critical to this nation, and to your constituents.

We are confident in Amtrak's ability to become the safest and most efficient passenger railroad in North America, but we need your continued capital investment to address our many challenges.

We owe our customers and your constituents nothing less. Thanks so much for the opportunity to testify. And I look forward to your questions.

[The information follows:]

Testimony by

Stephen Gardner

Executive Vice President & Chief Commercial Officer

National Railroad Passenger Corporation



Before The

United States House of Representatives

Committee on Appropriations

**Subcommittee on Transportation, Housing, and Urban Development,
and Related Agencies**

Rail Safety and Infrastructure-Stakeholder Perspectives

April 11, 2018 9:30 a.m.

Amtrak

1 Massachusetts Avenue, N.W.

Washington, DC 20001-1401

(202) 906-3918

AN OVERVIEW OF AMTRAK, RAIL SAFETY, AND INFRASTRUCTUREIntroduction

Good morning. I wish to extend my thanks to Chairman Diaz-Balart, Ranking Member Price, and the whole subcommittee for setting aside time today to focus on rail safety and infrastructure. My name is Stephen Gardner and I serve as Executive Vice President and Chief Commercial Officer for Amtrak and it is my pleasure to testify here today on behalf of our President and CEO, Richard Anderson.

Before beginning, I especially want to thank the members of this subcommittee and their staff for all the hard work and late nights that were dedicated to crafting, and eventually passing, the FY18 appropriations bill. We at Amtrak know it was not an easy task, and on behalf of our CEO and Board of Directors, I am here to offer our sincere appreciation.

FY18 Appropriations

The FY18 bill provided \$1.94 billion for Amtrak, an increase of more than \$400 million above last year's levels. This much needed additional funding will support long-standing critical infrastructure projects on the Northeast Corridor (NEC) and allow Amtrak to continue to improve our assets and operations across our National Network. This strong support allows us to move past simply maintaining the status quo and begin to address the twin challenges of old and unreliable assets and growing passenger demand. We look forward to working with the subcommittee as we progress the programming of these funds and you consider funding levels for FY19.

Equally important, the bill also included funding for several Federal Railroad Administration (FRA)-administered discretionary grant programs that will supplement Amtrak's annual grant funding and will further advance intercity passenger rail. For example, the Federal State Partnership for State of Good Repair grant program now has \$250 million to help repair or replace some of the nation's most critical assets, like the tunnels and bridges that many of your constituents use every day to travel to work and support the national economy. The Consolidated Rail Infrastructure and Safety Improvements Program (CRISI) received \$592 million to improve the safety, efficiency, and reliability of rail, including funding for Positive Train Control (PTC). Additionally, the FTA Capital Investment Grant program, and in particular the funds set aside for Core Capacity, has the potential to advance key infrastructure projects that we share with our commuter partners. These grants are just a few of the programs funded in the FY18 bill that will support passenger rail, and we fully intend to work with our various, state, commuter, and host railroad partners to pursue all appropriate grant opportunities once the official funding notices are made available by DOT.

Taken together, your subcommittee and this Congress has made historic investments in passenger rail that we believe will serve as the foundation for a new era of modernization and improvement. Like you, we see the value rail service brings to transportation, communities and our economy. We are confident in the increasing relevance of intercity passenger rail in 21st Century America, as population growth, greater urbanization, increasing air and highway congestion and a generational shift away from driving all propel consumers to our mode. From growing ridership and revenue to the significant reductions we have made in our operating losses, our progress is clear.

Yet, all this stands at risk without the kinds of investments you have made in our system in FY18. Today's success relies almost entirely upon assets that are at or near the end of their useful life and must soon be retired or rebuilt. From passenger cars over 40 years old to tunnels nearing 150 years old, our service and utility to the nation is in jeopardy. Without resources to recapitalize our system, we see a downward trajectory ahead as we become less reliable, marketable and viable at exactly the time when we should be doing more for America and a whole new generation of riders who want to ride trains if we can provide a convenient, modern and productive environment.

So, again, let me thank you for leadership, which combined with the authorizing committees' good work on the FAST Act, has begun what we hope will be a sustained period of renewal and modernization of the nation's railroad for the Century ahead.

FY17 and FY18 to Date

Amtrak carried a record number of passengers in FY17, our 17th year over year increase in the last 21 years. This ridership brought with it \$3.2 billion in revenue, which enabled us to achieve a record low operating loss of -\$194 million, a 16% reduction in loss over FY16. In fact, we recovered 94.7% of our operating expenses through ticket sales and other revenues and shows the progress we are making towards our goal of covering all our total operating losses with revenue on a consolidated basis. We completed \$420 million in state of good repair and infrastructure renewal investments. These efforts included a significant project in New York Penn Station, where we began the renewal of critical track infrastructure that continues this year thanks to the funding provided by this subcommittee. In Chicago, we selected a Master Developer for a six-year, \$1 billion redevelopment of Chicago Union Station and adjacent property, a powerful demonstration of how Amtrak is trying to maximize the potential of our assets while enhancing the value of the communities we serve. We also reduced our debt to \$1.2 billion – a 64% reduction in the last ten years.

FY18 began with a strong start, with our best month ever for ticket revenue in November and Thanksgiving week continuing to be our busiest week of the year, with a record 777,897 riders, generating \$61 million in ticket revenue. From this encouraging start, the fiscal year has turned

out to be more difficult than we anticipated. The December derailment of Train 501 near DuPont, Washington and the February collision between Train 91 and a CSX freight train in Cayce, South Carolina weigh heavily on all of us at Amtrak, prompting us to review and strengthen our safety practices and commit to building a new Safety Management System. In addition to the considerable human cost, these two incidents are anticipated to cost the company more than \$42 million this year. Following these accidents, a spate of late winter East Coast storms pummeled the East Coast in March disrupting Amtrak service, including the cancellation of more than 300 Northeast Corridor trains. While repairing the storm damage has been expensive, the loss of revenue has also been substantial. We estimate that we have lost approximately \$12 million in ticket revenue due to the winter weather. In response, we have been pursuing a variety of opportunities to reduce costs and regain revenue to stay on track with our budget for the year. Between these efforts and the funding Congress has provided, we are hopeful that FY18 will continue our trend of improving performance, despite the challenges we have faced.

Amidst this, Amtrak remains focused on the long-term initiatives we must pursue to deliver world-class safety, service, and value and we are optimistic about the future. We started the year by rolling out an operating plan resting on six themes or pillars upon which we will build. The first is to pursue excellence in our safety and operations. The second is to build a more collaborative team-oriented culture that balances speed, agility, and control. The third is to craft a more coherent, integrated strategy that will guide our three business lines, the renewal of our infrastructure, and the recapitalization of our fleet. The fourth is to place our customers at the center of all our efforts, which we will demonstrate with the courtesy of our frontline personnel, with reliable and clean rolling stock, and with convenient station facilities that serve as excellent beginnings and endings for our customers' rail journeys. Fifth, we will invest in our assets by moving closer to "steady state" spending that maximizes the reliability and lifetime of the assets in our care. Finally, for the sixth we will execute this plan with financial discipline, adhering to our budget so that we can accomplish another record setting year.

Safety

The first pillar I just mentioned referred to excellence in our safety and operations, and understandably the several incidents of the past years have compelled us to devote considerable attention to ensuring we learn all we can from these events and put in place every possible safeguard to safeguard our customers and employees. A central part of our response has been to centralize our safety expertise under a new Chief Safety Officer, Ken Hylander, reporting directly to our CEO Richard Anderson to drive consistency and focus. Foremost among Mr. Hylander's duties will be leading Amtrak in its implementation and operation of a Safety Management Systems (SMS) which will further Amtrak's safety programs by strengthening hazard identification and mitigation programs.

An SMS is a proactive risk management system, which will move us toward a more predictive safety management method at an organizational level. Having a safety culture that continually identifies, and mitigates, future risk is the proven way to improve overall safety performance and is a cornerstone of improving safety in many industries, including aviation, health care, and energy. Amtrak believes the implementation of SMS will truly take our safety performance to the highest level of service. These efforts are in line with the NTSB's recommendation that Amtrak and our unions implement a SMS Program and generally consistent with the Risk Reduction Program approach mandated in the 2008 Rail Safety Improvement Act and required by FRA through the development of a System Safety Program.

Positive Train Control

One of the most critical tools that the rail industry needs to improve safety vastly is the prompt implementation of Positive Train Control (PTC) technology. As Richard Anderson recently testified before the authorizing committees, Amtrak firmly believes that PTC must be standard for all Amtrak routes and that this technology can make the entire U.S. rail network safer for passengers, railroad employees, and communities.

Amtrak has long been a leader in the installation of PTC, having already deployed systems across the vast majority of tracks we control including on most of the NEC, the busiest railroad in North America. As we have already pledged in a letter to Transportation Secretary Chao, we are set to complete the required installation of PTC on the remaining elements of the infrastructure we control and on all our equipment by the December 31, 2018 Federal deadline.

For the tracks we use but do not own or control, we are cooperating with our freight and commuter host railroads as they advance their obligations to complete PTC installations, which are required either because of the presence of passenger trains or the haulage of certain hazardous material. Additionally, the various freight and commuter railroads that operate over Amtrak's infrastructure must equip their rolling stock with PTC for use on our railroad and we are working cooperatively with them to advance these tasks.

While we are seeing significant progress by our various hosts and tenants towards the 2018 deadline, we are now planning for and addressing the several scenarios we will likely face with our host railroads that may not have achieved full implementation by the end of the year. For those routes where a host railroad will qualify for an Alternative Schedule for PTC implementation from the FRA, Amtrak will also perform risk assessments to determine if any mitigations, technology applications and operating practice changes are necessary for continued operations prior to PTC becoming fully operational. Conversely, for those routes where a host railroads that may

not qualify for an Alternative Schedule, we will suspend Amtrak service over that section until PTC is implemented.

Finally, for those routes where there are existing FRA-granted mainline track exclusion addendums (MTEA) that exempt a portion of a route from the PTC installation requirements or PTC is not otherwise required, as is the case for our service in Canada, we are performing similar risk assessments as mentioned above to determine what may be necessary to achieve the common standard of safety that we believe is required for our network. Through this analysis, we may determine that implementation of a full PTC system is ultimately required for continued service over these portions of routes or, alternatively, a suite of mitigations that offers PTC equivalency for the relevant risks is sufficient. In either case, we will evaluate the investment levels necessary to accomplish our approach and any interim actions, including suspensions of service, which may be necessary during implementation of our identified approach to address known hazards. Again, I would like to thank the subcommittee for including important PTC funding for Amtrak and other railroads in the FY18 bill, which will help us undertake these efforts and make further safety improvements across our network.

Fleet Planning and Acquisition

Previously, when I spoke about the six pillars Amtrak is using to guide its efforts, the third pillar related to crafting integrated, coherent roadmaps for our business operations and plans. In any business as capital intensive as ours, a holistic planning effort is vital because of the long lives of our assets and the unique relationship between vehicles and infrastructure in the rail industry makes this imperative for our mode. Thus, one of our major activities underway this year is the development of a new fleet strategy aimed at improving, replacing, and modernizing Amtrak's aging fleet of locomotives and passenger cars to meet customer expectations and anticipated demand. An example of fleet improvements already underway are the Amfleet I and Acela refresh programs, which are bringing much needed interior and other upgrades to both these vehicles until new fleets arrive. As we work on our plans to acquire the new equipment, building atop the efforts we have already commenced for our new Acela Express trainsets, electric locomotives and single-level long distance cars, we see new diesel locomotives for National Network and single-level vehicles to replace the Amfleet I cars that support *Northeast Regional* trains and various state-supported routes as our first priorities.

We aim to begin the acquisition process this fiscal year and will present our full strategy in our forthcoming five-year Asset Plans as required by the FAST Act and due to Congress and the Administration in February 2019. The funding the subcommittee provided in FY18 is a critical foundation for these and future efforts to address these major fleet needs.

NORTHEAST CORRIDOR

Let me now address some important issues as they relate to the NEC, which continues to be America's busiest rail corridor. Today, the NEC serves as the backbone for our *Acela Express* and *Northeast Regional* operations, and it is also directly utilized by, and connects with, state supported and long distance trains, linking customers to Florida, Atlanta, New Orleans, Chicago and growing cities throughout the nation. The NEC also serves ten commuter agencies operating eight commuter services serving in nine states, and combined with Amtrak, it carries 820,000 people every weekday – an incredible number of people who simply could not be handled by the region's road network.

Acela Express 2021 Program

Since 2000, the *Acela Express* trains have served as the flagship service for the NEC, and over the last 18 years, they have carried just over 50 million customers. Combined with our *Northeast Regional* trains, Amtrak now commands more than three-quarters of the air-rail market between New York and Washington, and half of the air-rail market between New York and Boston.

The *Acela Express* has been a game changer for Amtrak. In FY 2000, the last full year before the introduction of *Acela Express* service, Amtrak's NEC operations lost money on an operating basis. Last year, NEC operations contributed nearly \$500 million, due in large part to *Acela Express* service, which has the highest revenue and highest yields of any of Amtrak's service lines. The *Acela Express* service is presently provided by twenty first-generation high-speed trainsets that are becoming technologically obsolescent and progressively more difficult and more expensive to maintain. More importantly, Amtrak could use bigger and more than twenty trainsets, both to launch more frequencies and expand setting to address those peak-period trips that routinely sell out.

To maintain and grow this success, we are preparing to relaunch our premium NEC service. We call this effort *Acela Express 2021*, or *AE 2021* for short. As the Committee is aware, Amtrak and Alstom Transportation entered into a contract in August 2016, to manufacture 28 high-speed trainsets each with about 30% more seats than the trainsets they will replace. This trainset design, which Alstom characterizes as fifth generation, is the latest evolution of the Alstom high-speed trainset design best known for providing the iconic TGV high-speed service in France. The production of this trainset will comply with the Buy America standards, creating what Alstom estimates as up to 1,300 jobs in up to 30 states.

AE 2021 is about more than just buying new trains – it is about redefining *Acela Express* and positioning this service for growth for the next generation. In addition to the new trainsets and updating of facilities to maintain and operate them, *AE 2021* includes, safety, reliability, and ride quality investments on the NEC; enhanced passenger spaces in Washington Union Station and

the new train hall in Moynihan Station in New York City; and new and improved approaches to the customer experience.

Portal North Bridge

The existing Portal Bridge, which carries about 450 trains per day traveling between Newark, New Jersey and Penn Station New York, dates to 1910, is the busiest train span in the Western Hemisphere and is a major bottleneck and source of delay of for both Amtrak and New Jersey Transit (NJ Transit) train traffic. The nearly 200,000 people who cross it every day know all too well how often the aging mechanical and electrical components can malfunction while opening and closing for maritime traffic.

The two-track replacement bridge, known as Portal North Bridge, will be a high-level, fixed-span bridge, eliminating the movable components and risk of malfunction. The new bridge, which is fully designed and permitted, is estimated to cost approximately \$1.7 billion and now awaits construction funding. In partnership with Amtrak, NJ Transit and the Port Authority of New York and New Jersey have developed a funding and financing plan and Amtrak has committed to fund \$177 million, or about 10% of the project cost, proportionate to our share of the ridership over the bridge.

In October 2017, a major milestone occurred when work commenced on early preparations for the new Portal North Bridge. The work includes realignment of a 138kV transmission pole, installation of new fiber optic cable poles, construction of a finger pier, construction of a steel bridge structure over the Jersey City Municipal Utility Authority water main, and construction of a retaining wall just west of Secaucus Junction.

The early construction work that began in October is a necessary step toward major construction of the bridge approaches and span. Funding was provided through the Transportation Investment Generating Economic Recovery (TIGER) discretionary grant program. A \$16 million grant was matched by \$4 million from the New Jersey Transportation Trust Fund. With the funding provided to Amtrak, the FRA, and the FTA in FY18, we are hopeful that progress can be made to begin full construction of Portal North this year.

Hudson Tunnel Project

Closely linked to the Portal North Bridge, and only three miles distant, is the site of the effort to build a new rail tunnel under the Hudson River. Since Super Storm Sandy inundated both tubes of the existing North River Tunnel, as it is called, with brackish seawater this project has become the most urgent infrastructure project in America. The 107 year-old tunnel entered service in 1910 and has been in constant, increasingly demanding use ever since. The tunnel consists of two tubes, one primarily carrying eastbound traffic and other westbound. As the subcommittee

knows, if one of the two tubes has to be removed from service to commence reconstruction, the remaining tube lacks the capacity to carry the necessary number of trains to meet the demand into and out of Manhattan. Capacity would be reduced by 75% from 24 trains per hour in the peak direction to 6, which would have catastrophic consequences for travelers throughout the Northeast and New York City. The road network and other transportation modes in and out of Manhattan do not have the capacity to carry all the displaced train riders, and the resulting traffic congestion would be crippling for the city, its workforce, with impacts for the entire region and, indeed, the nation.

To avoid this catastrophe, we have been working diligently with the states of New York and New Jersey and the Federal Railroad Administration (FRA) to advance construction of a new tunnel, which would initially enable the rehabilitation of the existing tunnel and later support a significant and much needed increase in trans-Hudson rail capacity. The FRA and NJ Transit released a Draft Environmental Impact Statement (EIS) in July 2017 and we are hopeful that a Final EIS and Record of Decision will be issued shortly by the FRA. A ticking clock is the central issue the project faces, and New York City, the states of New Jersey and New York, and hundreds of thousands of northeast commuters are depending on this process to move forward with approval and funding to permit this project to begin. Current plans envision construction starting in 2019, and completion of the new tunnel in 2026 at which time Northeast Corridor traffic can be shifted into the new tunnel, permitting the closure and rehabilitation of the existing tunnel, one tube at a time for a period of approximately two years each. Project costs for this multi-billion dollar effort are significant and every day of delay in the construction schedule is estimated to add more than a million dollars to the cost of the project. Given the age and decreasing reliability of the North River Tunnel, there is no time to waste to do what needs to be done to move this project forward at full speed.

Penn Station and Moynihan Train Hall

Beyond our current program to improve our track and other assets at Penn Station through our ongoing Renewal Program, Amtrak has a significant number of efforts underway to improve the experience of our passengers at the nation's busiest train station. In partnership with New York's Moynihan Station Redevelopment Corporation and the Metropolitan Transportation Authority, the new Moynihan Train Hall that will expand Penn Station into the James A. Farley Post Office Building across 8th Avenue is now underway. The imposing Post Office Building was designed by the same architecture firm, McKim, Mead, and White, as the original, iconic Pennsylvania Station and the new Train Hall will be the focal point in a new mixed-use redevelopment of the entire super-block that extends from 31st to 33rd Streets and 8th to 9th Avenues.

Moynihan Train Hall will offer enhanced passenger facilities for Amtrak's Northeast Corridor, state supported, and long distance services within a grand concourse featuring a sky-lit atrium. The Train Hall will feature a boarding concourse, a ticketed waiting room shared with the Long Island Rail Road, and newly combined ticketing and baggage handling windows. Moynihan Train Hall is being constructed in multiple phases, with Phase I, now complete, creating the West End Concourse and other improvements, including new stairs and elevators to boarding platforms and new entrances. Phase II, now in construction, is rehabilitating the surrounding Post Office Building and creating the Train Hall. Moynihan Train Hall is expected to be fully completed in 2021.

While this exciting upgrade is under construction, Amtrak is also busy refreshing the current New York Penn Station. Projects now underway include restrooms, escalators, elevators, heating and air conditioning, waiting rooms, retail, and customer information. Following Amtrak's expansion to the Moynihan Train Hall, Amtrak will pursue redevelopment of our portions of Penn Station.

Baltimore Tunnel Replacement

Turning our attention to the southern part of the corridor, the Baltimore & Potomac (B&P) Tunnel is a two-track railroad tunnel running beneath central Baltimore City between Baltimore Penn Station and the West Baltimore Maryland Area Regional Commuter (MARC) station. This busy section of the Northeast Corridor is used by Amtrak and MARC passenger trains, as well as Norfolk Southern Railway freight trains. Built 145 years ago, shortly after the Civil War in 1873, the B&P Tunnel is among the oldest portions of infrastructure along the NEC. Due to its age, the tunnel is approaching the end of its useful life. Its obsolete design creates a low-speed bottleneck on this highly trafficked section of track. Both the constriction of tunnel volume from four tracks to two tracks, as well as the tunnel's tight curvature, require trains to reduce speeds to 30 miles per hour, placing limitations on all train traffic. The tunnel requires replacement or will have to be taken out of service for significant rehabilitation to extend its useful life. Any closure of the tunnel will greatly jeopardize the intercity, commuter, and freight rail traffic that relies upon the tunnel to move people and goods throughout the region.

The B&P Tunnel system is approximately 1.4 miles long and is comprised of three shorter tunnels: the John Street Tunnel, the Wilson Street Tunnel, and the Gilmore Street Tunnel. The narrow, single-bored, double-track tunnel was originally constructed out of brick and stone masonry, though repairs have added additional building materials over time. Electrification was added in the 1930s, and the tunnel was rehabilitated in the 1980s. That work was not intended as a permanent fix and continuously increasing maintenance is required to address water infiltration and masonry repairs of the aging structure.

The FRA, Maryland Department of Transportation (MDOT), the City of Baltimore, and Amtrak have cooperated on an Environmental Impact Statement for a replacement tunnel as required by the National Environmental Policy Act (NEPA). After evaluating sixteen alternatives, and soliciting public input, the Record of Decision was released in March 2017 for Selected Alternative 3B that proposes a four-track tunnel system, increasing capacity and speeds and offering significant improvements to travel time. The plan will also result in accessibility improvements at the West Baltimore MARC station and incorporates mitigation measures to reduce environmental impacts. Funding is now needed to finish design and start construction of the approximately \$4 to \$5 billion new tunnel system. Funding like the type provided in FY18 will be essential for us and our partners to pursue this project and we will be working with our other relevant stakeholders to seek funding from the various relevant Department of Transportation grant programs.

Susquehanna Bridge Replacement

Less than fifty miles north of the B&P Tunnels, roughly midway between Baltimore and Wilmington, Delaware, you will find the 1906 Susquehanna River Bridge. Like the B&P Tunnel, this bridge also serves Amtrak, MARC, and Norfolk Southern trains – up to 110 every day. In addition to passenger rail, the bridge provides critical freight connectivity to the Ports of Baltimore and Wilmington, moving manufacturing, agricultural, and raw materials, throughout the region, nation, and around the globe.

Spanning the river from Havre de Grace to Perryville, this two-track bridge is owned by Amtrak and, with a length of 4,000 feet, it is the longest movable bridge on the NEC. At 112 years old, it is approaching the end of its service life and will need to be replaced with a new structure to maintain future rail services across the Susquehanna River. The age of the bridge and its constriction from four to two tracks limits the speed and number of trains that can use the bridge. The replacement of the Susquehanna River Bridge is necessary to preserve reliability and allow the future expansion of MARC commuter rail service and Amtrak high-speed service. The project will also significantly improve the navigation channel for maritime users.

The limited number of tracks across the river, combined with the wide variety of trains utilizing the bridge and the need for continual maintenance, results in tightly managed and restrictive operations. While regular, major repairs have occurred on the bridge since the 1960s, repairs and inspections cannot be made without disrupting rail operations. The existing bridge's movable swing span causes train delays when opening is required for marine traffic, and large crews are needed to operate the span because work must be done quickly. Each bridge opening introduces risks of significant train delays if a breakdown of the operating mechanisms were to occur. A new bridge would enable more reliable, flexible, and faster service and permit expansion of future freight, commuter, intercity, and high-speed rail operations.

With significant growth in passenger and freight rail service expected by 2040, the replacement bridge is being designed to accommodate future capacity needs. The new bridge design includes two new high-level, fixed bridges with a total of four tracks – doubling capacity compared to the current two tracks. One of the new bridges would be built primarily to serve high-speed trains operating at speeds up to 160 miles per hour. With 60 feet of vertical clearance, the new fixed bridges will support better maritime uses along the river by maintaining navigation and eliminating the need to open and close for tall vessels.

Amtrak, the FRA, and MDOT have cooperated on an Environmental Assessment (EA) for a new replacement bridge, as required by NEPA. After the evaluation and public screening of multiple alternatives, a Finding of No Significant Impact (FONSI) was released in June 2017 for Selected Alternative 9A. The study included preliminary engineering and 30% design which has been advanced in close coordination with the adjacent communities to ensure aesthetic consistency and to respect the historic character of the surrounding area. Funding is now needed to finish design and construct the estimated \$1.7 billion new bridge. Again, the funding provided to Amtrak and the various DOT grant programs that support rail in FY18 is critically necessary in future years if we are to undertake important projects like this one.

Connecticut River Bridge

Another piece of infrastructure that needs to be replaced is the Connecticut River Bridge. Built in 1907, it is the oldest moveable bridge on the NEC between Boston and New Haven, and it provides service for both Amtrak and Shore Line East trains. More than a century of operation in a marine environment has meant that elements of the structure have reached the end of their design life and require extensive maintenance to remain operable. Frequent openings of this bridge – over 3,000 times yearly – place high demands on components and reduce reliability for both railroad and marine traffic. Complete replacement of this bridge is estimated at \$660 million and is in design, but unfunded at this time.

NATIONAL NETWORK

Having spoken about several NEC topics, I will now discuss a number of issues that relate to our National Network. The National Network includes two train service lines – the state supported trains, which serve short distance routes of not more than 750 miles through cost-sharing agreements with state partners, and the long distance trains, which include routes over 750 miles, which are funded by a combination of their ticket revenue and federal support. It is important to understand that our state supported and long distance trains operate over track owned by 28 different host railroads, comprising over 70% of the total train-miles we operate.

Operations over third-party host railroads hold many safety and operational implications, but from an investment perspective, they pose a particular challenge. In portions of the national rail network where Amtrak is the only passenger railroad that operates on a given segment, we then become responsible for 100% of the incremental capital costs to provide passenger service on that segment. This is the case not only for upfront capital costs, but also for ongoing capital upkeep. These costs are significant and impose a significant burden on our services where we are the only operator. Given our mission of providing rail transportation to as many Americans as possible, there is a cost-benefit discussion that may need to take place as we evaluate how best to allocate our funds across our network.

State Supported

Let me focus now on the state supported service line, whose mission is to effectively deliver efficient short-distance intercity passenger rail transportation and supporting services across the network, meeting the needs of our state partners and passengers. Across the country, 29 routes are funded by 21 partners from 18 states, including state departments of transportation and authorities chartered specifically to administer specific rail corridors. Collectively, we refer to these sponsors as state partners, and the routes they fund are referred to as state supported routes. All routes are under 750 miles in length and outside the NEC Boston-Washington main line. Our state supported trains have two primary customers: the passengers who use the services and the states that provide funding. These services have been the fastest growing segment of Amtrak's rail network, linking urban areas with frequent, reliable rail service and they represent the future of Amtrak.

There is a wide spectrum of state supported routes, and we work with a wide spectrum of organizations to plan, fund, and administer these services. They range from small teams in the rail offices of state departments of transportation looking for a turnkey passenger rail solution to larger freestanding agencies chartered to manage their specific rail corridors. Within our regulatory and operating requirements, the state supported team strives to provide each partner a mix of rail services tailored to its needs. Amtrak and our state partners also collaborate through the State-Amtrak Intercity Passenger Rail Committee (SAIPRC) to analyze growth and efficiency opportunities that are the foundation of this plan.

Amtrak, through appropriated funds from Congress, provided \$79.1 million in FY17 in funding to state supported services, along with equipment and other system assets that enable these services. In the years ahead, including FY18, Amtrak seeks to increase our capital investment in these services through fleet acquisitions, targeted infrastructure improvements, technology improvements, station investments, and planning activities aimed at service expansion and improvement.

This year will mark the ten-year anniversary of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) that fundamentally changed the delivery and expectations of rail passenger service. In those ten years, the states and Amtrak have come a long way in developing, increasing, and improving these services. The growth of urban centers continues apace and those residents, especially millennials, are expecting choices in transportation. We believe that the brightest days of corridor service lie ahead. What is clear is that there is a pent-up demand for intercity rail passenger service and bringing safe, reliable, and relevant transportation is not just our mission, but is what is expected of us from our customers.

Large and growing urban centers across the nation offer significant opportunities on existing and new state supported routes – both in customer growth and financial performance. In FY17, these routes carried over 15 million people, or 47% of total Amtrak ridership. The \$505 million in ticket revenue covered nearly two-thirds of costs. Both measures improved over FY16 results. More than 40% of state supported routes carried greater than 500,000 passengers and five routes each carried well over one million passengers. These services also provide valuable revenue to Amtrak's other service lines, contributing approximately \$33.6 million in gross ticket revenue to the NEC and long distance trains through connecting passengers.

These trains are, by definition, closely tied to the markets they serve. While a long distance train may start and end its journey at convenient times, many of its intermediate stops can occur at times of day that do not encourage ridership. Conversely, the shorter routes served by these trains enable us to tailor their operations for specific markets, and again and again we see how the communities served by state supported trains come to rely on them for the convenience and dependability they offer. This has resulted in ridership growth, and our state supported trains have seen their ridership increase by more than a third in the last decade. By working with our state partners and delivering compelling transportation options that serve the market and meet genuine needs, we feel certain that with the right investments we can continue and accelerate that growth.

Amtrak demand correlates strongly to three primary economic statistics: population change, average household income change, and the change in employment. Between 2006 and 2016, state supported counties grew by 7.2%. Forecasted growth to 2020 will continue this trend, offering greater opportunities to provide viable transportation options by connecting urban areas. Amtrak's state supported service line has set forth an array of strategies they plan to pursue to ensure they are delivering a safe, reliable product and working effectively with and for their state partners.

Long Distance

Now that I have covered the state supported portion of our National Network, I will turn to our long distance trains, which provides intercity rail passenger transportation along routes 750 or

more miles between endpoints. Long distance intercity passenger rail service and its 15 routes range in length from 764 to 2,438 miles. These services account for roughly 15% of Amtrak's ridership and 22% of Amtrak's total revenue, providing service in 45 states. Many of these routes have been served by Amtrak since the company's founding in 1971 and all receive significant operating and capital support from the federal government through appropriation to the National Network account. Thus, the primary customers of the long distance trains are intercity train travelers along these routes and the federal government as the sole funder, beyond ticket revenue, of these services.

The mission of the long distance service line is to connect travelers and their destinations across the National Network efficiently. With Amtrak's six strategic pillars in mind, the long distance service line remains focused on driving accountability and optimizing operating and financial efficiencies while providing exceptional customer service. To improve the operating economics of its long distance service, Amtrak has begun an analysis on its network, structure, and fleet plan. We will look for opportunities to remove excess capacity and drive out inefficiencies across the network by sizing the long distance services for national demand, rather than peak segments. Amtrak's long distance service line has set forth an array of strategies they will pursue to ensure they are delivering a safe, reliable product. We need to focus carefully on delivering a product that our customers value. As we execute on that plan, we will review possible new approaches that enable us to provide the critical connectivity that so many communities rely on us to provide while serving even more people in ways that compete effectively with other modes and remain broadly affordable.

On Time Performance

For a passenger train to be a compelling option for its customers, it needs to operate on a competitive and reliable schedule. As I alluded to earlier, Amtrak's National Network is dependent on our host railroads, and Amtrak's on time performance (OTP) on most host railroads is poor, has declined over the past five years, and continues to decline today. In FY17, on average, long distance trains were on time at stations only 47% of the time, a decline of 7% over the course of just one year (FY16 to FY17). Numerous state supported routes also have poor on time performance. The largest cause of delay is freight train interference. During FY17, Amtrak trains were delayed by freight trains on host railroads almost 100,000 times. These delays totaled more than one million minutes (or 17,500 hours) and we believe that freight train interference is often caused by violations of Amtrak trains' right to preference.

To be clear, host railroads are statutorily required to provide Amtrak passenger rail service "preference" over freight transportation. This is the law, and has been for 45 years; unfortunately,

freight railroads appear to be ignoring this statutory obligation in certain instances and significantly impacting Amtrak's business in the process.

OTP improvements are absolutely achievable. Initially, the ability of Amtrak to enforce its right to preference established by PRIIA was effective in improving performance. Following PRIIA, Long Distance OTP exceeded 75% and it was more than 80% on State Supported routes. In fact, on certain hosts, freight train interference delays dropped by roughly two-thirds in a matter of weeks after PRIIA's passage. Unfortunately, over time, PRIIA's effects were diminished by two factors: ongoing legal challenges by host railroads and lack of progress at the STB on the investigations which Amtrak requested. As a result of these host railroad delays and violations of Amtrak trains' right to preference, Amtrak has been consistently unable to meet its congressionally mandated mission and goals (49 USC 24101) as they relate to providing on-time service to its passengers. Worse, given the legal challenges to PRIIA, Amtrak is currently without an effective mechanism to seek direct enforcement of its statutory right to fulfill its mission and goals.

By statute, currently only the U.S. Department of Justice (DOJ) can enforce preference in a civil action before a District Court judge. In Amtrak's entire history, DOJ has initiated only one enforcement action, against the Southern Pacific in 1979. Amtrak supports continued authority for the DOJ to initiate an action but we request that this authority be supplemented by creating a private right of action to enforce preference, just as any other company would have a right to go to court if its rights were being violated. We have officially transmitted this request for a private right of action via Amtrak's annual legislative and grant request to Congress in February of this year, and we look forward to working with Congress to find a solution to what is the single biggest challenge to our national network.

FISCAL YEAR 2019

It is encouraging that Congress reached a two-year deal to raise the budget caps for FY18 as well as for FY19 which permits an increase in vital infrastructure funding. As you now begin your work on FY19 appropriations, we hope that the FY18 enacted levels will serve as the new baseline for funding levels for passenger rail. We have good momentum and by continuing robust levels of investment in FY19, we can finally make sustained progress towards the major infrastructure projects and fleet needs so critical to this nation and to your constituents.

Amtrak's leadership has great confidence in our employees and our company to become the safest passenger railroad in North America, but we need your continued support to invest in the capital investment needed to address many of the challenges I discussed today. We owe our customers, and your constituents, nothing less.

Thank you for the opportunity to appear before you today, and I welcome your questions.

Stephen Gardner, Executive Vice President, Chief Commercial Officer, Amtrak

Mr. Gardner has almost a decade of experience with Amtrak, and currently serves as the Executive Vice President and Chief Commercial Officer for the national rail service provider, responsible for leading Amtrak's Service Lines, Product Development and Customer Experience Corporate Planning and Strategy, and Government Affairs and Corporate Communications functions. Prior to this role, he was Executive Vice President for Northeast Corridor Infrastructure and Investment Development and Vice President for Policy and Development. Previously, Mr. Gardner spent nearly a decade on Capitol Hill working on Transportation and Infrastructure issues, including serving as Senior Professional Staff of the U.S. Senate Commerce Committee Subcommittee on Surface Transportation and Merchant Marine Infrastructure, Safety and Security. Before this, Mr. Gardner served in various railroad operating roles for Guilford Transportation and the Buckingham Branch Railroads.

Mr. DIAZ-BALART. Thank you, sir. Mr. Hamberger, over to you, sir.

Mr. HAMBERGER. Good morning, sir. Thank you very much, Chairman Diaz-Balart, Ranking Member Price, Members of Subcommittee, thank you for being here today on such a busy day. And thank you for the opportunity to testify.

And I am seated between two very important members of the AAR, who I think will address the passenger issues, so I am going to focus my comments on the freight side of the House, if that is all right.

You have quite properly have been focused on Federal funding opportunities and challenges over the past year, congratulations on moving your bill. But I am here to repeat a declaration that you have all heard before from the freight rail industry. We spend private money so taxpayers don't have to.

The privately-owned freight rail industry has spent an average of \$26 billion a year of its own funds in recent years, more than 100 billion in the last four years alone. This equates to roughly \$74 million in private funds ploughed back into our nation's freight rail networks every day of the week, 52 weeks of the year for the past four years.

In fact, less than 1 percent of freight rail transportation investments involve public funds. And these investments have resulted in dramatic safety improvements. A well-maintained railroad is a safe railroad. The result is a record low train accident rate that has fallen 80 percent since 1980, and 45 percent since 2000.

A large chunk of that private sector money has gone to positive train control, about \$10 billion by the end of this year, and I am pleased to say that every class one railroad will meet or exceed the statutory deadlines, and at the end of this year, we expect to have over 80 percent of the 54,000 miles required by the statute in revenue service with PTC.

While railroads invest billions of dollars of their own each year, they continue to face unnecessary hurdles and regulatory and permitting processes. All too often our safety regulatory structure is overly prescriptive with no specific safety outcome in mind. On the contrary, regulation should be based on a demonstrated need, and should be outcome-based.

Relatedly, infrastructure projects, including rail, consistently face burdensome delays in getting permits at the federal, state and local levels. Congress has acted in this area, and I was pleased to see the MOU announced by the administration earlier this week.

Turning to Federal funding issues, the rail industry does apply the work of this Committee, and successfully completed the FY18 Funding Appropriations Bill. That included robust funding across Federal transportation programs, including passenger rail, Amtrak and commuter railroads.

Such funding helps these railroads achieve a state of good repair, and I was particularly pleased to see that you provided money in the Consolidated Rail infrastructure and Safety Improvement Grant Program, to help in the first instance our commuter rail partners move forward on implementing PTC. It is not a lack of will, but there has been a resource challenge for some of the commuter rail systems across the country.

Another area that you have funded is the TIGER Program. We support funding for public-private partnerships, one of the premiere public-private partnerships is the CREATE Program in Chicago which Mr. Quigley is very much aware of, which has a dramatically improved service through Chicago for both freight and passenger, both Amtrak and Metra are members of that program.

Another P3 Program, the Section 130 Federal Grade Crossing Program, has also demonstrated great success. In 2016 grade crossing collisions were down 42 percent from 2000, injuries 31 percent, and fatalities down 38 percent, but trespassing deaths continue to be our biggest challenge in the safety arena and more must be done there.

What is not included in an Appropriations Bill can be just as important as what I included. Time and time again, advocates for larger, heavier trucks have attempted to use the appropriations process to insert legislation that would allow for bigger and heavier trucks on our nation's roads, highways and bridges.

Such riders have no place in the appropriations process, and should be litigated in their respective committees of jurisdiction. This is especially true given the consistent underpayment by trucks into the Highway Trust Fund, and the general insolvency of that fund.

The Trust Fund is structurally deficient, with over \$143 billion in general fund transfers in the past 10 years just to keep the fund solvent. And I draw your comparison to the \$25, \$26 billion that the private rail industry spends each year to compete with the trucks.

The policymakers should be focused on establishing a sustainable trust fund that is fully supported by the users of the nation's highway infrastructure. We would support a weight-distance tax, much similar to one being used in the State of Oregon.

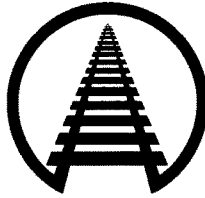
The freight and rail industry applauds the hard work of this Committee, and successful passage of the FY'18 Funding Bill, and look forward to working with all of you on the Committee, and the Committee turns to FY'19.

Thank you for your time. And happy to take any questions you may have. Thank you.

[The information follows:]

STATEMENT OF

**EDWARD R. HAMBERGER
PRESIDENT & CHIEF EXECUTIVE OFFICER
ASSOCIATION OF AMERICAN RAILROADS**



**BEFORE THE
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION, HOUSING AND
URBAN DEVELOPMENT, AND RELATED AGENCIES

HEARING ON RAIL SAFETY AND INFRASTRUCTURE:
STAKEHOLDER PERSPECTIVES**

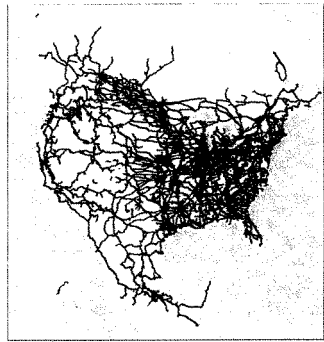
APRIL 11, 2018

**Association of American Railroads
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Introduction

Chairman Diaz-Balart, Ranking Member Price, Members of this Committee, on behalf of the members of the Association of American Railroads (AAR), thank you for the opportunity to appear before you. While today's hearing is focused on federal funding opportunities and challenges, I'm proud to be here today representing an industry that is almost exclusively privately funded. However, as I will discuss below, Congress still has a vital role to play to ensure the nation's freight railroads can continue their American success story.

Freight railroads operating in the United States are the best in the world. They move vast amounts of just about everything, connecting businesses with each other across the continent and with markets overseas over a rail network spanning close to 140,000 miles. Their global superiority is a direct result of a balanced regulatory system that relies on market-based competition to establish rate and service standards, with a regulatory safety net available to rail customers when there is an absence of effective railroad competition.



Freight railroads offer tremendous benefits to our nation:

- America's freight railroads are privately owned and operate almost exclusively on infrastructure that they own, build, maintain, and pay for themselves. When railroads reinvest in their networks, it means taxpayers don't have to.¹ Since 1980, freight railroads have plowed more than \$660 billion — of their own funds, not government funds — on capital expenditures and maintenance expenses related to locomotives, freight cars, tracks, bridges, tunnels and other infrastructure and equipment. That's more than 40 cents out of every revenue dollar, invested back into a rail network that keeps our economy moving.

¹ In contrast, infrastructure used by other transportation modes — especially the roads and waterways used by trucks and barges, the railroads' primary competitors — is paid for primarily by taxpayers. As discussed elsewhere in this testimony, railroads support a movement toward a stronger "user pays" approach to transportation infrastructure.

- A June 2016 study from Towson University's Regional Economic Studies Institute found that, in 2014 alone, the operations and capital investment of America's major freight railroads supported around 1.5 million jobs (1.1 percent of all U.S. workers), nearly \$274 billion in economic output (1.6 percent of total U.S. output), and \$88 billion in wages (1.3 percent of total U.S. wages). Railroads also generated \$33 billion in tax revenues.
- In 2017, railroads moved a ton of freight an average of 479 miles per gallon of diesel fuel. That's roughly equivalent to moving a ton from Miami to Savannah, or Durham to New York City, on a single gallon. On average, railroads are four times more fuel efficient than trucks. That means that moving freight by rail helps our environment by reducing energy consumption, pollution, and greenhouse gases.
- If just 10 percent of the freight that now moves by Class 7 or Class 8 (the largest) trucks moved by rail instead, fuel savings would be around 1.5 billion gallons per year and annual greenhouse gas emissions would fall by some 17 million tons — equivalent to removing 3.2 million cars from the highways for a year or planting 400 million trees.
- Thanks to competitive rail rates — 46 percent lower, on average, in 2017 than in 1981 adjusted for inflation — freight railroads save consumers billions of dollars every year. Millions of Americans work in industries that are more competitive in the global economy thanks to the affordability and productivity of America's freight railroads.

The long-term demand for freight transportation in this country will grow. The Federal Highway Administration forecasts that U.S. freight tonnage will rise 41 percent by 2040. For railroads, meeting this demand is all about having adequate capacity and using it well, and that is what they focus on.

The capital intensity of freight railroading is at or near the top among all U.S. industries. In recent years, the average U.S. manufacturer spent approximately 3 percent of revenue on capital expenditures. The comparable figure for freight railroads is nearly 19 percent, or more than six times higher.

Thanks to their massive investments, freight railroad infrastructure today is in its best overall condition ever. The challenge for railroads, and for policymakers, is to ensure that the current high quality of rail infrastructure is maintained, and that adequate freight rail capacity exists to meet our nation's current and future freight transportation needs.

Today's Railroads Are as Safe as Ever

Every day, the nation's freight railroads work to make a safe rail network even safer. Data from the Federal Railroad Administration (FRA) confirm that recent years were the safest ever for U.S. railroads, thanks to a strong industry safety culture, employee commitment to safety, and massive industry investments in maintenance and new safety-enhancing technologies. Based on preliminary FRA safety data for 2017:

- The train accident rate was the lowest ever, down 44 percent from 2000.
- The track-caused accident rate was the lowest ever, down 55 percent from 2000.
- The human factor-caused accident rate was the lowest ever, down 45 percent since 2000.
- The equipment-caused accident rate was down 36 percent from 2000.
- The derailment rate was down 42 percent from 2000.

Railroads are working to further improve these metrics every day.

While significant progress continues to be made on the safety issues above, the industry remains concerned about driver and pedestrian safety. The most recent data show a 19 percent increase in trespassing deaths compared to 2016. Every three hours someone is hit by a train in the United States, and these accidents are almost entirely preventable. Every year, railroads spend millions to maintain and improve grade crossings as well as work directly with communities and law enforcement to educate the public about safe behavior near tracks. As I will discuss below, Congress can and does play a helpful role in this critical safety issue through the Section 130 grade crossing program.

Positive Train Control Remains on Track

Railroads have devoted enormous human and financial resources – approximately \$10 billion by the end of this year – to develop a functioning and reliable PTC system. Progress to

date has been substantial. Class I railroads remain committed to safely implementing PTC as quickly as feasible. By the end of 2018, each Class I railroad will have implemented PTC or initiated revenue service demonstration on, at a minimum, 51 percent of its required PTC route-miles or subdivisions; have 100 percent of the necessary wayside, back office, and locomotive hardware installations completed; have all required spectrum in place; and have all required employee training completed.

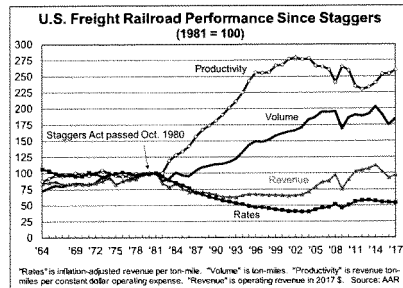
In addition, network-wide approximately 80 percent of required PTC route-miles are expected to be operational by the end of 2018. While some Class I railroads plan to be fully implemented by the end of this year, all Class I railroads will be fully implemented no later than 2020. While PTC will be installed and operational on certain Class I railroads by the end of this year, not all tenant railroads operating over these Class Is will have implemented PTC. The FRA may require host Class I railroads, nonetheless, to request an extension of its implementation deadline until its tenants have also installed and are operating PTC to be considered fully implemented. In the meantime, Class I railroads will continue to work with each other and their tenant passenger and shortline railroad partners to successfully achieve full interoperability, which is the largest challenge to a fully implemented national PTC system.

What Policymakers Should and Should Not Do to Support Rail Investments and Promote Rail Safety

I respectfully suggest that it is in our nation's best interest to allow the huge public benefits of freight railroading to accrue as quickly as possible. Policymakers can help by enacting policies that promote safety and efficiency by encouraging railroads to make investments in their networks and by avoiding policies that discourage private rail investment.

Keep Economic Regulation Balanced

The current structure of rail regulation relies on competition and market forces to determine rail rates and service standards in most cases, with maximum rate and other protections available to rail customers when there is an absence of effective competition. This deregulatory structure has benefited railroads *and* their customers. However, despite the severe harm caused by excessive railroad



regulation in years past and the substantial public benefits that have accrued since the current less regulatory regime was put in place, some groups want to again give government regulators control over crucial areas of rail operations. That would be a profound mistake. It would prevent America's railroads from making the massive investments a best-in-the-world freight rail system requires. Policymakers should be taking actions that enhance, rather than impair, railroads' ability and willingness to make those investments.

Engage in Public-Private Partnerships Through Projects and Programs

Public-private partnerships — arrangements under which private freight railroads and government entities both contribute resources to a project — offer a mutually beneficial way to solve critical transportation problems.

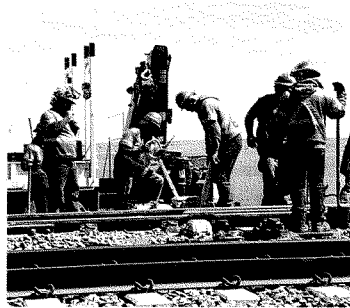
Without a partnership, many projects that promise substantial public benefits (such as reduced highway congestion by taking trucks off highways, or increased rail capacity for use by passenger trains) in addition to private benefits (such as enabling more efficient freight train

operations) are likely to be delayed or never started at all because neither side can justify the full investment needed to complete them. Cooperation makes these projects feasible.

With public-private partnerships, the public entity devotes public dollars to a project equivalent to the public benefits that will accrue. Private railroads contribute resources commensurate with the private gains expected to accrue. Thus, the universe of projects that can be undertaken to the benefit of all parties is significantly expanded.

This Committee has consistently demonstrated its commitment to public-private partnerships in recent years through the popular “TIGER” program. Freight railroads were pleased to see Congress prioritize TIGER once again in its FY 2018 omnibus bill by providing an impressive \$1.5 billion – three times the annual funding in recent years! Programs such as TIGER have provided opportunities for public entities to partner with freight railroads on projects of mutual benefit to all parties involved.

Perhaps the most well-known public-private partnership involving railroads is the Chicago Region Environmental and Transportation Efficiency Program (CREATE), which has been underway for several years. CREATE is a multi-billion-dollar program of capital improvements aimed at increasing the efficiency of the region’s rail and roadway infrastructure. A partnership among various railroads, the city of Chicago, the state of Illinois, the federal government, and, recently, Cook County, CREATE comprises 70 projects, including 25 new roadway overpasses or underpasses; six new rail overpasses or underpasses to separate passenger and freight train tracks; 35 freight rail projects including extensive upgrades



of tracks, switches and signal systems; viaduct improvement projects; grade crossing safety enhancements; and the integration of information from the dispatch systems of all major railroads in the region into a single display. To date, 29 projects have been completed, 5 are under construction, and 17 are in various stages of design.

The intersection of rail tracks and roadways is an important element of rail infrastructure that often involves a public-private cooperative approach. State governments, not railroads, are responsible for evaluating grade crossing risks and prioritizing grade crossings for improvement. The decision to install a specific type of warning device at a particular public grade crossing is made by the state transportation authority, not by a railroad, and approved by the Federal Highway Administration. Once installed, the maintenance of grade crossings and their warning devices is generally the responsibility of railroads.

Under the federal “Section 130” program, approximately \$230 million in federal funds are allocated each year to states for installing new active warning devices, upgrading existing devices, and improving grade crossing surfaces. The program also allows for funding to go towards highway-rail grade separation projects, although this does not come close to meeting the pressing needs that states and local governments face in funding critical projects that separate their roadways from railroad operations. That said, Section 130 has helped prevent tens of thousands of fatalities and injuries associated with grade crossing accidents. Without a budgetary set-aside like the Section 130 program, grade crossing needs would fare poorly in competition with more traditional highway needs such as highway construction and maintenance. One of the primary reasons the Section 130 program was created in the first place was that highway safety, especially grade crossing safety, traditionally received low funding priority.

The 2015 FAST Act included continued dedicated funding for this important program for five more years. Railroads urge this committee to continue to support the Section 130 program. It is another example of cooperation between private railroads and public entities to help ensure that rail infrastructure benefits the general public.

Address Modal Inequities

As mentioned earlier, America's freight railroads operate overwhelmingly on infrastructure that they own, build, maintain, and pay for themselves. By contrast, trucks, airlines, and barges operate on highways, airways, and waterways that are publicly financed.

No one, and certainly not railroads, disputes that other transportation modes are crucial to our nation, and the infrastructure they use should be world-class — just like U.S. freight railroad infrastructure is world class. That said, public policies relating to the funding of other modes have become misaligned.

With respect to federally funded capacity investments in public road and bridge infrastructure, the United States has historically relied upon a “user pays” system. Until recently, that system worked very well. Unfortunately, the user-pays model has been eroded as Highway Trust Fund (HTF) revenues have not kept up with HTF investment needs and so have had to be supplemented with general taxpayer dollars. Including general fund transfers scheduled to be made in the next few years through provisions of the FAST Act, general fund transfers to the HTF total \$143 billion since 2008.

Moving away from a user-pays system distorts the competitive environment by making it appear that trucks are less expensive than they are and puts other modes, especially rail, at a disadvantage. This is especially problematic for railroads precisely because they own, build,

maintain, and pay for their infrastructure themselves (including paying more than a billion dollars in property taxes each year).

Congress could help ameliorate this modal inequity by reaffirming the “user pays” requirement, possibly by increasing the fuel tax paid by motor carriers and/or moving toward a weight distance tax or a vehicle-miles-traveled tax system. A handful of states already impose weight-distance taxes on heavier trucks, and others are engaged in pilot programs to assess the feasibility of transitioning their state highway taxes from a per gallon-based system to a mileage-based fee. In Oregon, for example, heavy trucks are charged a weight-mile tax that is intended to capture the full costs incurred by trucks relating to the state highway system.

The huge transfers of general funds to the Highway Trust Fund is on top of significant existing underpayments by heavy trucks regarding the damage they cause to our highway networks. According to the U.S. Department of Transportation’s Highway Cost Allocation Study released in 2000, 80,000-pound, five-axle combination trucks cover just 80 percent of the damage they cause to our highways; six-axle, 97,000-pound trucks cover just 50 percent of their cost responsibility; and trucks weighing more than 100,000 pounds cover only 40 percent. There is no reason to think these underpayments are any less today.

Indeed, recent studies suggest that, adjusted for inflation, the DOT findings mean that 80,000-pound trucks today underpay their federal cost responsibility by around 27 cents per gallon of fuel. For other truck size and weight configurations, the federal underpayment could be as high as \$1.17 per gallon. Underpayments on state taxes are also significant and are in addition to the federal underpayment.

This multi-billion-dollar annual underpayment — which other motorists and the general public must make up through their taxes — would become even greater if truck size and weight

limits were increased. In April 2016, the U.S. Department of Transportation (DOT) released the results of a comprehensive study examining the impacts of increasing current federal truck size and weight limits. The DOT study concluded that no changes to federal policy on truck size and weights should be made at this time.

Existing truck size and weight limits were imposed years ago, largely because of concerns about the safety of longer and heavier trucks and the uncompensated highway damage they cause. Legislation to increase these limits on federal highways has been proposed many times over the years. As members of this Committee are all too aware, interest groups pressing for bigger and heavier trucks have frequently tried to circumvent the authorization process by attempting to include controversial riders in appropriations bills. These efforts should be soundly rejected. To date, all attempts at nationwide increases have failed because the concerns that led to the federal limits in the first place are still valid. I respectfully suggest that Congress should heed the DOT 2016 recommendation and refrain from passing truck size or weight increases, as part of an appropriations bill or via any other legislative vehicle.

Regulatory and Permitting Reform is Key to Promoting Investment

There is bipartisan agreement that America's regulatory processes require reform and could more accurately reflect rapid technological advancements. Improved regulations and regulatory processes can also help improve U.S. infrastructure.

Federal regulations provide a critical safety net to the American public and workers, but rules borne from faulty processes only deter economic growth without any public benefits. Dictating the means to an end via overly prescriptive policy increases compliance costs, can chill innovation and investment in new technologies, and can slow, or defeat entirely, an outcome both industry and government would view as a success.

There is currently a unique opportunity to not only address specific, harmful policies, but also to improve the system that creates rules by incorporating common sense principles. Regulations should be based on a demonstrated need, as reflected in current and complete data and sound science. Regulations should provide benefits outweighing their costs and should take into consideration the big picture view for industries and sectors – including market forces, future offerings, and current regulations in place.

The freight rail industry believes policymakers should embrace performance-based regulations, where appropriate, to foster and facilitate technological advancement and achieve well-defined policy goals. Defining the end goal rather than narrow steps will boost citizen confidence in government, incent U.S. industry to research and innovate, and create new solutions. Outcome-based measures can better avoid “locking in” existing technologies and processes so that new innovations, including new technologies, that could improve safety and improve efficiency, can flourish.

We must also streamline the permitting process to spur infrastructure investment. Railroads have faced significant permitting delays from federal agencies, which means that the amount of time and energy it takes to get many rail infrastructure projects from the drawing board to construction and completion has been growing longer every day.

In the face of local opposition, railroads try to work with the local community to find a mutually satisfactory arrangement, and these efforts are usually successful. When agreement is not reached, however, projects can face lawsuits, seemingly interminable delays, and sharply higher costs. Rail capacity, and railroads’ ability to provide the transportation service upon which our nation depends, suffer accordingly. Recent efforts by Congress and the Administration are noteworthy, but more must be done.

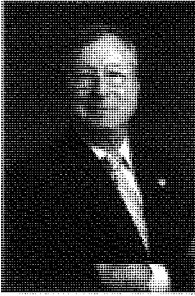
Support Commuter and Passenger Rail

Freight railroads agree that passenger railroads play a key role in alleviating highway and airport congestion; decreasing dependence on foreign oil; reducing pollution; and enhancing mobility, safety, and economic development opportunities. In the United States, freight railroads provide a crucial foundation for passenger rail: more than 70 percent of the miles traveled by Amtrak trains are on tracks owned by other railroads — mainly freight railroads — and many commuter railroads operate at least partially on freight-owned corridors.

Policymakers can help here too by recognizing that Amtrak should be adequately funded so that its infrastructure can be improved to a state of good repair. Commuter railroads too deserve this Committee's support. One concrete way this can happen is through the provision of direct federal funding to commuter railroads to cover the costs of implementing positive train control (PTC). As stated above, while Class I freight railroads will have spent approximately \$10 billion of their own funds by the end of this year to implement PTC, many publicly-funded commuter railroads continue to face significant funding challenges to meet PTC requirements. I congratulate this Committee for including funding for this purpose in the recently-passed omnibus spending bill.

Conclusion

Of the many different factors that affect how well a rail network functions, the basic amount and quality of infrastructure is among the most significant. That's why U.S. freight railroads have been expending, and will continue to expend, enormous resources to continuously improve safety and improve their asset base. Policymakers too have a key role to play. Freight railroads look forward to working with this Committee, others in Congress, and other appropriate parties to develop and implement policies that best meet this country's transportation needs.



Edward R. Hamberger

President and Chief Executive Officer

Since 1998, Ed Hamberger has served as president and chief executive officer of the Association of American Railroads (AAR), the world's leading railroad policy, research and standard setting organization for freight railroads of the United States, Canada and Mexico, as well as Amtrak.

With more than forty years of combined experience in private legal practice and the legislative and executive branches of the United States government, Hamberger, considered one of Washington's most-effective transportation policy advocates, works with member railroads to ensure the continued viability of America's railroad industry.

Hamberger began his career in transportation as general counsel of the National Transportation Policy Study Commission. He subsequently served as assistant secretary for governmental affairs at the U.S. Department of Transportation and managing partner at Baker, Donelson, Bearman & Caldwell in Washington, DC.

Hamberger has also served as an appointed member of the Private Sector Advisory Panel on Infrastructure Financing and as a member of the Presidential Commission on Intermodal Transportation. Most recently, he served on the Blue Ribbon Panel of Transportation Experts, after being appointed by the National Surface Transportation Policy and Revenue Study Commission.

Education

- Hamberger received his Juris Doctor, and both a Master of Science and a Bachelor of Science, in Foreign Service from Georgetown University in Washington, DC.

Affiliations/Community Involvement (current and past)

- Board of Directors, Railinc
- Board of Directors, GoRail
- Board of Directors, TTCI
- Board of Directors, University of Denver, Intermodal Transportation Institute
- Member, U.S. Chamber of Commerce, Association of 100

Personal

Hamberger and his wife, Susan, have three grown children and reside in Bethesda, Maryland.

Association of American Railroads

America's freight railroads operate the safest, most efficient, cost-effective and environmentally sound freight transportation system in the world — and the Association of American Railroads (AAR) is committed to keeping it that way. AAR is the world's leading railroad policy, research and technology organization focusing on the safety and productivity of rail carriers. AAR members include the major freight railroads of the U.S., Canada and Mexico, as well as Amtrak.

Mr. DIAZ-BALART. Thank you. And now we are going to recognize President Fry. By the way, you know, I saw you were accompanied by a mutual friend of ours, Michael, who is out there in the audience. If you haven't had an opportunity to meet his mom, make that a priority. Anyways, Mr. President, thanks for being here.

Mr. FRY. Thank you, Mr. Chairman. I am John Fry, the President of Drexel University. We are located in University City in West Philadelphia. This is home to one of the largest concentrations of educational and medical research institutions in the country. And I also serve as Chairman of the Chamber of Commerce for Greater Philadelphia.

So, I am speaking today as a member and representative of the Coalition of the Northeast Corridor, which is a group of business and institutional leaders that advocates for investments in the Northeast Corridor Rail system. Our Coalition includes university presidents, like myself, as well as national and international companies that rely on the Corridor to conduct commerce and ensure that their employees arrive reliably and safely to work each day.

On behalf of our Coalition I would like to take a moment to thank the Committee, Mr. Chairman, your distinguished colleagues for your public service.

In addition, I would like to recognize you for your contributions to support additional funding for rail safety and your investments in rail infrastructure improvements. Thank you for the opportunity to testify regarding one of the most urgent challenges facing the United States economy.

So, the Northeast Corridor collectively accounts for about 30 percent of all American jobs, and contributes approximately 3 trillion annually to the U.S. economy. If the Northeast Corridor were its own country, it would have the world's fifth largest GDP.

That productivity is driven by the Northeast Corridor, approximately 7 million jobs, roughly a third of all jobs across the region are located within 5 miles of a Northeast Corridor rail station. The system carries more than 820,000 passengers every day.

A non-partisan Federal Commission found that if the Corridor were to shut down, the American economy would lose more than \$100 million a day. These metrics are staggering, and what I am about to say is therefore so alarming, that the Northeast Corridor is simply crumbling and in its current state, it is actually an economic crisis waiting to happen.

So, we know what needs to be fixed. We know how to fix it, and we know how much it will cost to fix it. A non-partisan Federal Commission found that more than 50 billion is needed to repair and modernize the system, and the longer we wait, the more expensive that fix will be.

So I would like to briefly mention several Northeast Corridor cities with projects that are currently in need of Federal support. The Baltimore and Potomac Tunnel, Philadelphia's plans for overhauling 30th Street Station, the Connecticut River Bridge, Boston's efforts to repair the Ruggles Street Station, in Rhode Island officials want to rebuild the old Pawtucket/Central Falls Station.

In New York and New Jersey it is no secret there is great interest in advancing the Gateway Project, and right here in D.C. Union Station simply cannot handle modern service demands.

When we talk first about rebuilding American infrastructure, these are the projects that should be among the first on the list. And none of these projects stands alone; they are part of a larger network that services the national economy.

Must we continue to gamble with our own citizens' safety, and our own national economy, hoping with fingers crossed that a tragic or catastrophic event will not occur on our watch? This work must be done, or our nation will be irreparably damaged.

Of course there have been many positive steps. Our Coalition applauded Congress and the President for approving the recent Federal spending package which includes more than \$21 billion for infrastructure grants, and additional funding for Amtrak and railway projects.

But we have so much more to do, and the solution, like so many large challenges, is to embrace the problem and commit to a comprehensive solution.

The plan put forward by the non-partisan Northeast Corridor Commission which prioritizes and addresses the Northeast Corridor's crumbling infrastructure in order to avoid a catastrophe.

So I would like to leave you with this thought. It would be a grave mistake to think of the dire problems facing the Northeast Corridor as just a regional challenge or an urban problem. The economic consequences of continued inaction are a problem for our entire nation.

On behalf of the thousands of American workers, students and families represented by our Coalition, I urge you to continue to invest in the Northeast Corridor. I don't really see much of a choice here.

And once again, I am really grateful that I have been given the opportunity to testify today. The Coalition for the Northeast Corridor looks forward to working with you, and we welcome any opportunity to meet with members of your Committee to continue to discuss the issue.

Thanks for your time.

[The information follows:]

John A. Fry, President, Drexel University
On Behalf of the Coalition for the Northeast Corridor (CNEC)
Testimony: The Importance of Investing in the Northeast Corridor
House Committee on Appropriations

Good morning. My name is John Fry, and I am the president of Drexel University located in University City in West Philadelphia, Pennsylvania, which is home to one of the largest concentrations of higher education and health care facilities in the country. Collectively we host over 50,000 students and over 52,000 employees. I also serve as the Chairman of The Chamber of Commerce for Greater Philadelphia.

I am speaking today as a member and representative of the Coalition for the Northeast Corridor – a group of business and institutional leaders that advocates for investment in the Northeast Corridor rail system. Our coalition includes university presidents like myself, as well as national and international companies that rely on the Corridor to conduct commerce, and ensure their employees arrive reliably and safely to work each day. In Drexel’s specific case, we rely upon the Corridor to transport our students, faculty, and administrators in order to conduct the mission of our 125-year-old institution: to address the problems and conditions of our nation and our world through academic instruction, research, and collaboration.

On behalf of our coalition, I thank the Committee for this opportunity to testify regarding one of the most urgent challenges facing the American economy.

As you know the Northeast Corridor is a nearly 500-mile-long rail network that runs between Boston and Washington, D.C., linking cities such as Providence, New Haven, New York City, Trenton, Philadelphia and Baltimore. And as Congressman Leonard Lance noted in a recent letter to the Wall Street Journal, nineteen states – including Virginia, North Carolina and others outside the Northeast – directly benefit from the shipment of passengers and freight along the Corridor.

But I am here today because the total impacts of the Northeast Corridor span far beyond that. They go to the very heart of our national economy and our society.

Let us remember that the Northeast Corridor collectively accounts for about 30 percent of all American jobs and contributes approximately \$3 trillion annually to the U.S. economy. If the Northeast Corridor were its own country, it would have the world’s fifth-largest GDP.

That productivity is driven by the Northeast Corridor. Approximately seven million jobs – roughly a third of all jobs across the region – are located within five miles of a Northeast Corridor rail station. The system carries more than 820,000 passengers every day.

A nonpartisan federal commission found that if the Corridor were to shut down, the American economy would lose more than \$100 million per day.

These metrics are staggering and that is why what I am about to say is so alarming.

The Northeast Corridor is crumbling. In its current state, it is an economic crisis waiting to happen.

Most of the Corridor's current infrastructure was built in the years between the Civil War and the 1930s. I'll say that again.

Northeast Corridor passengers and freight trains – *today* – are riding on rail infrastructure that was built between the Civil War and the 1930s.

Approximately \$3 trillion in economic activity is relying on – *right now* – rail infrastructure that was largely built between the Civil War and the 1930s.

There is something seriously wrong here.

We know what needs to be fixed. We know how to fix it. And we know how much it will cost. A nonpartisan federal commission found that more than \$50 billion is needed to repair and modernize the system. And the longer we wait, the more expensive that work is going to be.

I would like to briefly describe several specific Northeast Corridor projects that are currently in need of federal support.

- In Baltimore, there are efforts to repair and upgrade the 145-year-old Baltimore and Potomac Tunnel. It is a \$4.5 billion project that has received only \$60 million to date.
- In Philadelphia, plans call for overhauling 30th Street Station, which serves more than four million riders per year across numerous transit networks. It is a \$6.5 billion project that does not yet have the funding it needs to get underway. I'll also point out that 30th Street is the "Heart" of the Northeast Corridor, and Philadelphia, which after nearly 60 years of being on the bottom of the economic rung has seen ten years of solid growth with a fast-evolving business environment and bright economic future.
- The Connecticut River Bridge, built in 1907, is both crumbling and functionally obsolete, as it must open and close every time a boat passes underneath. There is a \$660 million plan to replace it, but minimal funds have been secured to date.
- In Boston, there is a push to repair the Ruggles Street Station, where conditions are so bad that more than 30 percent of inbound trains must bypass it and stop at a different station. Again, there is a plan to fix this – but it doesn't have enough funding to get off the ground.
- In Rhode Island, officials want to rebuild the old Pawtucket-Central Falls station – built in 1916, closed in 1981 – to increase access to commuter rail and increase mobility. The project has received some funding, but it is still in limbo.
- When it comes to New York and New Jersey, it is no secret that there is great interest in advancing a project known as Gateway, which would build a new Hudson River rail

tunnel to supplement an existing tunnel that must soon be shut down for repairs. Gateway also calls for replacement of a 108-year-old movable bridge over the Hackensack River, which just last month was stuck open for four hours and created enormous hardship for thousands of commuters. That bridge is fully designed and permitted - a truly shovel ready project that just needs funding.

- And right here in D.C., the 110-year-old Union Station simply cannot handle modern service demands. There is a \$36 million plan to repair and expand the station – but it is still not fully funded.

When we talk about rebuilding American infrastructure, these are projects that should be among the first on the list.

And if we could be frank for a moment, this isn't a policy issue whose merits are debatable for decades by opposing philosophical interest groups. There is no debate on when these bridges, tunnels and buildings were built. This is basic engineering. If nothing is done these structures will eventually be declared structurally unsound and closed. Must we continue to gamble with our own citizens' safety and our national economy, hoping with fingers crossed that a tragic or catastrophic event will not occur on our watch? This work must be done or our nation will be irreparably damaged.

Of course, there have been some positive steps. Our coalition applauded Congress and the President for approving the recent federal spending package, which includes more than \$21 billion for infrastructure grants and additional funding for Amtrak and railway projects.

But we have so much more work to do and the solution like so many large challenges is to embrace the problem and commit to a solution: fund the comprehensive plan put forth by the non-partisan Northeast Corridor Commission which prioritizes and addresses the Northeast Corridor's crumbling infrastructure in order to avoid a catastrophe of historical note.

I'd like to leave you with this thought. It would be a grave mistake to think of the dire problems facing the Northeast Corridor as just a regional crisis or an urban challenge.

This is not a problem for cities. This is not a problem for the region. The economic consequences of continued inaction are a problem for our entire nation.

On behalf the thousands of American workers, students and families represented by our coalition, I urge you to invest in the Northeast Corridor. We have no other choice.

Once again, I am grateful for this opportunity to testify today. The Coalition for the Northeast Corridor looks forward to working with you – and we welcome any opportunity to meet with members of the Committee to discuss this important issue.

Thank you.



BIOGRAPHY

John Fry, appointed Drexel University's 14th president in 2010, has served higher education for his entire professional life. Through his roles as a consultant, board member, chief operating officer and chief executive, he has acquired a deep and broad understanding of the challenges of leading a major educational institution.

Fry set out to transform Drexel into a private research university with a strong public purpose—an institution that harnesses both its long-established and still-emerging strengths to serve its students, its neighborhood, its city and the nation. Under Fry's leadership, Drexel is setting a new standard for online and hybrid education, public-private partnerships, and becoming a powerful force for economic development in the Greater Philadelphia region. Fry led the University community's collaboration on a five-year strategic plan, launched in 2012, to guide the pursuit of those goals.

Fry has announced high-impact academic initiatives to increase the breadth of opportunity for students and faculty. He negotiated a groundbreaking merger in 2011 with the Academy of Natural Sciences of Philadelphia, America's oldest major natural history museum and a world leader in natural sciences research. Drexel launched the Charles D. Close School of Entrepreneurship in 2013 to integrate entrepreneurial learning into the curriculum and support campus innovators. And Fry has forged a series of academic and research partnerships to enhance Drexel's global connections in China, Turkey, Israel, Brazil, Chile, India and South Korea.

Fulfilling a commitment he made to Drexel's neighbors in his first address as Drexel president, Fry has championed major neighborhood initiatives including the PECO-Drexel Education Collaborative supporting local public schools, the Lindy Institute for Urban Innovation and the Dornsife Center for Neighborhood Partnerships. He also attracted corporate partners to invest in Drexel's campus development; for example, American Campus Communities has invested more than \$300 million in residential/retail projects, which will reduce the destabilizing effect of student housing on surrounding blocks, while Drexel's enhanced Employee Home Purchase Assistance Program encourages increased owner occupancy in the neighborhood.

A focal point of Drexel's strategic plan is to become an even greater economic engine for Greater Philadelphia. Fry announced the creation of Drexel Ventures, a subsidiary enterprise to help faculty and students partner with the private sector to build businesses around their inventions. And those relationships will be at the heart of Schuylkill Yards, a \$3 billion mixed-use development on University real estate adjacent to Philadelphia's Amtrak 30th Street Station.

Under Fry's leadership, Drexel has seen a significant increase in fundraising and a growing number of philanthropic partners. Landmark gifts in recent years include \$50 million from Thomas R. Kline to support the Kline School of Law and \$45 million from Dana and David Dornsife to support the Dornsife School of Public Health. A \$400 million campaign reached its goal ahead of schedule in 2013 and brought in more than 16,000 new donors, including raising faculty and staff participation from 12 to 62 percent. The years since have each set new records in philanthropy to Drexel, culminating in a record \$120.7 million for Fiscal Year 2015-16.

Fry came to Drexel from Franklin & Marshall College, where he served as president from 2002 and was instrumental in the college's academic growth, campus and neighborhood development and improved finances. He raised the college's national profile and brought a renewed confidence to the institution. During his tenure,

the quality of the student body improved dramatically as measured by a 63-point gain in average SATs over seven years. He also improved the student-to-faculty ratio to 10:1 by adding more than 40 faculty lines, oversaw an updated curriculum and made a long-term commitment to increase financial aid. Fry forged new partnerships with the city and neighbors, improving the surrounding business district and neighborhoods.

From 1995 to 2002, Fry served as executive vice president of the University of Pennsylvania. He was a major force in developing and implementing Penn's "Agenda for Excellence," a comprehensive plan that guided strategic initiatives from 1996 to 2001. He also built a coalition of nonprofit, business, neighborhood and governmental organizations in support of a multi-pronged strategy to address the key challenges facing the University City neighborhood in West Philadelphia. In a relatively short period of time, residential property values rose significantly, the crime rate declined dramatically and hundreds of millions of dollars were invested in commercial infrastructure and economic development.

Before joining Penn, Fry was a management consultant for the higher education and nonprofit sectors. He worked closely with some of the nation's premier colleges and universities, first with KPMG Peat Marwick and then with Coopers & Lybrand's National Higher Education Consulting Practice, where he was elected partner and eventually became partner-in-charge of the national practice.

Fry served a three-year term ending in March 2017 as a member of the board of directors of the American Council on Education, representing fellow U.S. university presidents in the nation's most influential higher education association. Most recently, he was appointed to the board of The Wistar Institute, which conducts biomedical research in the fields of cancer, immunology and infectious diseases, and to the board of the Advanced Functional Fabrics of America (AFFOA), part of the White House's National Network for Manufacturing Innovation (NNMI). He also serves on the boards of Lafayette College, the Agnes Irwin School, Andalusia Foundation, Delaware Investments, and Community Health Systems. He was the founding chairman of the University City District and served in that capacity for five years. He became chairman of the Chamber of Commerce for Greater Philadelphia in October 2016 for a two-year term.

He previously served as chair of the NCAA Division III Presidents Council and chair of U.S. Squash, the national governing body for the sport. He was appointed by President George W. Bush to the Benjamin Franklin Tercentenary Commission, and co-chaired the transition team of Governor-Elect Edward Rendell of Pennsylvania. In 2014, Fry chaired the transition team of then Pennsylvania Governor-Elect Tom Wolf.

A native of Brooklyn, N.Y., Fry graduated from Lafayette College and earned a master's degree in business administration from the New York University Stern School of Business.

Fry and his wife, Cara, an art historian, have three children: Mia, a graduate of Williams College; Nathaniel, an undergraduate at Drexel University; and Phoebe, a high school junior.

Mr. DIAZ-BALART. Thank you, sir. And finally, Mr. Derwinski.

Mr. DERWINSKI. Thank you, Mr. Chairman; Ranking Member Price, Members of the Subcommittee. I am pleased to be here today to speak with you.

My name is Jim Derwinski, and I am the CEO and Executive Director of Metra. A little background on Metra, it is a suburban commuter rail system in Chicago covering Northeast Illinois, a six-county area, 3,700 square miles.

We are a Legacy system, and Legacy systems have a knack of picking up the pieces from the '70s when passenger service really went into decline. And because of that we inherited, basically, all of the infrastructure that we have to operate on.

We provide 78 million trips a year, 288,000 trips a day, and we do it on some of the oldest infrastructure in the nation. We reduced congestion, as all commuter rails do, we reduce emissions footprint as anybody would do when we put that many people on the trains and take them off the roads.

It is estimated without Metra there, 27 more highway lanes would actually have to be built. The infrastructure within cities does not allow for any more highway building. Everything has built up around them. We really are a large part of the economic engine that drives Chicago, and just like many other big agencies like ours.

We have two major goals. Our number one goal is, operate safely. We operate on 11 different lines. We operate with two PSA carriers, our freight partners at the BNSF, and the Union Pacific who operate services for us with our name mark on it.

It is a complicated system. As we move 691 trains a day, through those 11 lines, we are in a territory that operates 1,400 trains a day with the freight partners Amtrak, and then some South Shore from Indiana.

It is a complicated territory, 13 different railroads have to interact, which is why it is so important to create projects to actually keep moving forward.

Being a Legacy system, and maintaining a Legacy system gives us some marks, some marks that may not be the best things to talk about, but it is what it is. Our locomotive fleet is the oldest in the country at 29 years old, an average age. Our oldest locomotors right now in service were built when President Ford was in office.

Our commuter cars date back to 1953 when Eisenhower was in office. 65 years old today and the average age of our commuter car is 30 years old. And we have 1,100 pieces of equipment, 40 percent of which actually predate the existence of Metra.

So, we have been working toward this over the last 34 years to replace that fleet, but we need a lot of help with that infrastructure need. We have 822 bridges that we pass over every day, combined with Metra's bridges and the freight partners. Half of those bridges are over a century old. The oldest bridges that we are currently working on right now, actually date back to Grover Cleveland's second term, 1896. And we continually have to work with aging infrastructure. And we do that at 93 percent on time. Our state of good repair to achieve that, they estimate we need to put a little over a billion dollars a year into our infrastructure. Currently, right

now, with our federal formula funding, we're getting about \$174 million. So a little bit short.

We thank the Congress for passing the omnibus. It gave us an extra \$15 million. Certainly, we're going to put that to good use, and we're going to put it to good use very quickly.

Metra historically receives from the State of Illinois capital funds. Our last capital fund through from the State came in 2009. So we're really now fallen behind the curve.

When PTC came around, we had to shift a whole bunch of our capital money into PTC to get it up and running which made us defer the actual rehabs and overhauls and purchases of the rolling stock which puts us in the predicament that we're in today. And we're also thankful for the inclusion in the Consolidated Rail Infrastructure Safety Improvement Fund. We look forward to tapping into that fund in the future as safety on the railroads is our number one priority.

Our challenges even go farther because we're seeing a decline in ridership. There's a little bit of a different demographic. People may not be working 5 days a week downtown. They have different modes of travel. And certainly, looking at the millennials and the greener footprint that they want. They want rail, but it's a different nature that we're seeing right now. Because of that, we've seen operating costs rising and the revenues going down. We literally, every year right now, have to raise rates. This in fact probably is pushing some of our riders away.

We thank Congressman Quigley and the Illinois Delegation for giving us a \$20.2 million grant to help us finish PTC. We are on track to implement PTC, full compliance with the Congressional mandate. The 75th Street Corridor CREATE Project, that is what I would say is our number one priority to work with the freight railroads. That particular corridor has been identified as a pinch point and will actually benefit multiple states around Illinois just to move that traffic through the area.

Again, I would like to thank the Committee for the opportunity to speak today. I thank Congress for its continued support of commuter rail agencies like Metra and public transportation as a whole. Metra is looking forward to working with Congress to look at discretionary programs that would dedicate monies toward commuter railroads. I would be happy to answer any of your questions. Thank you.

[The information follows:]

**TESTIMONY OF JAMES DERWINSKI
CHIEF EXECUTIVE OFFICER/ EXECUTIVE DIRECTOR FOR
METRA COMMUTER RAILROAD BEFORE THE
SUBCOMMITTEE ON TRANSPORTATION AND HOUSING AND URBAN
DEVELOPMENT AND RELATED AGENCIES
OF THE
HOUSE COMMITTEE ON APPROPRIATIONS ON
FUNDING, CHALLENGES, AND OPPORTUNITIES: RAIL SERVICE AND
INFRASTRUCTURE**

APRIL 11, 2018

SUBMITTED BY

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Metra Commuter Rail is the commuter rail operations for Chicago and the northeastern Illinois region. For more information, visit metrarail.com.

Good morning, Mr. Chairman and Members of the Subcommittee. I am Jim Derwinski, CEO/ Executive Director of Metra, Chicago's commuter rail agency, and I am pleased to have this opportunity to speak to you today. Metra's primary goal is the safe operation of nearly 700 trains that run daily throughout our system, carrying nearly 290,000 passengers. Our secondary goal is to sustain the legacy system that includes some capital components dating back to the late 1800s. It is in this context that I provide the Subcommittee a current update on Metra's operating and capital budget.

I want to thank the Committee and Congress for passage of the fiscal year (FY) 2018 omnibus appropriations bill. As a result of this legislation, Metra will receive an estimated additional \$15 million in federal formula funding and possibly more for critical safety programs like Positive Train Control (PTC). This additional funding comes at a critical time for Metra as it continues rebuilding and modernizing our old system.

But first, I would like to provide a little background on our system to add proper context to the discussion. Metra was created to run Chicago's commuter rail system by the Illinois General Assembly in 1983. Our creation followed a tumultuous period in which the private railroads that had been operating the service experienced major financial problems and bankruptcies.

Over the years, Metra has grown to be the largest commuter railroad in the country based on track miles, and the fourth largest based on ridership.

The Metra system has 11 separate lines with 242 stations and nearly 1,200 miles of track throughout the northeastern Illinois region. Metra owns and operates four of those lines, has trackage-rights or lease agreements to operate Metra trains over freight railroads on three lines, and has purchase of service agreements with two freight railroads which operate commuter service on four other Metra lines.

Metra's primary business is to serve people traveling to downtown Chicago to work. Approximately half of all work trips made from suburban Chicago to downtown are on Metra. Our riders, whose trips average 22 miles in length, come from all parts of our region's 3,700 square miles.

Metra is particularly proud that it has maintained an on- time performance of 93 percent or better in each year since 1984, the year after Metra was created. This has been achieved despite operating one of the oldest fleets in the country. The average age of our passenger cars is more than 29 years with the oldest cars dating back to the Eisenhower administration.

Since 1985, Metra has invested more than \$6 billion to rebuild, maintain and expand the region's passenger rail network. Operating funding is provided through system-generated revenues – primarily fares – and subsidized in large part through a regional sales tax. Capital funding is provided through a variety of federal programs and state and local funding sources and a small

amount of fare revenue. Metra's total budget for 2018 is \$994 million. That includes \$797 million for operations and \$197 million for capital.

Capital funding to maintain and improve our aging system remains a constant challenge. Metra's capital program is mostly funded by federal formula funding (Sec. 5307 and 5337) totaling \$176 million. However, our needs far exceed the level of funding available. In fact, the Regional Transportation Authority (RTA), our region's transit funding and oversight agency estimates that Metra needs to invest \$1.2 billion annually over the next decade to achieve and maintain a state of good repair.

Part of our problem is related to the budget challenges faced by the State of Illinois, which has not approved a new bond program for infrastructure since 2009. In addition, the state reduced by \$265 million the allotment Metra expected to receive from that 2009 program.

Adding to the pressure on our capital program is the federally mandated installation of PTC. Although Metra was fortunate enough to receive a \$20.2 million federal PTC grant, thanks to the works of Congressman Mike Quigley, Metra has paid for the rest out of our regular, already inadequate, capital sources. Metra has spent more than \$182 million on PTC to date. An estimated additional \$15 million to \$20 million will be required annually to operate this complex safety system. Despite the funding challenge, Metra is on track implement PTC in full compliance with the Congressional mandate.

The federal capital funding that Metra receives annually is the bedrock of our capital program. However, because our needs are great and state funding has been inconsistent,, it has been nearly impossible to effectively budget and plan a capital renewal program.

The Metra Board of Directors took on this daunting task in 2015 when it unveiled a modernization plan for the installation of PTC and the replacement and rehabilitation of aging locomotives and railcars. Under the plan, Metra planned to purchase 367 new cars and 52 new locomotives, replacing some of the oldest vehicles in Metra's fleet. Metra proposed to fund the plan with \$700 million in expected state and federal funding and \$400 million in borrowing to be repaid through a series of fare increases, plus another \$1.3 billion that it hoped to secure from a long awaited new state bond program. However, the needed additional funding never materialized.

Despite the lack of a new state capital program, Metra has used its existing resources and fares increased to continue to aggressively rehabilitate cars and locomotives. In the last three years, Metra has rehabilitated more than 115 cars (out of 848 total) and 25 locomotives (out of 150 total). Metra currently has a request for proposals to purchase at least 25 new cars, with an option to purchase up to additional ones if funding allows, and a separate one to purchase at least 12 new or 15 remanufactured locomotives. However, since our rolling stock needs are so great, a major new funding still needs to be identified.

Metra faced a \$45 million budget gap in 2018 primarily because its costs were rising and because the public subsidies that would normally help us cover those rising costs – sales taxes and a partial state match – have not kept pace or have been cut. This recent trend has been attributed to low gasoline prices, fewer vehicle sales, and growing online sales in which, the regional sales is not always collected. Additionally, the state has reduced its transit funding support due to ongoing state budget pressures.

To achieve a balanced budget in the face of such a serious decline in funding, Metra reduced expenses where could. This included costs and service reduction, deferral of capital spending; along with fare increases. However, fare increases, service reductions and cuts to our capital program can only go so far.

Metra, like other railroads, is a highly regulated, capital-intensive entity. It requires a substantial annual investment to maintain its own rights-of-way and track structure, unlike bus operations, which use streets that are owned and maintained by the public. Metra's capital assets are diverse and extensive: locomotives, passenger cars, track signal and communications equipment, yard and maintenance facilities, station buildings, platforms, parking lots and headquarters. Each day, the delivery of safe, reliable, efficient train service depends on these assets. Constant maintenance, rehabilitation and replacement, and significant funding, are required to keep Metra's facilities and equipment in working order.

Our current situation is unsustainable and threatens the future viability of the important service Metra provides. Funding levels will need to change to ensure Metra can continue to provide the service its riders depend upon, or else that service will continue to deteriorate.

Metra thanks Congress for its continued support of public transportation and systems like ours. That support has provided the lion's share of funding for our capital needs over the last decade, and Metra will continue to depend on it while working with all our funding partners to secure additional assistance.

Any additional assistance will certainly help us to modernize our system. But if I may be allowed to express our greatest wish, it is that we receive enough funding from all sources to not only modernize but also grow our system. Whatever Congress can do to help make that wish come true, Metra and the people of northeastern Illinois will appreciate it.



James M. Derwinski

CEO/Executive Director

Mr. Derwinski began his railroad career as a locomotive electrician with the Chicago & Northwestern Railroad which later became part of the Union Pacific Railroad. He joined Metra as an electrician in 1997 and has risen through the ranks in the Mechanical Department serving in progressively responsible senior leadership positions, formerly serving as Metra's Chief Mechanical Officer. In that role he oversaw 650 employees responsible for the repair, inspection, cleaning and maintenance of the railroad's 1,164 pieces of rolling stock used in commuter service. The department is also responsible for Metra's fleet of trucks and automobiles.

Mr. DIAZ-BALART. Thank you, sir. We'll proceed in the standard five-minute rounds, side by side, recognizing members in order of seniority as they were seated at the beginning of the hearing. And so as we all know, be mindful of the five-minute rule.

I'll begin again on the issue of PTC and so we continue to see some accidents taking place that potentially could have been avoided with PTC. And so this Subcommittee tried to address that in the 18 omni by increasing funding for the Consolidated Rail Infrastructure and Safety Improvement Grant—I love the catch name—program to \$593 million. And again, also specifically setting aside \$250 million for PTC grants.

And so the bill also provides as some of you mentioned, \$10 million for FRA contract support to analyze PTC plans that railroads submit. We're hoping that—and that's the plan—that this funding will minimize administrative delays and to ensure that as many entities as possible can meet the deadline which is December 31st, 2018.

Let me start with you Mr. Derwinski. Many community rails are having difficulty achieving full PTC installation. How helpful is this funding to commuter rail give that there are other barriers, obviously, with full deployment? And do you believe that this will have an impact?

Mr. DERWINSKI. Yes, I believe it'll have an impact. One of the biggest problems with the PTC when it first came out was the fact that this technology wasn't developed yet. So the curve just to get the technology up and then of course the manufacturers that needed to actually ramp up production to such a level, some commuter rails that may not be behind the curve right now, I think started a little bit too late. Here at Metra, we are poised to have all of our equipment installed by this October on the weigh side, on the rolling stock, and we'll actually be in revenue service demonstration on one of our own lines. So we'll be meeting that mandate and we'll be taking a few years longer to be fully compliant with everything.

But I think the monies in some cases right now are going to help offset, like what we had to do which is offset money in the past. We had to shift, basically, capital dollars that would have been for infrastructure and in our case, if we could repurpose and move monies around, that would help us tremendously right now.

Mr. DIAZ-BALART. Well and we'd like to eventually hear some other ways that we can help entities like yours and other transit entities meet the deadline. I think it would be important to hear from you all on that.

Mr. Hamberger, we know how much you all spend in general, but how about in PTC? And what other barriers do folks in your organization have to deal in the PTC?

Mr. HAMBERGER. By the end of this year, the freight railroads will have spent \$10 billion since 2008 in developing the technology, testing it, and then deploying it. We will have 100 percent of the miles installed, all of the locomotives will be outfitted, the spectrum will have been purchased, and the employees will have been trained.

At the end of 2017, we had a little bit over 50 percent of the 54,000 miles in revenue service demonstration. At the end of this year, it'll be 80 percent. The one issue that we did have some con-

cern about is FRA resources to be able to approve all of the safety plans. I think that you're funding that and the 18 Bill will go a long way toward providing the resources they need.

Mr. DIAZ-BALART. Mr. Gardner, any comments on PTC?

Mr. GARDNER. Thank you, Mr. Chairman. Amtrak is in a slightly different position because we've long been a leader in PTC implementation, had completed half of the northeast corridor nearly two decades ago and the remainder of the main segment here about 2015. We're making good progress to fill in the few remaining gaps across our infrastructure, and making good progress with Ed's members and with Metra and Mr. Derwinski on making sure that over majority, certainly the vast majority of our system and all the routes that are required that PTC is installed or that carriers have met the requirements for an extension.

So we are making good progress. For Amtrak, the critical issue is not funding at this moment. We are fully funded to complete our work in this year. But there is additional costs that we expect to come to the company and essentially to our state partners for installation of PTC on various host railroads where the requirement for the installation is the presence of Amtrak trains. So the funding you've provided could be very important and helpful for this, and we appreciate it.

Mr. DIAZ-BALART. Thank you. Seeing that I'm running out of time, let me recognize a ranking member, Mr. Price.

Mr. PRICE. Thank you, Mr. Chairman. I'd like to address a matter that is of particular importance to my state, but it has national importance as well as we contemplate what it's going to take to develop these regional rail networks that can offer improved passenger service in a number of corridors. I must say, President Fry, your cataloging of the needs of the northeast corridor is very sobering. We know that we must address those needs and that they're not going to get any less expensive if we face delays.

We're interested in the southeast in passenger rail service and we have plenty of indications that this is viable. North Carolina has been a national leader on this. We have invested in our passenger rail service. We utilized Recovery Act dollars to the tune of \$520 million to make critical upgrades from Charlotte to Raleigh, and that service today is first rate service and it's increasingly popular. And so we know that the next step in that Washington to Atlanta service that we envision, the next step is Raleigh to Richmond. And that is on its way. We have the tier two environmental impact study finalized. In December, we signed a memorandum of understanding with the FRA about future development along the corridor and so forth. So we're on our way.

Now we in this omnibus bill have included some additional appropriations that are going to be helpful I think as we piece-by-piece get these corridors in shape. Right now, we're building a multi-modal union station in downtown Raleigh with the help of TIGER funds. We have a nice increase in CRISSY which of course, one grade crossing at a time, lets us improve these routes.

So I mainly am addressing Mr. Hamberger and Mr. Gardner here, but I wonder if you could comment on this prospect and in particular, what it's going to take? What role Amtrak, the host railroads play as we develop these corridors? What would the next

steps look like? Other than funding, what do you anticipate being barriers that must be overcome?

Mr. HAMBERGER. Thanks, Steve. You've been a little bit more involved in the day-to-day. I'll defer to you and then—

Mr. GARDNER. Sure. Thanks, Ed. Congressman Price, we're very supportive of expansion of service and, in general, we see state corridors and short-distance corridors as the future of intercity passenger rail across the country, and would concur with you that the southeast is a place that we believe is ripe for development of corridor expansions. We've got a number of great city pairs and you've mentioned several here that we think are excellent candidates for multi-frequency, reliable passenger service, and really the contribution that can be made here in reducing congestion and providing mobility.

So for these types of services, I think three things really are required. Certainly as the Subcommittee has helped address, we need a strong and stable partnership of funding between the federal government, the states, and Amtrak. We need willing and strong cooperation with host railroads where their infrastructure is involved. Here you've got, obviously, a route that formerly used by CSX and available hopefully as part of this service.

And last but not least, you need strong service planning and great multi-modal connections in the cities and communities that you serve so that people can make use of these services and get to their final destination. I think FRA has done an excellent job leading the service development work there and as a strong partner with us to look at service expansion. But we believe it is the path to the future, and Amtrak is anxious to focus our efforts and energy, including additional funding we've received now, and hopefully receive in the future, to build the kind of partnerships necessary to bring service to these corridors and expand on the base we've got.

Mr. HAMBERGER. May I? Speaking on behalf of the host railroads, they take it very seriously the role that they play. And if you go back and take a look at the high-speed rail grants, I think, what?—\$10 billion of Recovery Act money—every one of those projects did get to a contractual agreement between Amtrak, the state, and the host railroad. I know that Norfolk Southern was a good partner in the Raleigh, Durham, to Charlotte, and I believe CSX is at the table with you now getting into Richmond. And the big issue for them, you mentioned permitting so I'll just emphasize that it is still an issue for everybody. But the big issue is, will there be enough capacity to provide the service that the passengers need, but also the service that their customers need to compete not only here but on world markets through exports off the east coast port, for example, in your case.

So it really is a matter of having enough capacity which comes back to resources—enough capacity to serve both the passenger needs but also the customer base on the freight side.

Mr. DIAZ-BALART. Thank you. Mr. Joyce.

Mr. JOYCE. Thank you, very much. I wanted to discuss Facebook with you since that seems to be sucking up all the oxygen in this town.

Mr. HAMBERGER. I am not a member, sir. Sorry.

Mr. JOYCE. Just kidding. I wanted to go back to something we talked about when you were here in November of 2017. We started to talk about safety.

Mr. HAMBERGER. Yes, sir.

Mr. JOYCE. And obviously, you had cited some statistics about safety early on here and how some of these things are coming down. I was wondering what programs are you seeing as being most effective so far? Because I know this is an issue with my Chairman.

Mr. HAMBERGER. The Section 130 Grade Crossing Program has been very effective, and it is important to keep that set aside because otherwise I'm afraid those monies would oftentimes lose out at the state level. And when I started this job a few years ago, the statistics were about a thousand fatalities a year. We're now down to under 300. It's still 300 too many, but it's been a successful program.

As far as the spending goes, I think that would be the number one. Other programs that are important of course is drug testing. I know that's an interest of yours. The Transportation and Infrastructure Minority Subcommittee just issued a report that shows that in the rail industry, we have a very low random drug testing positive rating. But I think having that program out there is important. And the fact that it was expanded to the Maintenance of Way employees we support. HHS just expanded the panel of opioids to be tested for. They've come up with four. I think they're a little bit behind the marketplace and we would suggest, particularly given the crisis, you know, we're not immune to that. We would like to see that panel expanded by HHS.

Mr. JOYCE. I certainly appreciate it, and you grabbed the second part of my question was what the fine job that you had been doing that. So let's jump even farther forward. What do you see as problems going forward and where can we properly help you with funding to make sure that we continue to run a safe and effective railroad?

Mr. HAMBERGER. The one issue that we have in the drug testing arena is that a lot of our Maintenance of Way work is done by contractors. Many of them are small businesses, minority owned businesses. And the current rule has the responsibility for drug testing those employees of contractors on the railroads, including Metra, I believe, and Amtrak, I guess, as well. And so we have asked for FRA to figure out a way—it's sort of awkward to go in and test someone else's employees, and to figure out a way, and we'd be glad to work with them. I think you provided some money to the FRA, in fact, to set up a demonstration project. And we've been doing since the 1980s, so we have a little experience. So I think, you know, we'd be glad to work with FRA to figure out how to get drug testing on those 30,000 employees.

We also have petitioned the FRA to expand to the one last segment of the employee base that is not currently covered by drug testing, and that is the mechanical departments, the folks who work on the rolling stock.

Mr. JOYCE. Is there something we can do as appropriators to help incentivize safety and safety concerns going forward?

Mr. HAMBERGER. Let me get back to you on the record for that. I don't have anything that springs to mind other than making sure that the FRA has the resources to, you know, carry forward on the drug testing.

Mr. JOYCE. Well, certainly, I appreciate your time here today and I apologize because we also have other hearings at other committees, so if I get up and leave, I don't want you to think it's because we're not deeply interested in the concerns regarding your industry. Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Thank you, Mr. Joyce.

Ms. CLARK. Thank you, Mr. Chairman, and thank you to all the panelists for being here today. And I too have to get up and leave, so it is nothing that you said. But I want to go back to the northeast corridor. And thank you, President Fry, for pointing out 30 percent of all jobs and a key part of our economic development as a region and as a country.

The northeast corridor commission, Mr. Gardner, estimates there is a \$38 billion backlog in state of good repair and improvement projects. Does that estimate match Amtrak's understanding of the scope?

Mr. GARDNER. Yes, Congresswoman Clark. We've got a huge backlog of expense here related to the state of good repair of the infrastructure. That number's actually likely to climb this year, as every year we defer those investments so the costs push out and they grow. And the northeast corridor commission, we are a member. We work collaboratively together with great leadership from the Department of Transportation and the states and many of our commuter partners on the northeast corridor. So that is a number that is built between all of the owners of the system which reflect Amtrak and three states. And that is an accurate number and it's a huge requirement to keep this incredible asset in service.

It's done so much, we've doubled the number of trains and ridership since Amtrak took over the majority of the asset in 1976. The needs for greater service reliability and increased capacity are readily apparent, yet we rely today on assets as old as Canton Viaduct in Massachusetts is the 1830s. We've got a tunnel between Baltimore and Washington that's 1873.

So these assets have done a fantastic job for the American people. They've earned their retirement. It's time to replace them with modern facilities that can last the next hundred years. And that's where we are. We're making good progress on that path, but funding like the funding that the Subcommittee's provided this year is essential for us to really begin in earnest this work.

Ms. CLARK. Can you give us the sense with the new funding that we know will not do everything that you want to do, what projects you will be able to start on?

Mr. GARDNER. Well we've got a whole series of projects that are either in the design phase or nearing construction or ready to construction. We've been working on programming those funds. We've obviously just received the appropriations completion here and will work with the Department of Transportation as we get the funds to Amtrak and program them.

Some of the big priorities we have are pretty well know. One is that Baltimore Potomac Tunnel that I mentioned in Baltimore.

There's the Susquehanna bridge which is similarly—it's a little younger, but over a hundred years old.

Ms. CLARK. 110, though.

Mr. GARDNER. That's right. Yep, exactly.

Ms. CLARK. That's pretty good.

Mr. GARDNER. And we've got two other bridges in Maryland that are close behind them, Gunpowder River and Bush River bridge. Working up the corridor, we have of course our portal bridge in New Jersey, our Hudson tunnel program. We've got East River tunnel work that we need to do, ongoing work in Penn Station today, Connecticut River bridge in Connecticut. There's a long list of assets and we've been advancing them sort of as far as we can with the dollars we have. And it's really these next critical investments that will help bring us to construction.

In order to do that, of course, we have to have strong partnerships from our commuter railroads and our states and from the federal government. And we're working to put together those programs and plans so we've got solid financial plans and can move forward through the grant process with the Department of Transportation.

Ms. CLARK. I wondered as you go forward with these projects, in your testimony, you noted that east coast storms have generated not only significant new repairs but also loss in ridership. How does weather resiliency—how does that fit into the projects that you're planning?

Mr. GARDNER. Congresswoman, that's an excellent question. We have faced four very significant events here in March that have cost the company a significant amount of revenue and lost ridership. Probably most damaging associated with these incidents were the impacts to our electric traction systems, so the overhead wires that supply both power to our trains and also signal power. So we've both had to incur expense to clean up, so to speak, and repair and lost revenue.

Now we feel confident in our ability to reduce expense and continue to grow ridership here hopefully for the remainder of the year and make that up, but we are undertaking a very significant tree cutting program, currently, because what happens is in the high winds and we have heavy snows, the trees fall and they knock down our wires. And our catenary is vintage—at least from the southern end of the corridor, is vintage 1934, and is in need of significant replacement. Thankfully, because of funds provided by Congress, we undertook a complete renewal of a portion of catenary in New Jersey which has allowed us to develop the prototype for additional improvements on the whole south end. But we now need to pursue the funding to do that.

Ms. CLARK. Great. Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Mr. Young.

Mr. YOUNG. Thank you, Mr. Chairman. Mr. Hamberger, short line and longer lines on PTC. Are both of them kind of on the same track, no pun intended, to get to the deadline on this? And are there different PTC systems? And if so, how do you ensure interoperability?

Mr. HAMBERGER. Getting right to the heart of the matter, sir. Let me take the second part and then I'll come back to the short lines if I might.

The one remaining huge challenge is, in fact, interoperability because each railroad has its own IT platform. They have different locomotives made by different manufacturers and then you have to make sure that the spectrum does not get interfered with in, particularly, Chicago where 14 railroads have—you know, a Amtrak train will operate over two or three different pieces of track. And so that is the challenge. And so what the experts have done, as I understand it, is they have written a common code so that all of the back office servers as they're called, the IT systems can talk to one another, that they can talk on a bilateral basis to every locomotive. And then you have to make sure that the employees are trained on run-through service to be able to operate a locomotive that is a foreign locomotive from another railroad.

Amtrak has a particular challenge because they have their own system on the northeast corridor which is different than the system in the rest of the country. So that is the technical challenge to make sure that interoperability can occur. Using Amtrak as an example, I know that they are currently in laboratory testing with several class one railroads, have finished that and are now in field testing to make sure that the communication link actually works and that the right data are coming through. So that is the challenge.

With respect to the short lines, they have a different statutory deadline and at some point by the end of 2020, their locomotives to operate on a fully implemented class one railroad will have to be outfitted with PTC compliant equipment so that that is probably their next deadline.

Mr. YOUNG. Okay. Thank you for that. Mr. Gardner, funds can be scarce and it's nice to try to find funds wherever you can get them. I see recently that Amtrak put a notice out to employees that they'll no longer operate charter services or special trains effective immediately. Do you know what brought about that decision? And weren't there some funds there that could be very valuable to your system because funds being so scarce, you try to get it wherever you can get it?

Mr. GARDNER. Thank you, Congressman. So actually our policy is not to stop running all charter or special moves, it's to simply constrict the number of routes that we operate over and the type of services we run so that we are gaining the kind of additional revenue that we do need, and that is part of our charge. But we're doing so with a minimum amount of disruption and distraction away from our core business.

A number of the existing sort of charter moves that Amtrak had undertaken in the past involved us running one-off routes off our core network onto various host railroads, and frankly, exposing the company to new operating challenges and safety risks particularly in this era of our focus on PTC. So our goal here is not to stop offering these types of services, but to focus those services on the routes that we currently operate over where we can use equipment that we are confident in and we can do so where the requirements on our end are manageable, are not a distraction, do not divert our

core staff away from the job of becoming fully PTC implemented, focusing on improving on time performance and providing a great customer service for our customers.

Mr. YOUNG. I appreciate that. I would ask that you just work with those non-profits and historical societies who many times are full of passengers. Those groups that they love trains and it brings a new generation of appreciation, those who have appreciation for trains as well.

Really quick, Mr. Fry, thank you for that. I would just ask that you work with those groups, Mr. Gardner.

Mr. Fry, do you think there should be just one PTC system, kind of like air traffic control?

Mr. FRY. Yes. I think that makes sense. I'm not an expert in PTC systems, but you know, you want to get everything tied together for sure, given what's going on out there with multiple rails using the same tracks.

Mr. YOUNG. Okay. I'd like to have a further conversation about that with you maybe in the office or offline here. I yield my time. Thank you, gentlemen.

Mr. FRY. Mr. Chair, if I might be so bold to offer to come in and see Mr. Young on that as well with some of our experts on—I'm sure I did not do it justice on exactly how the—

Mr. DIAZ-BALART. We only have so much time, so you did fine. Thank you.

Mr. Aguilar.

Mr. AGUILAR. Thank you, Mr. Chairman, Mr. Ranking Member. Thank you, folks, for being here.

Mr. Gardner and Mr. Hamberger, in your written testimonies, you both discuss the importance of the TIGER program. The Chairman and the Ranking Member and Congress has gone to bat for these programs and protected them the past two years. This year, in the President's budget submittal, he once again proposed to zero out that funding. Can you talk a little bit about your thoughts on the TIGER program and where else we can continue to grow investing in national infrastructure.

Mr. HAMBERGER. Let me jump in on this one first, Steve, if that's all right. On the TIGER program, it took the freight railroads a major leap of faith to agree that something called a public railroad was a good idea quite frankly because there was a fear that once public money came in, then public strings would be attached and someone else would be running our railroad. Early in this century, a decision was made that if we could talk about a public, private partnership where public money was spent to pay for public benefits but the private sector stepped up and paid for the private benefits, then that would be an arm's length transition. We could go forward and projects would be built that independently would fall beneath the hurdle.

And Chicago was a great example of that where working with Cook County and the city and the state, Metra, Amtrak, we are able to through modeling and some of those technical discussions about where the benefits of fall are mind numbing but at some point you come to an agreement on what the allocation of the costs matching the benefits are and it has paid great dividends for the city of Chicago for the freight railroads and the passenger railroads

and would not have happened but for public private partnerships. Now it is easy for the private part to come up with its money but where does the public come up with its share and that is where something like the TIGER program is invaluable.

Mr. GARDNER. Congressman, its, rail finds itself in a unique position because the normal highway programs in Title 23 do not permit even though they fund a variety of other transportation investments, the one investment that they will not sort of, that is not eligible there is inner city passenger rail investments generally. So the TIGER program and programs like it that are aimed at a broad, multi modal base are a unique and important source of investment.

As Ed said, we have approached the program as partners, as partners with host railroads, with states, with local communities to make improvements and it has been I know an important vital feature for a number of projects that otherwise just had a hard time finding a home in the current federal set of programs. So it has been very important.

Mr. AGUILAR. Appreciate it. Mr. Gardner, Amtrak announced that beginning in 2019 obviously you won't run on tracks that haven't fully implemented PTC. What steps are you taking to work with partners to ensure that that deadline is being met for later this December?

Mr. GARDNER. Well, thank you. We have approached the end of this year with first, absolute dedication and focus to try and gain implementation across the network. We have had excellent leadership from Administrator Batori, we have had a great working relationship with all the class one railroads and with Ed and his team and I think we are making very significant progress across the network.

Having said that, we still at the end of the year will find several situations where PTC is not yet fully implemented and operational. There will be a whole host of carriers who have qualified for alternative schedules through the FRA and have a longer period of time. We hope most of that time will be necessary for interoperability testing, that the systems will be up and operational and working and providing an increased level of safety but the kinks are still being worked out between the various systems and carriers.

So for those routes we are focused on analyzing the risks and hazards that might be present in this period of time before PTC is fully operational and undertaking any kind of additional actions or mitigations we need to ensure we have a common level of safety across our network. We owe it to our passengers, to our employees to have a single level, single sort of standard of safety so that when you get on an Amtrak train you know you are in safe hands. And we are going to be working to do that.

For those carriers that have not qualified for an extension and we hope that those are very, very few, there may be portions of—well, there will be portions of our routes where we will not operate over. We cannot operate over a line that is not qualified for an extension. We hope that those, again, are very few and we will be working with every carrier who we think might be in that case to try and avoid that kind of situation. We hope that they qualify but

we are prepared to cease service rather than operate if it is not really within our power to do that.

And lastly, there are a number of portions of the network that have exemptions from that have qualified for and received exemptions from PTC implementation. We are going back to look at those because ultimately our standard is we believe PTC is part of a modern passenger rail system and we want to see PTC levels of safety across our network. We are going to be looking to those areas, analyzing them and seeing what kind of safety improvements can be made and the appropriations bill did provide additional resources for us up to 50 million dollars on our national network to be able to make investments to improve safety in those areas. So that's a top priority for us.

Mr. AGUILAR. Thank you. Appreciate it. Thanks, Mr. Chairman.

Mr. DIAZ-BALART. Thank you. As I mentioned in my opening statement, actually no, Mr. Valadao, your timing is perfect.

You are recognized, sir.

Mr. VALADAO. Thank you, Chairman. I apologize, I had a constituent group outside that I had to visit with. A few different questions. One, the Administrations FY 2019 budget for the federal FRA request 202 million for safety and operations, a reduction of roughly 10 percent from 221.7 million that we appropriated in 2018. How do you view this efficiency of this request for FRA to address its rail safety responsibilities? Any one of you can take that. I mean, obviously it is a concern and some of us, at least on my side of the aisle had an issue with a little train safety ourselves not too long ago and that has kind of hit close to home.

Mr. HAMBERGER. Given the demands at FRA to analyze and approve what will be a blizzard of paperwork, it seems to me that they are going to need every resource they can get to make sure that railroads can continue on schedule with FRA approval. So I would—I don't know where that 20, that 10 percent was coming from but I certainly would hope that there is enough there for in the PTC arena.

Mr. VALADAO. So and then FRA's 2019 budget request proposes to offset a portion of FRA's rail safety cost by opposing 15 million in fees on railroads. Have, has the FRA discussed this with any of you? Do you guys have any thoughts on that?

Mr. HAMBERGER. They have not discussed it with us. It is a hardy perennial that shows up in just about every budget going back as far as I can remember and, you know, no other surface transportation mode has a user fee to pay for, you know, their safety regulators at OSHA or Formexa, whatever and so we have long opposed it and would urge you to oppose it.

Mr. VALADAO. All right. And then FRA's 29 request shows roughly 2000 highway rail grade crossing incidents each year and FRA expects that number to increase due to increases in train and highway traffic during the next decade. What can be done to improve safety at the highway rail grade crossings?

Mr. HAMBERGER. I think there are two things. One is as I mentioned earlier the section 130 grade crossing program which helps communities provide in some cases a minimal level of safety but in other cases, quad gates. And then secondly is support for operation

lifesaver and the FRA just started I think with federal highways or Formixa, a program of public awareness.

What we too often see in the recent, it is not so recent anymore but a GAO report found that over 90 percent of grade crossing accidents are caused by driver error. And we now have cameras on the head end of most of our locomotives and it is frightening quite frankly to see what happens as the locomotive is coming down toward the crossing, the gates are down and the guy three cars back decides well, he is going to make a run for it and, you know, it doesn't always work out. So but a lot of that is public awareness and I think support of the operation lifesaver. They have got an ad campaign and then a very aggressive local through the states, a local campaign to try to, you know, various statements. But it, you know see tracks, think train. It takes a mile for a train to stop, you know, that just, that people don't think about. So that I think would be a second area.

Mr. VALADAO. So this is just a personal question. When the crossing guards come down, is that enough time for a train to stop?

Mr. HAMBERGER. No. They come down 30 seconds ahead of time before the locomotive will get there. At 60 miles an hour a freight train takes, you know, a mile to stop.

Mr. VALADAO. All right. And then regarding automating train operations, some are advocating that Congress require that trains be operated by two person crews in order to promote safety. But for highway vehicles companies are enthusiastically pursuing automated vehicles which are seen as having the potential to greatly improve safety by removing the leading cause of highway crashes, human error. Would automated train operations improve rail safety and if so how?

Mr. HAMBERGER. Well, clearly we are moving into that direction, spending 10 billion dollars on positive train control. And I believe that the implementation of positive train control supplies the redundancy that some think is necessary. I would point out that around the world most trains operate with one person in the cab. I know that Amtrak has conductors back on the passenger cars but for anything under four hours, they only have one person in the cab.

And so I think having PTC in operation would address perhaps some public concern and I would close by just drawing your attention to a proposed regulation that has been withdrawn by this administration from the last administration. And on page 7 of their regulatory impact analysis, the FRA stated we do not have any data to show whether or not two people in the cab is safe or less safe than one person in the cab. And at a hearing at the Transportation Infrastructure Committee and now two years ago then NTSB chairman Mr. Hart was asked if he thought two people in the cab would be an improvement in safety and he said that he has no data to indicate that.

Mr. VALADAO. All right. Well, I appreciate the time and I apologize, I'm another one of the members that is going to have disappear so I hope that is no reflection on the importance of this so. Thank you.

Mr. DIAZ-BALART. Thank you, sir. Let me go, you know, so 3.1 billion dollars in rail from the, in the OMNI which this committee

is very proud of and one of the things that can help us leverage that is obviously P3's as some of you have talked. So let me start with a couple of the questions to President Fry. And so I understand that the 30th Street Station redevelopment in Philadelphia involves again public and private funding.

If you could just tell us a little bit about that project and what entities are involved, what benefits this project could have number one. And number two, is so we also provided 250 million dollars for federal state partnership for the state of good repair. And could this grant program benefit this project that I am asking you about or projects like that and do you believe that it could encourage further public private partnerships?

Mr. FRY. Sure. Well, I mean, one of the themes today is lack of funding and another theme today is public, private partnerships. And so even before I could maybe just say a word about the 30th Street district plan, I should tell you about something called Schuylkill Yards which is being developed on 14 acres of university property immediately to the west of 30th Street Station. Literally touching the edge of the station.

That is a private development project, all private monies. 3.5 billion dollars to be invested over the next 20 years to develop 7 million square feet of commercial, academic, research, retail, residential and public space. It is under way and we are about a year into it. The first four projects are either coming out of the ground or tenanted or about to be built about 1.5 of that 7 million square feet. That's completely private funds.

And the reason I mention that is that as we speak, this is underway in the 30th Street district plan which we completed in partnership with Amtrak and Septa which is our regional rail and Penn Dot which is the state agency, has developed a plan that basically can take that investment and leverage it many times over. And so we have a project that is actually underway where someone is going to spend 3.5 billion dollars on making Amtrak's holdings a lot more valuable than they are right now and so it makes sense for us to proceed into the implementation of this 30th Street district plan. I know Steve and his colleagues have documented the various phases that would be required to get this moving.

And then to your point about the 250 million dollars, I mean, just taking a portion of that and beginning the implementation of a 30th Street district plan would I think stimulate public, I am sorry, private interstate in this in significant ways.

So the answer is that there is so much value that we can unlock that I think can support some of the points that we are talking about here in terms of investing in safety and giving everyone what they need to operate, you know, these railroads at the highest level but in addition the multiplier effect from a local employment standpoint is enormous and we are one of the 20 cities where Amazon is taking a look at us and I can tell you that the development that I just talked about is the leading one in Philadelphia. So this is it they found to work.

Mr. DIAZ-BALART. Great. Sticking with the P3's, let me go to the Chicago region now, the Create Program. And that is what 70 projects now are underway that will improve the, you know, the regions rail and roadway infrastructure, et cetera. And I guess its bil-

lions of dollars in benefits so the question to both Mr. Hamberger and Mr. Derwinski is both of you have firsthand experience with passenger and freight. The bottleneck issue, right, of Chicago which is I believe I have heard is one of the worst in the country. It is one of the busiest in the country so talk to me a little bit about the benefits of the Create Program to deal with not only the bottleneck issue but just in general. And I don't know which one of you want to—

Mr. HAMBERGER. Can I start? I started in 1999 actually and at that point it took 43 hours for a rail car to make its way across Chicago. We are now down to 25 hours. Which is by my math a 42 percent decline. And which is a substantial progress. A lot of that is because of the investments through Create but there are other things that have happened.

The industry has created something called CIROC. I know it stand for something, Chicago Integrated Rail operations Center. Where Amtrak, Metra and the freight railroads operating are collocated, have all of the network in front of them and make decisions on operations. In addition although the number of cars and the number of trains has increased, as Chicago has occasionally become clogged, the railroads have decided that there are other ways to interchange and there used to be that one in every three freight rail cars either originated, terminated or transmitted through Chicago. That is now one in four as the railroads have looked at other ways to hand off and so the service has gotten better, unit trains and intermodal trains are getting through in about half the time they did in 1999. But I think it has had good impact for Metra as well.

Mr. DERWINSKI. Yes, absolutely. Any time we can do a major project where we are actually going to separate the railroads, we are in a great spot. Freight train delays typically are highest in our top three of reasons for delay. Not because they are not trying to work. Like he said CIROC works. They actually look almost 24 to 48 hours out as trains approach but then, you know, things happen. Mechanically, structurally, weather and we try to work through it. The only true answer is these Create projects that will actually physically start separating and of course the roadways making them much safer as well.

Our big concern of course in all of these as Mr. Hamberger indicated earlier, is our side of the funding and where does that come from? Some of these projects now are much beyond the scope of the work that we can handle with the limited funding that we get in.

Mr. HAMBERGER. We would love to have this subcommittee out there and it is just a site to behold to see an Amtrak train or a Metra train going on a fly over at speed, 70 miles an hour while there is a freight train rumbling along underneath. It is, you know, it is really the way to speed things through.

Mr. DIAZ-BALART. Thank you. Mr. Price.

Mr. PRICE. Thank you, Mr. Chairman. I want to pick up on Mr. Aguilar's line of questioning about PTC implementation and the time table we are facing and I address this mainly to Amtrak and the AAR.

Of course this is a critical priority, it is a major challenge all of you have said that as we approach the implantation deadline. Doz-

ens of railroads, passenger, and freight must work collaboratively with each other, with the federal government, with various equipment manufactures to install, test and deploy PTC technologies and ensure that they are interoperable. So we are on task.

I do understand though that the process can become more complicated with state supported routes and that is where I want to ask for some further clarification. The North Carolina Department of Transportation has its own locomotives but it partners with Amtrak to operate both the Carolinian and the Piedmont lines. NC Dot is seeking access to Amtrak's back office servers for their PTC software. They are also working with freight railroads to ensure the right PTC equipment is installed and operational on the tracks that they share.

So how are Amtrak and the freight railroads approaching PTC implementation with respect to state supported routes specifically? And are you confident that passenger service will be maintained on these routes after the December 31 deadline? And if not, what steps need to happen between now and the end of the year to ensure service won't be interrupted?

Mr. GARDNER. Thank you, ranking member. There are a subset of the state partners who have their own rolling stock. In this case, in particular locomotives and cab cars that need to receive hardware and software to make them compatible with the PTC system.

So North Carolina is an example of one of those states and at kind of a basic level, the equipment owners need to install the proper equipment and then that equipment needs to be tested and certified in certain instances and then we will use the system that exists for the host railroad on the wayside and with the back officer server.

So are actively working with the states that are in this situation but have their own equipment, primarily some states in the Midwest and on the West Coast in addition to North Carolina. And I think we feel confident about the installation of that equipment and it is over time throughout the year the federation and of our respective servers and then the integration of that equipment into the fleet. Additionally, Amtrak has its down locomotive fleet that has its installed equipment so in the rare instance where we might have a carrier who has a locomotive that has not, the installation has not progressed, we of course could use our locomotive in those services to try and maintain the service. So we feel that there is a good path with the various state supported services related to equipment.

Now there are some routes that I mentioned before that are on the state supported network where the infrastructure may be the issue with the host railroads but on the equipment side we primarily are focused on the locomotives and making good progress with the various states.

Mr. PRICE. Good progress equals sufficient progress in terms of the timeline we are facing?

Mr. GARDNER. Yes. We believe so and again we have, since we have our own locomotive fleet with installed hardware that is ready to go.

Mr. PRICE. Yes, but that is a, but that is a distinct to second best option substituting your own.

Mr. GARDNER. Absolutely. That is definitely Plan B so the Plan A would be we are not doing the installation on the equipment so it is up to the manufacturers and the owners of the equipment to complete the hardware installation on the locomotives. When that is done, we are confident we will be able to integrate the equipment into our network.

Mr. PRICE. Okay. Mr. Hamberger?

Mr. HAMBERGER. I think Steve addressed sort of the generic way to approach it. By definition each class one railroad will have 100 percent of its equipment installed by the end of this year or be in violation of the statute and they will in fact have it. So all of the wayside detectors and the communications equipment will be installed. I don't know enough about the specifics of the North Carolina state supported routes to be able to address that per say. I do know looking at Mr. Aguilar that in southern California, Metra link is already completed interoperability testing with BNSF and is in field testing with UP but I will get for the record, sir, the answer from NS and CSX where they are from their standpoint for North Carolina.

Mr. PRICE. Thank you very much.

Mr. DIAZ-BALART. Mr. Aguilar.

Mr. AGUILAR. One follow up on that, Mr. Gardner. We fully support the implementation of PTC and maybe this is a deviation to Mr. Price's state supported question. I know that there are segments that do not have to be PTC compliant and where your line, where you're proposed, you have proposed to end service along the southwest chief route because a portion of that segment through New Mexico is not compliant and is not proposed to be compliant because of some mainline track exclusions I believe.

So I guess my concern is, you know, some of those stops include Las Vegas, Flagstaff and the community that I represent in San Bernardino, so this is running through Raton Pass which is not required to comply with PTC which is I think where I am going with this. How will Amtrak work with stakeholders to ensure that services continued along routes like this where a portion is not required to comply with PTC?

Mr. GARDNER. Thank you. Well, so on the southwest chief route we have two situations. One, we have the rail runner segment which is New Mexico DOT which runs from Albuquerque to Lamy and their commuter railroad they have the infrastructure and that responsibility of either achieving the alternative schedule or complete compliance. So we are focused on their progress there.

And then the section that goes east from there across Raton is a main track exception for the service. So we are as I mentioned before, for these routes that are excluded, we are doing full risk analysis to understand what we believe the remaining risk is in these instances. We have got a team of folks led by our new chief safety officer looking at all of these areas and trying to come up with what we think is the safest course here for these services.

So for sure if as I mentioned in those instance where a carrier has not qualified for an exception or an extension, excuse me, we will not be able to operate. In these areas where exemptions exist, we are undertaking this work now to see what we believe the safest course is and we will be working with the respective carriers

there. If we have an instance where a portion of the route is not—is—does not have PTC and we believe that presents issues for us, we will be making that clear. But looking for alternatives certainly we will be able to serve portions of the route where we have PTC in service but there may be in parts of our network where we believe PTC is required. And particularly that route has high operating speeds and we need to make sure that we have a single level of safety across our network.

Mr. AGUILAR. Who give the mainline track exclusion because that is based off of a low hazardous and low passenger so——

Mr. GARDNER. The Federal Railroad Administration.

Mr. AGUILAR. What is your timeline for this deeper dive from your safety officer and team?

Mr. GARDNER. We are, we have started already. We have got a whole series of them across the country and we intend to have decisions by this summer around each of these areas.

Mr. AGUILAR. And in the——

Mr. GARDNER. And again we have also received some additional funding to be able to try and put in place mitigations whether they be technological, operational, or otherwise for those areas.

Mr. AGUILAR. In the meantime do you let the locals know that this line is being threatened or how does that roll out an announcement and public facing side gone?

Mr. GARDNER. Yes. Well, so we have as our CEO recently testified, we have made it clear generally that we are looking at all these exemptions and we are in contact with all the host railroads that have these routes and we will stay in close contact here as we undertake the work and make sure that we keep both Congress and the communities and partners we have informed as we go through the work.

Mr. AGUILAR. Thank you. Appreciate it. Thanks, Mr. Chairman.

Mr. DIAZ-BALART. We have spoken today a lot about the importance of the rail investments in the northeast corridor including New York and New Jersey. I know that Amtrak has been working on that for a long time and has done some work even determining the economic benefit of its projects in the region.

One significant project and it was already kind of brought up is the Hudson Tunnel. It is an old tunnel. It carries 820,000 passengers a day so needless to say it is a vital tunnel not only to New York, New Jersey and the northeast corridor but to the entire economy of the United States.

So, Mr. Gardner, the President issued an executive order to reduce the time it takes for the environmental reviews with the goal of completing environmental impact statements within 24 months and I believe that the review of the Hudson Tunnel is nearing the 24 month timeline. Any idea what the situation is regarding the Hudson Tunnels EIS?

Mr. GARDNER. Thank you, Mr. Chairman. Yes. We have, we had a somewhat audacious goal when we started the process for the environmental work on the Hudson Tunnel project and that was to take what we thought would be a four year typical EIS process and compress that down to two. And I can say that we have had tremendous support from Secretary Chao, from all of the DOT up to this point to achieve really streamlining sort of an exemplary pic-

ture of what a compressed and yet fully effective EIS process can be.

So we are very close to the end. We, the project team has completed the New Jersey transit led the environmental work in support of the, of all the sponsors and funded by Amtrak and we are hopeful the department will complete its work soon and I think it stands as a model of how projects and environmental work can move forward and the huge benefits it has to advancing both the outcomes, the positive outcomes of the programs and also reducing costs.

Mr. DIAZ-BALART. And how much in essence, there has got to be a cost if there is delays as well so any idea what that, what are we dealing with there?

Mr. GARDNER. Absolutely. We are scheduled to start construction in 2019, in the middle of 2019, on the project. The two projects of phase one of this program the Hudson Tunnel Program—Hudson Tunnel Project and Portal Bridge are collectively almost \$15 billion over the decade or more that they last. So, any delay naturally leads to inflationary cost that will increase prices over time. If—we are on schedule now to start the program in 2019, we hope to keep that schedule, and we feel confident working with all our partners we can. But if we delay construction starting in 2019, it could cost us up to a million dollars a day in increased cost for this big project.

Mr. DIAZ-BALART. Let me for the file, you know, from your, in essence, private sector perspective, talk to me about the importance of the real infrastructure assets in the Northeast Corridors. In other words, what are the implications of the—if we had a failure in any of those assets, the implications not only for the economy regionally or locally, but potentially nationally?

Mr. FRY. Yeah. No, I think a lot of business would start to shut down in Philadelphia, you know, when you think of our largest company, which is Comcast, you know, the need for them to be here in Washington, the need for them to be up in New York because of NBC Universal. You take that and you multiply that by many companies within the city. I know our university, which is a research university, has a huge number of people going up between, you know, Philadelphia and New York, down to Washington. I mean, just that the—probably the greatest asset that we have in Philadelphia is our location of the transportation and infrastructure. That is sort of what we sell as our competitive advantage. And so, beyond just the logistics of not being able to do our work day today, it also undermines sort of our big pitch, that this is sort of a growing, vibrant city with probably the best set of transportation conditions around. And so, you know, that is how we sort of brand ourselves. And how we have done, you know, how we have approached this whole Amazon opportunity as an example of how the transportation and infrastructure is to our competitive advantage as a city and as a region.

Mr. DIAZ-BALART. Let me now shift to Mr. Gardner and Mr. Derwinski and the—again, going back to the FY-18 Bill provides a significant increase in three, frankly, very important grant programs. So, Federal State Partnership, the State of Good Repair grants, the Consolidated Rail Infrastructure, and Safety Invest-

ment grants, and the TIGER grants. And so, to both of you, how will these grant programs benefit your organization and what types of projects potentially will benefit specifically anything that you can think of?

Mr. DERWINSKI. Well, of course, there is a competitive process. So, the implications that we have clearly will be toward the safety aspects, where we can look at the Great Crossings, the bridge renewals and in some cases some core capacity type of infrastructure things where we could work with Amtrak. We have a couple corridors in there where the literally the rail infrastructure itself, if re-developed, if expanded, will allow not just us, but the region to economically grow. We feel that, you know, the competitive process is good and it is our job to go ahead and put forth our best effort in that process.

Mr. DIAZ-BALART. Comments, Mr. Gardner?

Mr. GARDNER. Yeah, I would echo those. I think our focus is on addressing both areas of safety where we can that—where additional investments could be made and we are looking at a series of possibilities. For the grant programs that are discretionary, we really see it as opportunities to strengthen our partnerships with both the state and commuter railroads and the host railroads together. So, to find those areas where we can address chokepoints, capacity limitations, elements that are impeding either the ability to grow service or to provide reliable service.

So, we think there is huge opportunities there and we are very interested, of course, in also expanding service to new corridors or increasing frequencies. Part of that essentially, a very big portion is, is equipment and so, looking at opportunities where there might be a limited chance to start down the path of equipment for new service. So, we think together, the—this suite of grant programs and the additional funding of Amtrak is provided directly, particularly for our Northeast Corridor investments, really starts us down a path of being able to improve the network in a major way.

Mr. DIAZ-BALART. Mr. Price.

Mr. PRICE. Thank you, Mr. Chairman. I will have additional questions to submit for the record. But before we adjourn, I do want to turn to President Fry because he touched on the multiple dimensions of this redevelopment effort that Philadelphia is involved in where transportation and multimodal transportation becomes then the catalyst for all kinds of economic development. There is widespread discussion across this country of just this phenomenon and this impact of transit and transport—and intercity rail. And it has, you might say, the two halves of this Subcommittee together as we focus not just on transportation, but also on housing, community development, the kind of patterns of development that transportation decisions inspire and make possible.

So, I am just asking you to go a step further and talk about that aspect of the redevelopment effort that you are involved in, the importance of intercity passenger rail, multimodal transportation connections to the community development that you are involved in.

Mr. FRY. You know, it is a vivid opportunity for us. If you take a look at this 30th Street District Plan that we worked on together with him prior to some of the other constituencies, you know, the

opportunity there is a 16 to 18 million square foot development over a long period of time right in the middle of the city. What is important about this is that immediately north of that development is a Federal Promise Zone.

It was one of the 5 original Federal Promise Zones that were designated by President Obama back in 2013, which means that is a very, very high poverty district, low educational attainment, very high on employment, and it is an isolated community, isolated in part because of the railyards. The railyards have really sort of, you know, formed a barrier between the prosperous University City and Center City precincts and then the rest of the northern part of West Philadelphia, you know, which is really in such a state of difficulty.

By doing this kind of development, we can essentially fuse these neighborhoods together, first, I think, physically. But then also when we think about the level of development that is going on, construction jobs, permanent jobs of all types, and the opportunities for employment for people have been un or underemployed, you know, in these neighborhoods for years and years, it is a pretty important way of taking all the assets of an innovation district, tying it in an inclusive growth way to a Federal Promise Zone, and seeing prosperity and opportunity and hope for a lot of people who do not have it right now. And So, I am absolutely convinced that the work that we are doing is, you know, the real estate developmental is—almost is the least of it. The societal impact, I think, is incredible.

And we do not have time today, but we are working on a significant set of investments in public education, affordable housing, job training through the West Philadelphia Skills Initiative to enable all of the above to occur. And So, the catalytic activity, though, is what is happening around that station right now.

Mr. DIAZ-BALART. You said what?

Mr. PRICE. Thank you.

Mr. DIAZ-BALART. I am sorry, what?

Mr. PRICE. Thank you, Mr. Chairman. Oh.

Mr. GARDNER. Just say, if I could, I just would like to recognize John. He—Drexel and John in particular have been a huge catalyst, I mean, because—is the best word, really, to drive this kind of smart development around stations. We at Amtrak have been fortunate to partner with him and his leadership here has been tremendous. Our goal is to take these assets that we have, 30th Street Station, which is a monumental, extraordinary station, one of our jewels, and to leverage that asset, to create additional investment that really serves two purposes: one that allows us to address some of the longstanding State of Good Repair expenses that exist at stations like these.

So, in this case, we are just nearly finishing a \$70 million façade job; that is just to keep the façade of the building in place. These are all, of course, historic landmarks. We have to keep them in great shape; it is our stewardship role. But it is also to centralize development, jobs, and housing near our nodes of transport because that creates for us the long-term ridership base at growth. Really, we are at our best when we connect central city business—central business districts in cities to other central business districts.

And John's leadership and vision there has been tremendous at this station and we are already similarly pursuing programs in Chicago and Baltimore, which take the assets that we have and use them to create greater value for communities and to help reduce our need for federal investment from you all So, that we can take care of some of our own infrastructure issues in partnership with the private sector.

Mr. PRICE. Thank you very much. Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Thank you, sir. Chairman, I know—thanks for being here. I know you have got—again, you Chair another Subcommittee and you have been running around, So, thanks again.

Mr. DENT. Multiple hearings this morning. Thank you all for being here and especially Dr. Fry, thank you for being here from Drexel. My daughter lives right next door to 30th Street Station. I know it very well and I am glad that you are here representing the City of Champions. That said, yeah, we won, you know, we won the Super Bowl, just want to remind you, and the NCAA Championship—

Mr. DIAZ-BALART. The good thing is that you do not rub it in much.

Mr. DENT. No, I just—we, you know, we are very modest and humble about these things. I would like to just quickly just say to Mr. Gardner, if I could, I would like to talk about what this Committee did last year and the significant—we recognize there are significant needs within the Northeast Corridor provided substantial funding to address its backlog on the FY18 on the bus. The \$250 million was provided for the Federal State Partnership Investment for State of Good Repair Program. This was an increase of about \$225 million over the '17 level and as you also know, this program provides assistance for the rehabilitation of transit infrastructure and with this large increase to the State of Good Repair Program and the potential influx to Amtrak, how are you making sure that this funding will be used effectively and in a timely manner? And I suppose that I open this question to others on the Panel as well if they have any insight. So that, Mr. Gardner.

Mr. GARDNER. Thank you, Congressman. The Federal State Partnership Investment is a water ship movement. It is a huge increase and well-timed because we have a number of significant projects that are ready to either take that next step in final design or move to construction. One of the critical things for us is—and really, it is required in the program is that we have a strong partnership with commuter railroads who share in the use of these assets. So, core to getting effective programs underway and I think making our way through the grant program and through the selection process is strong partnerships with our commuter railroads and good combination of local funding and Amtrak support to go after these investments. When we have—we are looking forward to the process that is soon to be underway to go after those additional funds and we will be working with all of our commuter partners to find the right match; create the priorities and then pursue the investments.

Mr. DENT. Anything you might like to add to Dr. Fry, I am sorry, I came in late for your presentation about all the good work that you are doing down at Drexel in West Philadelphia with respect to 30th Street which is—I am in your neighborhood all the time and

I just see a lot of good things happening. Anything you wanted to add from what you said earlier?

Mr. GARDNER. Well, I think that catalyzed a lot of that frankly, is the great relationship and partnership we formed with Amtrak. I mean, from the very beginning, we have been with Amtrak thinking about our combined holdings are economic development, impact and possibilities. The partnership we formed to create the 30th Street District Plan. Probably had well over 20, you know, constituencies anchored by Amtrak and Drexel, but also joined by Septa and PennDOT and the City of Philadelphia and the University of Pennsylvania goes on and on. And what has happened is there has been a big network effect to that, that has tied together a lot of the sort smart development around the station. We have talked about School.I.arge which I mentioned to your colleagues previously, but that is three and a half billion dollars of private capital that is flowing into that area. There is no sort of underwriting of that by state or local or federal government, so it shows you the power of this kind of development to, you know, catalyze the kind of things we are talking about in the 30th Street District Plan. Getting that station squared away, which is what Steven's colleagues are doing and having so many other possibilities that would pivot off of that in a public/private partnership is only going to take the success that you see today and just push it so much further. So, I think the opportunities are bright, but it is all routed in a public/private partnerships. And a sense that, look at all your assets, including your real estate assets when you are undertaking those kinds of improvements to rail.

Mr. DENT. Well, yeah, just—I just want to commend everybody because with not only 30th Street, but with Cira Centre, Evo and all that investment and what is going on at the University Science Center, it is really exciting so, just wanted to commend you for that. I would like to shift to Mr. Hamberger quickly, if I could on the issue of trade and with this Administration's efforts to renegotiate NAFTA, its recently announced tariffs on steel, aluminum and potential trade action with regard to China, I was hoping that you could share with me how you believe these actions could impact your industry's investment and infrastructure more generally. As members of the Appropriations Committee, we have an interest in showing our investments at the maximum positive impact possible and I would like to hear your perspective about how factors outside of our Committee's direct control might affect those efforts.

Mr. HAMBERGER. Thank you very much for that, Chairman Dent and as a native Pennsylvanian and former staff member for the Pennsylvania member, may I just say the delegation of this Committee and Congresswoman sitting next to you.

Mr. DENT. Thank you for that.

Mr. HAMBERGER. And I did hear you mention the 76ers and the Phillies are at 5 and 5—so I mean, we got a lot of opportunity.

Mr. DENT. And the Flyers are about to win the Stanley Cup.

Mr. HAMBERGER. There you go. All right, so—getting back to the question at hand. We have always known sort of intuitively the trade was important to the freight/rail industry and you missed my opening where I emphasized and I know you know this, but for the record, 99 plus percent of the investment in the freight/rail indus-

try comes from private sector. We have to do it the old fashion way, we earn it. And so we did a study in the Spring of '17 and found that fully 42 percent of our car loadings; 35 percent of our revenue come directly from export and import traffic. That does not count indirect. For example, in Peoria, Illinois, there is a caterpillar plant that exports just about a hundred percent of its finished product, mining equipment around the world. We counted that as part of trade because we carry that to the port. We did not count the steel coming in, the components that went into manufacture that finished product. So, 42 percent and 35 percent understates the importance of trade to the freight/rail industry. Fifty thousand jobs are directly related to that 42 percent of our car loadings. About a third of that is north, south NAFTA and so, we have been very aggressive meeting with the Administration and taking part with the Chamber and NAHEM and others in trying to get this across, you know, to the administrators—to the Administration what impact this would have. The steel tariff, of course, had—you know, we put in miles and miles and miles of track and some of that does come from Japan where they are the only manufacturer of something called head-hardened steel which is needed to be able to move the 286,000 pound of car loads of grain, coal and other commodities. So, that would have a direct impact on us. Obviously, it would have some potential positive impact on domestic, so I do not know what it would do to the mix of our traffic, but it would certainly impact the cost of our doing business if that tariff went into effect. And then, if the trade war happened, obviously, there would be, you know, just disastrous repercussions.

Mr. DENT. Yeah, just my time is over, so I am just going to conclude this by saying that a lot of the rail traffic and freight/rail traffic in our own community—

Mr. HAMBERGER. Of course.

Mr. DENT [continuing]. Comes out of your Port Elizabeth, Newark and that offloaded rail in the city—

Mr. HAMBERGER. Right.

Mr. DENT [continuing]. Of Bethlehem and elsewhere and we have a lot of—

Mr. HAMBERGER. Yeah, it—we try and get the point across that it would and I think the market is making that point as well that if this were to come to fruition, it would be a disaster.

Mr. DENT. Thank you. I yield back.

Mr. DIAZ-BALART. I want to thank the gentleman in particular for his sports humbleness.

Mr. DENT. I am an Eagles fan. I cannot help myself.

Mr. DIAZ-BALART. Let me thank the panel. I think this has been frankly, very, very interesting.

Mr. HAMBERGER. Mr. Chairman, may I be so bold.

Mr. DIAZ-BALART. Please do.

Mr. HAMBERGER. I did not make a connection between two questions I had on autonomous trains and on grade crossing safety in an autonomous vehicles. We have suggested to the Department of transportation and I would suggest that you might want to support as the guidance regulation, whatever the Department ends up promulgating with respect to autonomous vehicles, something that we think they should take a close look at is having that technology

take into account grade crossings. Google has already, under the previous Administration, put grade crossing into Google Maps, so as you are driving along, you can be alerted that there is a grade crossing up ahead. As I mentioned the GAL has found that 90 percent of grade crossing accidents are driver error. And so, if the technology were programmed that it would not allow the driver to go around that gate that is down and that it would stop at the grade crossing, I think there might—I am sure there is probably an override system in there somewhere, but it seems to me that, that would certainly in the first instance, help mitigate and lower the number of grade crossing accidents. So, I just wanted to get that on the record and I apologize for extending—

Mr. DIAZ-BALART. No, I appreciate that. Thanks.

And again, thank you to every one of you. I think this has been a very helpful. The Committee staff will be in contact with you all regarding any questions for the record; any answers you might want to add. We would ask that you return that information for the record to the Committee within 30 days. That would then allow us to be able to publish it—publish the transcripts of today's hearings. Mr. Price, any further comments?

Mr. PRICE. No, thank you.

Mr. DIAZ-BALART. With that then, the hearing is adjourned. Thank you very much.

Rail Safety and Infrastructure Stakeholder Perspectives: Amtrak
Fiscal Year 2019 Questions for the Record
 Ranking Member David Price
 Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
 House Committee on Appropriations

Price #1

Reservation Agents

I understand that Amtrak has served notice of cancellation of its Reservations Sales Office Part- Time Agreement with the Transportation Communications Union, while also announcing that Amtrak will issue a request for proposal (RFP) with the intent to secure a Business Process Outsourcer (BPO) by the end of the fiscal year.

Question: Has Amtrak issued an RFP yet? If so, have you had any discussions vendors?

Answer: Amtrak has issued the RFP. No discussions have been held with vendors. The RFP process, including any discussions, will be held in accordance with Amtrak's Procurement Policies.

Question: How many positions (both part-time and full) does Amtrak intend to contract out to the outsourcer, and over what period of time?

Answer: Unknown and use of a vendor partner could occur no earlier than late September.

Question: Is Amtrak considering contracting with an outsourcer located overseas, or an outsourcer that would move these positions to overseas locations?

Answer: We are not.

Question: Has Amtrak voiced any specific concerns as to the nature of the work performed by Reservations Sales Agents represented by the Transportation Communications Union (TCU)? Has Amtrak made good-faith efforts to discuss their financial concerns with TCU regarding these positions?

Answer: TCU union has not requested a meeting with the relevant Amtrak parties involved in Contact Centers and the RFP despite our offer to meet in our March 28, 2018 on issuing the RFP.

Question: What are the specific projected savings Amtrak is hoping to achieve through contracting with a Business Process Outsourcer?

Answer: We won't know that until we have responses back to the RFP. Unknown until bids are evaluated.

Discounts

I understand that Amtrak has abolished discounts for students, seniors, AAA members, NARP members, and veterans.

Question: What is the rationale behind the decision to end the discounts?

Answer: The objective of the adjustments was to increase revenue and reduce American taxpayer subsidy.

Question: Did Amtrak give these stakeholder groups or Members of Congress notice and an opportunity to comment before these decisions were implemented?

Answer: Senior, disabled, active military and NARP discounts have not been abolished. All are in effect at 10% off. The discounts were reduced and discussed with state partners consistent with our agreements. The existence of programs and the nature of the programs with private companies such as AAA were handled in accordance with our contractual agreements. The AAA agreement, for example, was simply allowed to expire.

Special Trains

I understand that Amtrak CEO Richard Anderson, in a memo dated March 28, announced that “effective immediately” Amtrak will no longer operate private charters or special trains except in very limited circumstances.

Question: Were private railcar and special train operators given the opportunity to comment on this decision and submit feedback in advance of its implementation?

Answer: Mr. Anderson’s Advisory of March 28, 2018, was applicable only to charter trains, which are non-regularly-scheduled trains for commercial customers operated by Amtrak pursuant to negotiated agreements. Mr. Anderson issued a subsequent Advisory on April 19, 2018 which was applicable to private cars moving on regularly-scheduled Amtrak trains, along with updated guidelines for charter trains (please see attached). This was issued after a listening session on April 2, 2018 held among officials from Amtrak’s Commercial, Transportation, Host Railroad, and Mechanical departments and from two leading private car and charter advocacy groups: the American Association of Private Railroad Car Owners and the Railroad Passenger Car Alliance.

Question: What percentage of scheduled Amtrak trains haul private cars?

Answer: Approximately 53% of regularly-scheduled Amtrak trains are eligible to add or remove private cars at locations identified in Amtrak’s private car guidelines.

Question: How much revenue does Amtrak receive for charter trains and private cars it hauls?

Answer: Under the new guidelines, Amtrak revenue from moving charter trains and private cars is estimated to be \$6.9 million annually.

Question: Mr. Anderson’s employee advisory of March 28th states that private car and specials train operations “...failed to capture fully allocated profitable margins.” Please explain how Amtrak made this determination.

Answer: Amtrak compares revenues received from customers to fully allocated costs modeled for the operation of each charter.

THURSDAY, APRIL 12, 2018.

DEPARTMENT OF TRANSPORTATION

WITNESS

HON. ELAINE CHAO, SECRETARY, U.S. DEPARTMENT OF TRANSPORTATION

Mr. DIAZ-BALART. Let's call the subcommittee to order.

Today, we welcome Secretary Elaine Chao to testify on the fiscal year 2019 budget request for the Department of Transportation.

The fiscal year 2019 budget request for the Department of Transportation is \$15.9 billion in discretionary budget authority and \$75.9 billion in total resources. That includes obligation limitations for surface transportation and aviation programs.

I would note that this budget request was developed prior to the Bipartisan Budget Act that lifted the sequester for 2 years and raised the discretionary budget caps. And I think we should all keep that in mind.

The bipartisan deal set the stage for us to take immediate action last month to invest in our Nation's future and to rebuild our roads, our railways, and our airports.

And the 2018 THUD bill invests nearly \$11 billion in new transportation and housing infrastructure. And, again, I want to thank the chairman for a very generous allocation.

So what we just did in the omnibus, in the omni, showed that this committee does real infrastructure. That is real money. And so I would note that we made these investments without adding to the bureaucracy. We literally just wanted to make sure that we did not add bureaucrats, bureaucracy, and we did none of that.

I would also note that if you take what we did to invest in infrastructure, just us here on this subcommittee alone, and extend it over 10 years, you get over \$100 billion in infrastructure investment in transportation and housing alone.

And so, again, this is over half of the \$200 proposal that the administration is putting together, and that is something that Congress has been talking about putting together.

Well, this subcommittee did that. And again, thank you, Mr. Chairman, for allowing us that, I think, very generous allocation, which allowed us to do a big downpayment on the infrastructure commitment that we have all been talking about.

So, again, my point is that this is real, this committee does real infrastructure, as we did in the omnibus. And I believe that, hopefully, we will be able to do that again in fiscal year 2019.

Madam Secretary, I don't think that you will see support on this committee for massive reductions. And, as I mentioned before, your budget was done before the budget, the 2-year negotiated deal.

Obviously, this is not to say that we should not look at wherever we can make smart reductions to ineffective programs, but I think there is a consensus in this subcommittee that we have to continue to invest wisely in infrastructure, something that we all want to do.

There is no doubt that we need to improve our roads, our bridges, and our railways to bring them to a state of good repair. And we also must continue making good progress to modernize our air traffic control system, which is the most advanced, the most complex, and the safest system in the world.

The administration had proposed general outlines for a larger infrastructure initiative. And we have not yet seen the specific legislative proposals for this initiative, but know that we are ready and we are anxious to work with you on that.

I also agree that we should have a discussion on how to innovate, how to incentivize, how to streamline, but, right now we can move forward with authorized programs, something that this subcommittee worked hard to do, particularly building on the bipartisan FAST Act. And we just did that in the omnibus, and we intend to focus on authorized programs once again as we get to work on the fiscal year 2019.

Just a reminder, I think most people know the next fiscal year is less than 6 months away, but we are ready to move forward.

Secretary Chao, I will tell you, and you know this, but I think it is important to say it publicly, I have always enjoyed our frank and open conversations. And I appreciate your appearance before us today to discuss how we can invest in America and get our country moving again efficiently and effectively.

Now, I would be remiss if I didn't before take a moment to express my deepest sympathies to the families and loved ones who lost their lives during that horrible pedestrian bridge collapse at Florida International University last month. It goes without saying that we must leave no stone unturned to make sure that something like that is avoided in the future and that it never happens again.

I am grateful that the Secretary immediately mobilized the NTSB to start an investigation, and they are doing that. I also would be remiss if I didn't—and, Madam Secretary, I hope you don't mind me saying this—but we were all shocked by what happened. And before I was able to call the Secretary, she called me to offer her prayers, her thoughts and her prayers to the victims, but also her help.

So thank you. Thank you for being there in such a difficult moment for the community that I am blessed to represent.

With that, again, before we open up to the Secretary's testimony, let me recognize my friend and the ranking member of the committee, Mr. Price.

Mr. PRICE. Thank you, Mr. Chairman. I am pleased to be here this afternoon as we examine the fiscal year 2019 budget request for the Department of Transportation.

Secretary Chao, we are glad to see you again, and we appreciate your joining us today.

Infrastructure service is the foundation for our economy and our quality of life. It facilitates the flow of goods and services. It connects people to employment and educational opportunity. The con-

dition and the performance of our infrastructure is critical for the Nation's health, welfare, and economic competitiveness.

Unfortunately, our country has been steadily falling behind our international peers when it comes to investing in the infrastructure that is required in the 21st century economy. The American Society of Civil Engineers estimates that there is a U.S. infrastructure funding gap of \$2 trillion over the next decade. According to Federal statistics, 70,000 bridges, 1 out of every 9, are classified as structurally deficient.

The U.S. economy is expected to lose almost \$4 trillion in GDP between now and 2025 if this infrastructure gap is not addressed. In other words, we have every reason to be mindful of the cost of not facing up to our infrastructure crisis, and I do not think crisis is too strong a word.

That is why it is disappointing to see that the U.S. Department of Transportation for the second year in a row has put forward a budget that is woefully inadequate for the task at hand. The request largely adheres to the funding levels agreed upon in the FAST Act for programs that rely on trust fund dollars. But overall budget authority would be cut by nearly \$3 billion, or 15 percent.

The brunt of these funding reductions would fall on discretionary accounts designed to advance public transit, rail, and other multimodal projects that are critical to our Nation's transportation future.

For example, the highly competitive and oversubscribed TIGER program would be eliminated in the President's budget. Capital Investment Grants that advance critical transit projects across the country would once again be drastically curtailed, so that only projects with existing grant agreements might receive funding.

The result would also slash resources for Amtrak and rail infrastructure grant programs. And it once again includes unrealistic assumptions about air traffic control privatization, while reducing key safety facilities and operations accounts at FAA.

The budget request also stands in stark contrast to the recently enacted fiscal 2018 omnibus appropriations bill, which passed on a bipartisan basis and was signed into law by the President last month.

The omnibus triples funding for TIGER. It brings New Starts funding to the highest level in recent memory. It fully funds FAA activities. It includes billions of additional funding above the authorized levels for formula programs, for highways, transit, and aviation. And it represents the largest Federal investment in rail since the Recovery Act almost a decade ago.

So I want to congratulate our chairman, Mr. Diaz-Balart, our subcommittee colleagues, for advancing legislation that meets the priorities of so many Members on both sides of the aisle. It does represent a downpayment toward improving our Nation's infrastructure.

So, Madam Secretary, I hope you will clarify how your proposed budget, which would in many cases slash these bipartisan investments, undo what has just been done, how would this move our country forward? The request appears quite similar to last year's budget, and that budget was roundly rejected on a bipartisan basis.

I also look forward to hearing how the Department will administer the new funding provided in the omnibus, especially when it comes to the Capital Investment Grants programs. It is my expectation that the Department will distribute this funding efficiently and effectively, while adhering both to relevant statutes and to the directives of the Appropriations Committee.

Before I close, I would also like briefly to note my alarm at reports in the media that indicate Republican leadership is working with the White House to develop a rescission package, to claw back and cancel certain nondefense spending, including in the 2018 omnibus appropriations package.

This action would not only damage critical programs that Americans rely on, it would undermine the entire appropriations process and the good faith and the trust on which it depends. It would be a betrayal and it would make future bipartisan agreement much more difficult to achieve.

Madam Secretary, I look forward to your testimony today, working with you to ensure vital transportation programs are adequately funded.

Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Thank you very much, sir.

Now we are privileged to have the chairman of the full committee.

And as I mentioned in my opening statement, Mr. Chairman, because of—and you have to make tough choices—but because of your allocation, this subcommittee, your committee, your subcommittee was able to make, I think, historic investment in infrastructure. So thank you for that hard work, and we are grateful for that.

And with that, we welcome the chairman for any remarks he may make.

Mr. FRELINGHUYSEN. Thank you, Mr. Chairman, for the time and for your strong leadership of the committee, along with your very able ranking member, Mr. Price of North Carolina.

I also want to welcome Secretary Chao to the Appropriations Committee again.

Madam Secretary, we look forward to your testimony and to hearing your frank and candid views on a wide range of issues.

As I say at every meeting, the power of the purse lies in this building. It is the constitutional duty of Congress to make spending decisions on behalf of the people we represent at home. And Chairman Diaz-Balart and Mr. Price have spent the increased fiscal year 2018 allocation from the caps deal wisely on your behalf from that agreement.

Furthermore, Mrs. Lowey and I look forward to rapidly concluding our work on the fiscal year 2019 bills with the same amount of oversight and forethought.

The Gateway Project is a prime example of the infrastructure investment that will promote greater economic and national security benefits as it affects 20 or more States who use the East Coast rail system and whose passengers and freight depend on this narrow access point in New York and New Jersey known as the Gateway, the trans-Hudson River tunnels.

Madam Secretary, the necessity of this project is quite clear. I remain angered by the administration's opposition and very cal-

culated indifference towards the project. And this posture from an administration which claims to be infrastructure-centric is totally unacceptable.

Some have suggested that partisan considerations by the White House and some in my own party are at work here. I should hope not. To me, this is a national priority, above politics, by two States that bore the brunt of September 11, 2001, those terrorists attacks, and more recently Superstorm Sandy.

I needn't remind the committee that \$900 million Chairman Diaz-Balart put in the House-passed bill this last September was available for other eligible authorized projects around the Nation, not just for the Gateway. Sadly, we had an administration fixated on removing it entirely during the budget negotiations, and I was heavily involved in those negotiations.

The Gateway Project is vital to the Northeast, and it will be completed sooner or later, despite opposition. After all, the Northeast rail corridor is the most heavily used passenger line in the entire United States, serving more than 750,000 people every day on more 2,200 intercity and commuter trains.

Quite honestly, I worry about the possibility of a catastrophe in one of those tunnels. So there are potentially homeland and national security implications as well short-term, and to use your own words, Madam Secretary, into perpetuity. God forbid if one of those tunnels were to fail for any reason. The negative economic and national security implications would ripple across the East Coast and the Nation.

I repeat, Gateway will be built, if not during your tenure, Madam Secretary, then thereafter.

And in closing, may I thank Chairman Diaz-Balart and Mr. Price for providing the needed funds for such projects, not only potentially Gateway, so we can go forward, admittedly with a lesser amount, but nonetheless a strong start.

I am incredibly grateful to the committee for making sure that the money was there for these projects. It was less than we wanted, but I think we have got a good foundation.

I yield back the balance of my time.

Mr. DIAZ-BALART. Thank you very much, Mr. Chairman.

I would now like to welcome our distinguished ranking member of the full committee, Mrs. Lowey, for any remarks that she might have.

Mrs. Lowey.

Mrs. LOWEY. Thank you very much. And I would like to thank Chairman Diaz-Balart and Ranking Member Price for holding this hearing. And I welcome Secretary Chao before this committee.

It is clear that the United States must invest to improve our infrastructure. Our airports, bridges, tunnels, electric grid, schools, hospitals, ports, and sewers are in desperate need of updates to make them work more efficiently and effectively for the American people.

You have spoken before Congress in favor of President Trump's infrastructure plan, but, unfortunately, his plan fails to invest in the public good and instead places significant infrastructure projects in the hands of private corporate interests.

Last month, Congress passed the fiscal year 2018 omnibus appropriation bill, which provided \$27.3 billion for the Department of Transportation, an increase of \$8.7 billion from fiscal year 2017. We provided \$1.5 billion for TIGER grants, \$2.525 billion in new funding for highway grants, \$1.94 billion for Amtrak, \$800 million in new funding for transit formula grants.

So Congress has given your Department robust funding to make serious investments in projects that would improve infrastructure in our country.

And I also would like to say, I echo Mr. Frelinghuysen's sentiments and express to you just how important the Gateway Project is for my district and the movement of people and commerce up and down the East Coast.

Gateway will create a one-seat connection for my constituents in Rockland County to commute into New York City, something that commuters and working families have needed for a long time.

So I just want to make it very clear. Congress has given your Department robust funding to make serious investments in projects that would improve infrastructure in our country. Yet, I am puzzled that your Department requested a 19 percent reduction in discretionary spending on programs that directly support infrastructure improvements and development.

I am deeply disappointed by your proposals to eliminate programs that are proven to work, like TIGER. TIGER is one of the most valuable, important programs I have been working with since I have been in Congress. And to privatize air traffic control operations, which does not have even enough support to pass the House, let alone the Senate. I am really puzzled, Madam Secretary.

Overall your budget fails to reflect what should be the priorities of your agency and proposes to destroy the progress we can make as a result of the fiscal year 2018 spending bill that was just enacted.

So, Madam Secretary, I really want to thank you for being here. I have a feeling there are other forces, other people, who may have input into this proposal, which most of us on this dais reject. And I do hope we can work closely with you and explain the value of the investments that, for some of us, who have been working in this job for a while, and you have been here for a while, we really understand how important these programs are. And I do hope we can have a positive, strong relationship and not include a 19 percent reduction in discretionary programs.

Thank you very much.

Mr. DIAZ-BALART. Thank you very much.

Secretary Chao, again, Madam Secretary, your full written testimony will be included in the record. You are recognized for 5 minutes. And, again, it is a privilege to have you here.

Secretary CHAO. Thank you, Chairman.

Chairman Diaz-Balart, Ranking Member Price, and members of the subcommittee, thank you for the opportunity to discuss the President's fiscal year 2019 budget request for the Department of Transportation. I look forward to working with all of you to continue our joint efforts to provide the American people with safe and reliable transportation systems.

The President's budget request and the \$200 billion provided for his infrastructure proposal work together to provide new ideas for using our financial resources wisely, expanding our partnerships with State and local governments, and encouraging private sector involvement where appropriate. These changes provide a path forward to improve our transportation infrastructure quickly without dramatic increases in Federal spending that would stifle economic growth and job creation.

The President is requesting \$77 billion for the Department of Transportation. This budget would promote two of our highest priorities, advancing the safety of our Nation's transportation systems and preparing for our future transportation needs. About 80 percent of these dollars will fund State and local surface transportation projects of their own choosing.

The President's request also includes funding targeted toward new technologies and innovation. These funds will help us address the opportunities and challenges posed by integrating emerging technologies and systems into our transportation network safely and efficiently. For example, the President's budget proposes more than \$73 million for unmanned aircraft systems and \$18 million for automated driving systems.

While not included in the original budget release materials, the President's budget request also includes \$300 million to support the replacement of two of the oldest ships in the Maritime Administration's School ships fleet. These new assets will enable us to continue to meet the training needs of our future merchant mariners as the current ships are retired.

At the same time, the President's budget request calls for reforms to several major programs and the manner in which they are traditionally funded. These programs are ideal candidates for the new programs outlined in the President's infrastructure proposal.

As you begin your consideration of the President's budget request and his infrastructure proposal, we will continue to focus on our new responsibilities. The recent passage of the fiscal year 2018 Omnibus Appropriations Act included increases to many of the Department's vital safety programs. It also provides a downpayment of resources that acknowledges the President's vision of quickly investing in our Nation's infrastructure.

The Department is assessing the requirements and instructions in the act and is identifying the steps needed to responsibly administer this funding and the new programs provided.

Thank you again for the opportunity to appear before you today to discuss the President's fiscal year 2019 budget, and I look forward to continuing our partnership on transportation issues on behalf of the Nation. And I will be happy to answer your questions.

[The information follows:]

**STATEMENT OF
THE HONORABLE ELAINE L. CHAO
SECRETARY OF TRANSPORTATION
BEFORE THE
APPROPRIATIONS SUBCOMMITTEE ON
TRANSPORTATION, HOUSING, AND URBAN DEVELOPMENT AND
RELATED AGENCIES
UNITED STATES HOUSE OF REPRESENTATIVES**

April 12, 2018

Introduction

Chairman Diaz-Balart, Ranking Member Price, and members of the Subcommittee – thank you for the opportunity to meet today to discuss the President’s Fiscal Year 2019 Budget request for the Department of Transportation. Together, the President’s Budget request and his recently-released Infrastructure Initiative proposal provide new opportunities to rethink and retool our approach to transportation funding for the future. Both proposals recommend funding alternatives that use modern investment strategies and leverage Federal dollars by building more equitable partnerships with State, local, and private sector entities.

The President’s Budget requests \$76.8 billion to support transportation programs in FY 2019. About 80percent of this funding supports the Department’s Trust-funded mandatory programs. This includes the \$57.4 billion proposed for surface transportation programs, as authorized by the Fixing America’s Surface Transportation (FAST) Act and the \$3.4 billion proposed for the Federal Aviation Administration’s Airport Improvement Program. All together, the President’s request includes a 4 percent increase for the Department of Transportation’s mandatory programs.

The remaining 20 percent -- or \$15.9 billion -- funds the Department’s discretionary programs. In order to ensure that the Department is maximizing the return on its Federal transportation investments, the President’s request does not continue funding for some transportation grant programs but instead leaves open the possibility that projects within these programs could be better considered under the President’s new Infrastructure proposal.

Addressing our Infrastructure Needs

Consistent with the President’s Budget request, his Infrastructure proposal provides a bold new approach for addressing our infrastructure needs across the broad spectrum of Federal programs. It tackles the complex problems of improving infrastructure by focusing on better ways to finance, manage, and use our current and future transportation assets. The proposal also calls for advancements in the permitting process that streamline and shorten timeframes so that projects can get underway quickly. The President’s Budget includes \$200 billion that will

leverage State, local, and private investment resulting in at least \$1.5 trillion of new infrastructure investment over ten years. His proposal includes the following programs:

- **Incentive Grants (\$100 billion)** to encourage State, local and private investment by awarding incentives to project sponsors that propose innovative approaches to generate revenue for infrastructure investment, prioritize maintenance, modernize procurement practices, and generate a high return on investment.
- **Rural Infrastructure (\$50 billion)** to address the significant need for investment in rural infrastructure. Most of the funds would be provided to States by a formula distribution, with the remaining funds distributed based on performance. This includes a set aside for Federally recognized Tribes and Territories.
- **Transformative (\$20 billion)** for bold, innovative projects with potential to dramatically improve America's infrastructure.
- **Infrastructure Credit programs (\$14 billion)** to boost innovative finance programs such as the Transportation Infrastructure Finance and Innovation Act and the Railroad Rehabilitation and Improvement Financing programs.
- **Private Activity Bonds (PABS) (\$5.9 billion)** to expand the flexibility and eligibility of PABs as an additional project financing tool.

This comprehensive action plan will quickly address the Nation's infrastructure needs by using modern financing tools and business practices that have already proven successful in State and local projects, consistent with the President's vision.

New Directions

With these new Infrastructure Initiative proposals in mind, and in order to incentivize changes in the way States and local communities finance projects, the President's FY 2019 Budget request does not include funding for certain discretionary grant programs. Instead, the President's request proposes a different model that would spur States and localities to raise new dedicated funding for infrastructure, incentivized by competitive Federal grant awards. Projects that had previously been funded by Federal discretionary grants would now benefit from the additional dedicated state and local funding raised.

One such program is the Federal Transit Administration's Capital Investment Grants program. The Capital Investments Grants program supports transit projects that primarily benefit specific local communities. Under the President's Infrastructure proposal, if States and localities raise their own dedicated revenues, the Administration would reward them with competitive grants and other incentives. We expect this approach will broaden the options available for funding transit projects in the future and will provide State and local entities more autonomy in deciding which transit-related infrastructure projects to pursue. Consistent with this approach, the President's Budget request limits funding in this program to projects with signed, Full Funding Grant Agreements.

The President also recommends redirecting the Transportation Investments Generating Economic Recovery (TIGER) grant program into a more comprehensive infrastructure program with both rural and incentives components. The programs comprising the Infrastructure proposal are a more effective approach for supporting projects like those eligible for TIGER assistance,

which would make even better use of these vital infrastructure dollars. The programs empower State and local governments to construct projects based on local priorities and needs, leverage each Federal dollar by incentivizing the creation of new revenue sources dedicated to infrastructure that can sustain lasting investment and maintenance over the long-term, and encourage more innovative and efficient approaches to project financing and delivery.

Other Reforms

The President's Budget request also proposes reforms that would provide efficiencies and reduce costs. For example, the trains that support Amtrak's Long Distance routes are very expensive to operate and maintain, and account for much of Amtrak's \$500 million in operating losses. Typically, few passengers rely on this service and many trains have excess capacity. At the same time, we recognize that some States and local communities value this transportation option. In an effort to create an equitable partnership, the President's Budget request proposes to share the costs of operating Amtrak's Long Distance services with those States that provide fifty percent of the funding needed to continue these services.

Reforms are also proposed for the Essential Air Service (EAS) program. EAS provides scheduled air service to rural communities that otherwise would not be profitable. Although initially envisioned as a temporary program, EAS is now almost 40 years old. Many EAS flights are not full and have high subsidy costs per passenger. What began as a small program is now nearly \$300 million per year. The President's Budget request proposes reforms to the discretionary portion of the EAS program that will save approximately \$57 million. These reforms would impose new distance requirements to small, medium and large hubs, would cap subsidies at \$250, and would eliminate certain waiver provisions. Together, these reforms will ensure that EAS resources are directed to those airports with the highest demonstrated need.

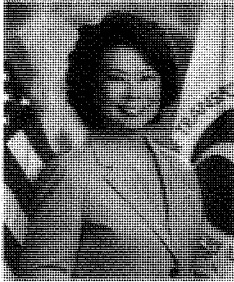
Throughout the development of the President's Budget request, we have taken a hard look at funding directed towards research. Some of the research currently conducted in the Department's programs is replicated in the private sector or reconfirms established findings. This duplication and focus on existing transportation systems represents a missed opportunity for change. The President's request addresses this concern by significantly reducing funds provided for research programs. Remaining research funds will be directed towards new and emerging technologies that will help inform decisions regarding transportation systems in the future.

Finally, I want to highlight the President's Budget includes \$300 million for the Maritime Administration's School ships fleet replacement program. While this request is not included in our current budget materials, it will be part of a forthcoming Budget Amendment that you will receive soon. We recognize the importance of the school ships to the state maritime academies, and will be exploring options for acquiring the necessary replacement ships over the coming months.

Thank you again for the opportunity to appear before you today to discuss the President's Fiscal Year 2019 budget. I will be happy to answer your questions.

Secretary Elaine L. Chao

U.S. Secretary of Transportation



Secretary Elaine L. Chao is currently the U. S. Secretary of Transportation. This is her second cabinet position. She served as U.S. Secretary of Labor from 2001-January 2009, and is the first Asian American woman to be appointed to the President's cabinet in American history.

Secretary Chao comes to the U.S. Department of Transportation with extensive experience in the transportation sector. Early in her career, she specialized in transportation financing in the private sector. She began her executive career in public service working on transportation and trade issues at the White House. She then served

as Deputy Maritime Administrator, U. S. Department of Transportation; Chairman of the Federal Maritime Commission; and, Deputy Secretary of the U.S. Department of Transportation.

Secretary Chao understands the critical role of the Department in ensuring the safety of our country's transportation systems. She is also keenly aware of the key role infrastructure plays in our nation's economic competitiveness, and in strengthening economic growth in both the urban and rural areas of our country.

Secretary Chao has a distinguished career in the public, private, and nonprofit sectors. An immigrant who arrived in America at the age of eight speaking no English, she received her citizenship at the age of 19. Her experience transitioning to a new country has motivated her to devote most of her professional life to ensuring that everyone has the opportunity to build better lives for themselves and their families. As U.S. Secretary of Labor, she focused on increasing the competitiveness of America's workforce in a global economy, promoted job creation, and achieved record results in workplace safety and health.

Prior to the Department of Labor, Secretary Chao was President and Chief Executive Officer of United Way of America, where she restored public trust and confidence in one of America's premier institutions of private charitable giving, after it had been tarnished by financial mismanagement and abuse. Secretary Chao also served as Director of the Peace Corps, where she established the first programs in the Baltic nations and the newly independent states of the former Soviet Union.

Secretary Chao earned her MBA from the Harvard Business School and an economics degree from Mount Holyoke College. Honored for her extensive record of accomplishments and public service, she is the recipient of 36 honorary doctorate degrees.

Secretary Chao is a resident of Jefferson County, Kentucky. Prior to her appointment as Secretary of Transportation, she was a Distinguished Fellow at Hudson Institute. She is the eldest of six daughters born to Dr. James S.C. Chao and the late Mrs. Ruth Mulan Chu Chao.

Mr. DIAZ-BALART. Thank you very much, Madam Secretary.

Members, we will proceed in the standard 5-minute rounds, alternating sides, and, obviously, recognizing the members in order of seniority as they were seated at the beginning of the hearing. And I don't have to tell you to be mindful of your time because both questions and answers will be within that 5 minutes.

Madam Secretary, the fiscal year 2018 omni provided \$2.64 billion into the Capital Investment Grant programs. As you know, the House and the Senate both placed a huge priority on continuing the authorized transit Capital Investment Grants. That is a program that has gotten wide bipartisan support with an emphasis on moving projects through the pipeline and leading to the expectation, that those full funding grant agreements would go forward and they would be signed and those projects that have met the criteria would move forward.

And so this year there was an inclusion of a new provision in the law that requires 80 percent of the Capital Investment Grants to be obligated by December 31, 2019. And so typically those funds are available until they are expended, until they are spent, but there is this different language and different change in the law. And it is because we wanted to show how important it is to use that money, to put it to good use as soon as we can, because they are important programs.

So there are many critical projects that are ready to go and waiting for the Federal commitment. And I just wanted to ask you, how do you plan to execute those funds by that deadline? And again, the deadline is December 31, 2019. It is not a lot of time.

Secretary CHAO. No, it is not a lot of time at all. In fact, the omnibus gave the Department about \$12 billion over what the President's request is. That is a lot of money.

So we are in the process of reviewing what the omnibus says, what it requires, what its instructions are. It has taken us about 2 weeks just to understand what the omnibus says. It was passed on March 23, and we are diligently working to fulfill the wishes of Congress.

Mr. DIAZ-BALART. Great.

Secretary CHAO. But I do think the time is very tight.

Mr. DIAZ-BALART. It is.

Secretary CHAO. On the TIGER grants, on the \$1 billion additional in the TIGER grants, \$1.5 billion basically with INFRA grants. And then we have the first round of INFRA grants coming out by June, hopefully. And then we have got the INFRA grants in the omnibus, which is another huge tranche. So the timelines are very, very tight.

I just want to make that point, understanding that we will do our very, very best, obviously, to fulfill that.

Mr. DIAZ-BALART. So your intention is, obviously, to do that?

Secretary CHAO. Absolutely.

Mr. DIAZ-BALART. But we understand. Which is why we are hoping to get the 2019 bills done in a more timely fashion.

And, Madam Secretary, you know, as you have been down there in my area of the State of Florida, they have been working for years on a transit plan to submit to the CIG pipeline. And, hopefully, they can get those parameters and those guidelines taken

care of. And I want to thank you for going down there and seeing it firsthand. So we will hopefully be able to have that eventually in that pipeline.

My colleague Mr. Visclosky has a transit project that has been in the planning stages since the 1990s, so I guess I shouldn't be as frustrated as I feel about the situation in South Florida. Which is why, again, we are very committed to those programs. And I am glad to hear of your efforts.

In another area, in the Federal-State partnership for State of Good Repairs, which is another authorized program that received an increase to \$250 million for this program, DOT has not yet published a Notice of Funding Opportunity, not only for the 2018, but also for the 2017 amounts. Do you have any idea when you expect to have those published for both the 2017 and the 2018?

Secretary CHAO. We hope to have that very soon.

Mr. DIAZ-BALART. And any idea if you can put them both together and do them both? Or is it 2017 or 2018?

Secretary CHAO. There are two separate. First, there are two separate NOFOs. And then there are two separate years as well.

Mr. DIAZ-BALART. Right.

Secretary CHAO. So it is certainly our intent to try to get that out as quickly as possible.

Mr. DIAZ-BALART. Right.

Secretary CHAO. But last year, obviously, was a transition year, and there were people, obviously, who were not in the agencies. And so that was a bit of a slow start. But as soon as we are getting people, we are turning them out as quickly as we can.

Mr. DIAZ-BALART. I am glad to hear that. And I thank you, Madam Secretary. I, obviously, have a number of other questions, but I try to lead by example and not exceed my time.

So with that, let me recognize the ranking member.

Mr. PRICE. Thank you, Mr. Chairman.

Madam Secretary, I would like to focus in on the Capital Investment Grants in transit and ask you to elaborate on the funding timetable, the funding plans for these grants.

Hereto, the fiscal year 2018 omnibus bears little resemblance to the fiscal year 2018 budget request or the 2019 budget request, so you have some funding and administering to do that you hadn't fully anticipated perhaps.

But this is no longer a hypothetical. We have had some frustrations when seeking answers about how programs are going to be administered and executed, but now it is no longer a hypothetical. We have got to get this done. And that is why I want to ask you to provide some specifics.

We know what investment in transit does for our communities, improving local mobility in high density corridors, addressing our energy, environmental, economic challenges. We have got to move ahead.

The process, of course, is multifaceted, and I would like to ask you to provide here, if you can, or for the record otherwise, some documentation of exactly how projects have been moving through the pipeline. How many projects entered the project development phase so far this fiscal year? How many projects moved from project development and into engineering so far this year? How

many projects moved from engineering into full funding grant agreements, that is construction so far this year?

I am pleased, I know that you have recently taken steps to sign some Small Start grant agreements. I wonder when you are going to begin signing full-funding grant agreements for New Starts and Core Capacity projects.

And, of course, in asking you this and in raising this whole subject, I am asking to you pledge to move projects in a timely way, projects that meet the statutory criteria, through the project pipeline and to move them through in ways commensurate with the funding level provided in the 2018 bill.

Secretary CHAO. Congressman Price, let me assure you that I am a partaker. I have been a user of the transit system. I grew up in New York City. As an immigrant, we had no car, so I would basically take the subway all the time and the bus system. So I am very well aware. And we all support transit systems that aid mobility and connectivity around our country, especially in our urban centers.

\$12 billion is a lot of money. The short answer to your question is, we are going to do everything we can to get the moneys out. But just in Federal transit alone there has been \$2.255 billion in additional funding. That is a lot to absorb. We are trying to see what these programs require, whether there are any additional prerequisites for releasing them. And these projects are complicated.

So to your first point, about how many are in the project development, how many are in the engineering, and how many can advance to construction, let me answer that first. In the past fiscal year, three projects have entered the project development phase. There is San Bernardino in West Valley, St. Paul, Minnesota, Kansas City, Missouri, Indianapolis, Indiana.

In the past fiscal year, there have been no projects that have been approved in the engineering phase because FTA is conducting the risk assessments before approving them. There are two projects that are awaiting advancement for this reason, the Los Angeles Westside section 3 and the San Francisco BART Core Capacity.

And you are right, a number of Small Starts have received construction grant awards this past year, and they include Fort Lauderdale, Jacksonville, Grand Rapids, SMART California, Everett, Washington, and Kansas City.

These are complicated, multiyear projects. So sometimes it is not us who are delaying it, but because the particular project is not ready to go on to the next phase. But please be assured that we understand what you are saying to us, and it is just our wish as well to be able to move this money out as quickly as these projects are ready and eligible.

Mr. PRICE. Well, thank you. I will take that as an affirmative answer to my request for a pledge to move projects that meet the statutory criteria through the project pipeline.

Do you have any exact estimate as to when you might begin signing full-fund grant agreements for New Starts and Core Capacity projects, agreements as opposed to the Small Starts?

Secretary CHAO. No, I really don't because Small Starts—they are called Small Starts for a reason. They are a little bit less complicated, and they are smaller in dollar and in scope. So these larg-

er ones, we don't have a policy against them, but it has to be done on a case-by-case basis.

Some of them are not ready. Others have to go through—there is a process. It is not as if I am the one that signs off on all of this. There is a queue. There is a process. And we will evaluate each project on a case-by-case basis.

Mr. PRICE. Well, of course, it is true that you have more money than anticipated. On the other hand, we are talking about the current fiscal year with an amount of money that is more along the lines of past appropriations and with expectations that we would see some movement in advance of the new appropriation being fully determined.

Secretary CHAO. Congress has given us aggressive deadlines. And as I mentioned, we will do our very, very best, and I hope that we will definitely meet them, because I don't want to have another conversation with you again.

Mr. PRICE. Thank you.

Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Thank you. I thank the ranking member.

Mr. Valadao, the gentleman from California.

Mr. VALADAO. Thank you, Chairman.

Thank you, Secretary, for your attendance today.

I applaud the recent steps the Department of Transportation is taking by granting an additional 90-day extension of the agriculture exemption from the electronic logging device mandate.

Livestock haulers in my district and across the country have a challenging task of balancing both the safety of motorists and the health and welfare of animals that are being transported. That is why I diligently worked to include language in the fiscal year 2018 THUD appropriation delaying implementation of the electronic logging device mandate for freights carrying agricultural commodities such as livestock.

It is clear the electronic logging device rule and the existing hour service rules do not adequately accommodate this subset of the trucking industry.

Stakeholders have expressed the need for flexibility when it comes to Hours of Service for electronic logging devices to properly address concerns and provide sufficient training in education for uniform compliance and enforcement. While motorist safety remains a top priority, so does the welfare of our animals.

What long-term solutions do you recommend to ensure both motorist safety, as well as animal welfare? Would the Federal Motor Carrier Safety Administration be willing to work with the livestock and insect industry to provide further exemptions or flexibility under the Hours of Service Rule?

Secretary CHAO. Last year you raised this issue, and I hope that we have at least been responsive, not only to you but to all the Members in the rural States and districts that face this issue.

The Department, FMCSA, has engaged in multiple discussions and briefings, and I don't want to call them educational sessions because it sounds kind of arrogant, but sessions in which the Department explains, or FMCSA, the agency, explains what these rules are.

We just got confirmed Ray Martinez, who is the administrator for the FMCSA, and I have given him the request and the directive that among his first priorities is to meet the stakeholders who are concerned about this issue, meet with the Members who are concerned about this issue. And I believe that they are doing so.

Having said that, this is a very difficult issue, because, as you mentioned, it is not an issue that is just the waiver or the exemption. It really hits upon an underlying issue, which is the Hours of Service. That is a law that was passed by Congress on a bipartisan basis.

So we have to do what we have to do under that statute to the best of our ability. We have given two waivers. The first 90-day waiver, the second 90-day waiver, which just began on March 18, 2018.

But the exemption that you are talking about is very strictly prescribed. And, again, it touches upon, as you mentioned, the Hours of Service. We will do as much as we can within the intent of that statute, but we are limited in what we can do.

Mr. VALADAO. Well, and they have reached out and we have spoken with—we are working on getting more opportunity out into the district so that some of my locals have the opportunity to hear from FMCSA about how this goes into play. But we have to continue the dialogue to make sure this works out the way we need it to.

Because just today I heard a story from a trucking outfit. One driver was pulled over. And the owner of the truck actually called and asked the highway patrolman to release the truck and they can keep the driver. But there were animals stuck on the side of the road in a truck for 8 hours.

If you can imagine, that is not a situation we want to have. And if that plays a role, or if we don't have the ability to move these animals, there is a welfare issue that needs to be addressed and paid close attention to.

Secretary CHAO. Yes.

Mr. VALADAO. Since I have a few more seconds, a city in my district applied for a Buy America waiver back in January of 2017 to purchase a new lower-polluting refuse truck with Congestion Mitigation and Air Quality funding. I understand that this waiver was approved yesterday, but only because it was submitted prior to the Buy American, Hire American executive order.

The Federal Highway Administration has announced it is reevaluating the Buy America waivers for vehicles and equipment because of the executive order. Do you have a timeline of when this reevaluation will be completed? And how long will it take to determine vehicles and equipment waiver applications going forward?

Secretary CHAO. Each application is different. And it takes a long time because, again, these are complicated cases. We want to be fair.

I will say that this administration has been much, much tighter in terms of granting waivers for Buy America provisions. As the President has said, his theme is Buy American, Hire American. So these waivers are tougher to come. And we have to report back to the White House on every single waiver.

Mr. VALADAO. So you don't have a timeline?

Secretary CHAO. We try our best, but it can take a long time.

Mr. VALADAO. Any idea what “long time” means?

Secretary CHAO. It depends on the case. I will be more than glad to have my people talk to your staff. But they are complicated.

BUY AMERICA WAIVERS

The Department is taking a holistic look at its Buy America processes across its Operating Administrations in an effort to find efficiencies and ensure consistent application of Buy America requirements across the Department. We hope to have some additional information in a few months.

As for specific waivers, the Department carefully reviews them on a case-by-case basis as expeditiously as possible.

Mr. VALADAO. That would be helpful.

Thank you. I yield back.

Mr. DIAZ-BALART. I thank the gentleman.

Mrs. Lowey, the ranking member of the full committee.

Mrs. LOWEY. Thank you, Mr. Chairman.

Madam Secretary, it took 445 days for President Trump to nominate a leader for the National Highway Traffic Safety Administration, leaving NHTSA without a leader at its helm. This is so disturbing, particularly in light of the trends, the increasing trend of deaths on American roads.

NHTSA may be behind on important work to prevent drunk and impaired driving, including the Driver Alcohol Detection System for Safety Program. I wrote a letter to President Trump to remind him that NHTSA needs an administrator, and I am glad he finally listened.

Could you explain to me what caused the delay to nominate Deputy Administrator Heidi King?

Secretary CHAO. You will like her very much. She is a very nice person, very capable.

I think this whole confirmation process is very troublesome. There are delays in the nomination part of it, and then there are also extensive delays in the confirmation part as well.

The FBI clearances are taking so much longer. And the OGE, Office of Government Ethics, is taking so much longer, as well.

We who are in the departments would love to see these nominations spring forward sooner, announce sooner. But, again, that clearance process is really, really long now. And then once they come out, it has been tough to get them confirmed in a reasonable period of time as well.

Mrs. LOWEY. Well, I hope you watch it carefully.

Secretary CHAO. Absolutely.

Mrs. LOWEY. Because this is so important to keep people safe on our roads.

Another issue that I have been following is sleep apnea and rail safety. I was really disappointed by the agency's decision to withdraw the Federal Motor Carrier Safety Administration and Federal Railroad Administration's joint and advance notice of proposed rulemaking on obstructive sleep apnea.

As you know, it has been cited as a contributing factor in multiple crashes, including the Spuyten Duyvil crash in 2013, the Hoboken crash in 2017. And I have many constituents who were on both trains. Scores more were impacted as loved ones were injured or lost their lives.

So it is really shocking to me that the Department of Transportation would ignore a pressing problem that was already on its way to being solved.

Can you tell me why did the Department turn its back on addressing obstructive sleep apnea and other health disorders that may interfere with an operator's ability to carry out their safety responsibilities? Was there data that the Department relied on that led to the decision to withdraw the proposed rulemaking?

And if you can tell me what concrete actions will the Department undertake to make sure that obstructive sleep apnea does not contribute to any more deaths on American roads and railways?

Secretary CHAO. We are not at all unconcerned about this issue. In fact, we are very concerned about the whole array of sleep-impaired influences on overall safety in driving.

So we would like to take a more holistic approach, and we are taking a look at what are the, again, the array of impairments to driving at night, to sleep impairment, that can contribute to this. So that study about sleep apnea is the wrapping to a much larger holistic approach.

Mrs. LOWEY. Can you give me an idea, and I hope you stay in touch, the progress of this study and how long will it take? And are you satisfied that it is moving as effectively as it should?

Secretary CHAO. I don't have a specific timeline, and I will get back to you.

[The information follows:]

STATUS OF THE SLEEP APNEA RULE

The Federal Motor Carrier Safety Administration (FMCSA) and the Federal Railroad Administration (FRA) initially posted an Advance Notice of Proposed Rulemaking (ANPRM) on March 10, 2016, concerning the prevalence of moderate-to-severe obstructive sleep apnea (OSA) among individuals occupying safety sensitive positions in highway and rail transportation. The ANPRM was withdrawn on August 4, 2017 following the determination that existing safety programs and rulemakings can address fatigue risk management.

Safety is the Department's top priority and DOT still believes that regulatory action is best focused on addressing fatigue risks holistically, rather than focusing on just one specific source of potential fatigue, OSA.

Currently, the FMCSA is working to update the 2015 "Bulletin to Medical Examiners and Training Organizations Regarding Sleep Apnea" to include the Medical Review Board's August 2016 recommendations. This bulletin is intended to ensure that medical examiners fully understand their role in screening drivers for OSA, identifying drivers at the greatest risk of having OSA, and referring only those individuals to a sleep specialist for testing. The Agency continues to encourage drivers and their employers to use the North American Fatigue Management Program (NAFMP) (<http://www.nafmp.org/index.php?lang=en>). The NAFMP is a voluntary, fully interactive web-based educational and training program developed to provide both truck and bus drivers and carriers and others in the supply chain with an awareness of the factors contributing to fatigue.

Additionally, the FRA plans to fully implement the Fatigue Management Plans, statutorily mandated by The Rail Safety Improvement Act of 2008 (RSIA). This entails the System Safety Program and Risk Reduction Plan final rules which address all aspects of fatigue in rail operations.

Mrs. LOWEY. Thank you very much.

Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Thank you.

Mr. Dent, you are recognized, sir.

Mr. DENT. Thank you, Mr. Chairman.

Thank you, Madam Secretary, for joining us this afternoon.

Secretary Chao, I would like to start by addressing a proposed program within the administration's infrastructure plan, specifically the plan would establish the Infrastructure Incentives Program, which would provide grants for a portion of the cost of certain infrastructure projects.

In evaluating projects for selection, the agency would examine how an applicant would be able to secure and commit new non-Federal revenue for infrastructure projects. In Pennsylvania, the State already acted to modernize its infrastructure revenue stream in 2013 by increasing the gas tax. Actually, they eliminated the gas tax and uncapped the oil franchise tax, but it was an increase at the per gallon, was the effect of it all.

Given the White House's blueprint, could you tell me how the plan would take into consideration the important choice that Pennsylvania has already made to secure infrastructure revenue? So we have already done our bit. And then more generally, how would the blueprint take into consideration revenue that has been raised in the last few recent years?

Secretary CHAO. Great.

The infrastructure, I think the issue you are talking about is lookback. Is that—

Mr. DENT. Yeah.

Secretary CHAO. Yeah, Okay.

The Infrastructure Incentives Program, it is different, but it is a new way of trying to see how we can fund and finance our public infrastructure.

Infrastructure is very important. We all acknowledge that. I think where we differ is how do we finance it, how do we fund it.

The Infrastructure Incentive Program, as provided in the President's proposal, will provide for targeted Federal investments, it would encourage innovation, streamline project delivery, and will also transform the way that infrastructure is designed, built, and maintained.

The Department will award grants using the six evaluation criteria laid out in the infrastructure proposals. And these criteria include the dollar value of the overall project; the applicant's ability to secure and commit new sustainable investments using non-Federal revenue; three, the applicant's ability to secure new operational services, such as maintenance or rehabilitation using non-Federal sources; and the applicant's procurement and project delivery policies that encourage efficiency in project delivery and operations.

I have got just two more. And then number five is the applicant's incorporation of new and evolving technologies. And number six, the project's ability to spur economic and social returns on investment.

Pennsylvania has been very prescient. It has been very far-sighted. So it has gone ahead and done a lot of things and funded and financed a number of its overall infrastructure proposals.

Mr. DENT. The point I want to make, on your second point, you said new revenue, I think.

Secretary CHAO. New sustainable revenue investments, yeah.

Mr. DENT. New sustainable. So a State like mine—

Secretary CHAO. You did that.

Mr. DENT. We did it.

Secretary CHAO. Yeah.

Mr. DENT. Now, the question is, how new is new?

Secretary CHAO. So this is an issue which was brought to our attention. So I think we were trying to balance how do we try to encourage States to incentivize and commit new sustainable investments but not penalize those who have already had the courage, the foresight to do it.

So I think the compromise was to come back with a 3-year lookback.

Mr. DENT. Three-year lookback. That might not be enough, because we really were ahead of the game on this and we made a massive investment.

Secretary CHAO. Our intent is not to penalize.

Mr. DENT. Yeah. Okay. Well, we will have to follow up. I am sure Chairman Schuster will be all over you on this one, too.

But just a final question, an issue regarding safety, and this time as it relates to autonomous technologies. As the development of these autonomous vehicles moves forward, it is inevitable that we will at some point see major cyber attacks against these systems. Not only is it important to protect against these attacks to prevent their direct negative impacts, but also I believe that addressing these concerns is crucial to securing the public's trust in these new technologies.

So could you tell me how the Department is engaging with the developers of autonomous technology to address issues related to cybersecurity? And can you also tell me about any potentially difficulties that the developers or your Department have identified as particularly challenging or worrisome?

Secretary CHAO. First, let me talk about, we all know—well, maybe we don't—the benefits of self-driving cars are many. Ninety-four percent of accidents occur because of human error. If somehow we can reduce that component, we actually can make driving safer.

Also, self-driving cars, autonomous vehicles is a tremendous avenue for newfound freedom for the disabled and for the elderly. So those are the good things. But there are also legitimate public concerns about safety, security, as you mentioned, and also privacy.

So we are committed to addressing all those legitimate public concerns. And as regulators, we want to be responsible, but not hamper the innovation and the creativity that is so much a hallmark of America.

So the cybersecurity issue is something that we have been in discussion with the law enforcement agencies as well as Department of Homeland Security and also the Defense Department.

Without, obviously, getting in too much of the details, we can imagine that an autonomous driving system, when hacked, can become a weaponized tool. So we are very much aware of that.

We are putting forward guidance. We are coming out with A Vision for Safety 3.0. That should come out in August of this year and it will also address some of these cybersecurity issues.

Mr. DENT. Thank you, Madam Secretary.

Mr. DIAZ-BALART. The gentleman from the great State of Illinois, Mr. Quigley.

Mr. QUIGLEY. Thank you, Mr. Chairman.

Mr. Chairman, Madam Secretary, I want to associate myself with the remarks of the full committee chairman when we began this hearing, because this is a special committee, Appropriations, I think particularly when we are talking about infrastructure. Because I should care just as much about Gateway as he or anyone else should care about rebuilding the Blue Line in Chicago, because it speaks to the whole country and our economic opportunities that we care about each other and recognize in a sense that we are stronger together than divided.

So it is pretty clear that the chairman was referencing his concerns that this project wasn't put in the omnibus for political reasons. I think the reasons that were used could create problems nationwide and everybody on this committee should care about that.

You made recent statements at the House Transportation and Infrastructure Committee that implied that RRIF and TIFIA loans are considered part of the Federal share of the project. In the past, loans, given that they are repaid with local funds, were considered part of the local share.

In fact, your 2017 notice of funding opportunity for INFRA grant programs stated, quote, "Funds from Federal credit programs, including TIFIA and RRIF, will be considered non-Federal funding."

Yet some months later, and I have the quote here, in the context of another project, the one the chairman talked about, these loans are being considered as Federal funding.

This will be a substantial departure from existing and past policy, and I am concerned that the administration's ambiguity on this subject will have a chilling effect on infrastructure loan programs nationwide, the very programs that this administration is relying on to leverage State and local funds for infrastructure.

So I would certainly appreciate some clarity on this issue.

Secretary CHAO. I totally agree with you that the reasons for the supposed cluster of nine projects between New York and New Jersey as being precedent-setting is one that concerns me as well. Because, in the CIG program, there is a process. People have to get in line, they have to fulfill the requirements, and they have to take their turns. And no political pressure is going to take one of those projects, put it at the head of the line, ahead of all other projects, which is what is happening in this particular case.

In terms of the INFRA, there are different kinds of programs. Different programs will have different regulatory and statutory requirements. But I do—

Mr. QUIGLEY. But the specific findings—

Secretary CHAO. But I do not believe that TIFIA and RRIF were ever considered, not under this administration, as part of the local share.

I often use this example: You are buying a house. You have to put 20 percent down. You are going to get an 80 percent mortgage. And then you are going to go back to the bank, ask for another loan for 20 percent, and use that 20 percent as a downpayment for the equity. It doesn't work like that. I mean, Sarbanes-Oxley or Dodd-Frank wouldn't let that happen.

Mr. QUIGLEY. Again, your 2017 notice of funding opportunities: "Funds from Federal credit programs, including TIFIA and RRIF, will be considered non-Federal funding."

Secretary CHAO. That was for the INFRA grants. That is different. They are different programs, and there are different statutory requirements.

Mr. QUIGLEY. There was never the distinguishing before. You are——

Secretary CHAO. Oh, I don't think so. I think they were all—there is a whole array——

Mr. QUIGLEY. You are finding an excuse to kill the project.

Secretary CHAO. No, no, no, not at all.

Mr. QUIGLEY. You are finding an excuse not to——

Secretary CHAO. I used to live in New York. I mean, my family is in New York. So I know the transportation system up there very well.

Mr. QUIGLEY. So what is the difference between——

Secretary CHAO. I think there is——

Mr. QUIGLEY [continuing]. The percentage required for TIFIA and RRIF than the one you are talking about, the 20 percent——

Secretary CHAO. Because they are different programs with different statutory requirements.

Mr. QUIGLEY. But there is still the Federal share.

Secretary CHAO. No, I am——

Mr. QUIGLEY. If they are Federal loans, they have to be paid for.

Secretary CHAO. No. Different programs will have different requirements. That is why it is kind of hard to explain, also.

Mr. QUIGLEY. Give me a shot at figuring it out. If it requires a local payback of the loan, no matter what the program is, it is still a local share, right?

Secretary CHAO. No. It depends on the pro—it depends on the——

Mr. QUIGLEY. Why does it depend on the program?

Secretary CHAO. Because that is what—these programs are different, and so they have different requirements. And it is very—it is not consistent.

Mr. QUIGLEY. The only thing that should be consistent——

Secretary CHAO. But it is not set by us.

Mr. QUIGLEY. If the local government has to pay back the loans, that is a local share. Are we on the same page on that?

Secretary CHAO. I think we are going to have to respectfully disagree, because—and that is why—I am not interested in arguing. I am interested in trying to find common ground.

Mr. QUIGLEY. I am trying to find out what the answer is.

Secretary CHAO. But if you are asked to put 20 percent in equity, you can't go off and get a second loan and use that loan as part of your equity.

Mr. QUIGLEY. But you acknowledge that we do that with at least one program.

Secretary CHAO. It depends on the program.

Mr. QUIGLEY. But we do it with at least one program, what you just described. So we are doing it with one program but not the other programs. Why?

Secretary CHAO. Yes. That is correct.

Mr. QUIGLEY. But what is the difference?

Secretary CHAO. Because different programs have different statutory requirements.

Mr. QUIGLEY. There is no—nothing in the statute deals with—
Secretary CHAO. Okay. I don't want to argue, but I will take a look at—

Mr. QUIGLEY. The whole point of arguing is to try to find out what the answer is, and I still don't have an answer.

Mr. DIAZ-BALART. Okay. Let's try to allow—

Mr. QUIGLEY. I am just trying to protect the chairman's project.

Mr. DIAZ-BALART. No, I get that completely, and—

Secretary CHAO. No, we understand. And I certainly don't want to get involved in an argument, so let me—I will take another look at that. But—

[The information follows:]

CONSIDERATION OF TIFIA AND RRIF LOANS IN REGARDS TO INFRA

Projects which are awarded INFRA funding may also utilize Federal credit assistance from the TIFIA or RRIF program—provided that the overall level of Federal assistance, including grants and loans, does not exceed 80 percent of the total project costs. 23 U.S.C. 117(j)(2) establishes this limitation.

Mr. QUIGLEY. It is so much more fun to sing “Kumbaya” and not get anything done. I understand.

Secretary CHAO. No, no. We want to get things done too. But I think, you know, there is going to be some disagreement on this, so let's try to work through it.

Mr. DIAZ-BALART. And I would ask members—and, again, I don't want to interrupt when there is a conversation going on, but I am going to ask members to try to stick to the time limit, if possible. But I do appreciate—I think it is important to have these conversations.

The vice chairman, a heartbeat away. But don't get any ideas, Mr. Joyce.

Mr. JOYCE. Why, thank you very much, Mr. Chairman. And I have no ideas.

But I do have a few questions for you, Secretary Chao. And thank you very much for being here today.

A few weeks ago, your department held a public meeting to get feedback on the draft Automated Vehicles 3.0 framework and identify activities that can accelerate the safe rollout of those vehicles.

Can you discuss the feedback from this event and specifically the role proving grounds will play in this process in the future?

Secretary CHAO. First of all, I want to thank you for your interest and focus on that. Preparing for the future, in terms of emerging technologies, is very much a part of the responsibility of this department.

In the last administration, it was decided that 10 cities or 10 areas would be selected so that they can be a place where autonomous vehicles can go. And, supposedly, it was the seal of Good Housekeeping.

Mr. JOYCE. Uh-huh.

Secretary CHAO. It really was nothing more than, we believe, some marketing ploy that really was quite unfair to other cities and areas that were not selected.

So we were concerned about how the criteria for selection occurred; why were only certain cities selected and not others. And, frankly, we saw no criteria that was—I am being questioned now, but, you know, we saw no criteria for understanding why these 10

proving grounds were selected. One suspicion was that it was to be selected and then funding was to continue. We thought that was too cynical a thought, but, indeed, we now have funding for these areas.

So we don't believe in command and control. We do not believe in selecting one place over another. We believe in full competition. And we hope that cities and regions that are interested in this area will welcome new technology and do what they can to promote greater technological advancement, transformational technology.

So we did not view that these 10 proving grounds were that important, thinking that this opportunity would be available to every region, every city that wanted to partake. But in light—but go ahead.

Mr. JOYCE. And I like your thinking on that, because in Ohio we happen to have the Transportation Research Center attached to—

Secretary CHAO. Just missed it.

Mr. JOYCE [continuing]. That is attached to the Ohio State University. And we were hoping that you would consider or could explain to me if you have any plans to expand this pilot designation program, given the industry demand.

Secretary CHAO. We actually had not. But given that there is now funding provided in the omnibus and—you know, how do we address the disparity between the 10 that have been selected in 2016 and many, many other worthy cities and regions, localities, counties that can also participate? We haven't quite solved that issue, and if you have some thoughts, we would appreciate your wisdom.

Mr. JOYCE. Well, certainly, with competition in the marketplace, the Buckeyes have always proved to be dominant on the football field, much to the chagrin of my chairman's University of Miami, but, we certainly would enjoy an opportunity to be able to compete, going forward.

Shifting gears, if you would, I would like to discuss the Maritime Security Program. I understand the Department has had a tough time enforcing cargo preference among other agencies and contractors. To that end, Congress passed legislation in 2008 as part of the National Defense Authorization Act which deems your department the final authority for cargo preference enforcement.

What can we do as appropriators to help ensure that cargo preference laws are followed?

Secretary CHAO. I am a tremendous advocate of the U.S. Merchant Marine Fleet, the Jones Act including, and also the cargo preference. So we have been strong supporters of that in the inter-agency process. There are some others who are not supportive, but, currently, I don't see any developments along that front.

And in the MSP program, obviously, the omnibus has increased it to the full funding that was requested by the operators.

Mr. JOYCE. And is there anything we as appropriators can do to help you to that end?

Secretary CHAO. I think that goal has been met, the funding has been reached, and the cargo preference enforcement, I think, has been—by this department, has been enforced.

Mr. JOYCE. And I also—

Secretary CHAO. We would never have refused help from appropriators.

Mr. JOYCE. And my concern is the maritime industry and our sealift capacity have reached a diminished state. If we lose more ships and mariners, we will lose our ability to support our Armed Forces, which you had touched on.

What additional tools does the Department need in order to help us move forward in strengthening our U.S. flag fleet?

Secretary CHAO. It is a very, very tough issue. And I think the best way to discuss that is if we can have a conversation with you and your staff.

I am actually considered an expert in transportation, especially maritime transportation, and so I know U.S. flag shipping very, very well. It has been a long-term issue for many years. At the very least, I think we can, right now, hold the line, protect the Jones Act, protect cargo preference.

And, again, there are other agencies within the executive branch that do not agree, but—and then, finally, the MSP program, as I mentioned. Yeah.

[The information follows:]

MARITIME SEALIFT CAPACITY

Congress' support for the Maritime Security Program (MSP), the Jones Act, and Cargo Preference ensures that a U.S. flag commercial fleet and a trained American mariner force are ready and "on call" to meet DOD requirements, all while preserving a minimal but critical U.S. role in global sea trade. However, the Department must address the long-term issue of not having enough U.S. flag commercial ships and trained U.S. mariners to fully crew the Government-owned sealift fleet in a major extended conflict. The GAO is currently completing an audit of the MSP program, and we look forward to receiving the final report and reviewing any recommendations they may have to address this need.

According to MARAD, the Nation requires at least 225 large, oceangoing U.S.-flag ships to employ enough mariners to meet sealift requirements during a major conflict. As of February 1, 2018, there are 181 such vessels in the Jones Act and international fleets, leaving a shortfall of 44 ships. DOT and MARAD are exploring ways to increase the U.S. flag international fleet. The Department looks forward to discussing both short and long-term solutions to this problem with Congress and industry to develop a shared vision for the marine transportation system.

Mr. JOYCE. Thank you.

And I am running out of time, but I just wanted to thank you for the leadership that you have shown. I would like to continue to work with your department, especially when it comes to the matters involving autonomous vehicles.

Thank you, Mr. Chairman.

Secretary CHAO. Thank you.

Mr. DIAZ-BALART. Thank you, sir.

The gentlelady from Massachusetts.

Ms. CLARK. Thank you, Mr. Chairman.

And thank you, Secretary Chao, for being with us.

And I want to continue on the maritime topic. And I do thank you for your commitment to the State maritime academies.

And Congress has appropriated \$300 million to replace the TS Empire State. Thank for your support in this process. And I wondered if you had a sense when construction might begin.

Secretary CHAO. There is actually a second ship, the Massachusetts State—

Ms. CLARK. Well, I was coming to that. Let's get right to that. So the \$300 million, I know, under your proposal, that was going to be a shared amount for refurbishing of both of those ships, at 56 and 52 years old. I know you understand very well the importance of having new ships.

But now that we have separated them, the TS Kennedy is also in dire need of replacement. So would you support those replacement costs in the fiscal year 2019 budget?

Secretary CHAO. Actually, we have an amendment to the budget in which we have requested another \$300 million.

Ms. CLARK. Okay.

Secretary CHAO. So that actually could be the second ship.

Ms. CLARK. Right.

Secretary CHAO. So it was originally thought with the \$300 million, the first tranche, that there can be two cargo ships, and those can be refurbished, as you mentioned.

Ms. CLARK. Right.

Secretary CHAO. But if it turns out that we have discretionary funds available, that \$300 million would be available for the second ship, that would be a more ideal proposal.

Ms. CLARK. Great.

Secretary CHAO. So, as for construction, there is a lot to be done before construction.

Ms. CLARK. Okay.

Secretary CHAO. And we don't have, you know—

Ms. CLARK. But you see both of those ships, in the end.

Secretary CHAO. I think the second \$300 million is in the amendment to the President's budget for 2019.

Ms. CLARK. Thank you.

On the topic of marines, the United States merchant marine academies. I know that you must share our concern about the reports of sexual harassment, sexual assault at the academy. The events that led to the cancellation of the Sea Year program, training program, in June of 2016 were deeply troubling, and the subsequent suspension of the USMMA soccer team and soccer season, and continued reports of sexual misconduct on campus.

All of this highlighted in the March report by the inspector general's office that indicates the academy has failed to complete many of the recommendations that they had before them. About 45 percent of the 138 recommendations were completed. And a lot of this had to do because there were vacancies in key positions, including a vacancy in the Civil Rights Director position.

One further example I found particularly disturbing is that the academy's sexual assault incident reporting form did not even include a field to identify a perpetrator, if known. This was not corrected until November of 2017, just a few months ago.

So my question to you is, do you share these concerns? And what specific steps since becoming Secretary have you taken to make sure that the academy fulfills its duty to keep all of its students safe, all of the merchant marines, the young people from my district and across the country who go there? And what are you specifically going to do to make sure that these recommendations from the IG are met?

Secretary CHAO. Of course I am concerned about it. And, in fact, when I came on board on February 1, 2017, the issues at the U.S. Merchant Marine Academy was among the very, very first topics that came to my attention, that I specifically asked about and began to address.

This issue was complicated. You did mention this November. We have been working on this since last February, as I mentioned. There were complicating issues because, without going too much into the personnel issues, there were counter-charges and challenges. There were——

Ms. CLARK. To the form?

Secretary CHAO. No, not to the form; to the whole issue.

Ms. CLARK. Okay.

Secretary CHAO. So there were criminal, there were civil charges. There were also the IG and the Justice Department. So there were many agencies that were involved.

But just because the form was not changed did not mean that we were not on it. We have been paying very much attention. The Administrator of the Maritime Administration was not confirmed until the summertime, or even September 23, I think. So Admiral Buzby is now confirmed and on the job. He spends an enormous amount of time up at Kings Point.

There was another problem, obviously, also, of academic excellence, with the accreditation issues. So there were many—and, also, relationships with the alumni. There were a whole host of issues up there. And with the new Administrator coming on board, this has taken up an enormous amount of his time. I have been up there a number of times.

So, of course, we do not—we will not tolerate any such behavior. And we are in the process of changing people, hiring a new civil rights officer.

I don't say this with any comfort, but I do think we are seeing an increase in reporting. And we see that as positive, meaning that people feel safer in coming forward.

So I understand your concern about this, because we talked about it the last time that I was here. I think the situation is improving. We will be more than glad to give you a report, a full report. But we also know that this requires constant vigilance.

And this is a wonderful industry for young people to have their careers in. It has a very important national security aspect. And we want to make sure that young people, young men and women, who are going through this program are not only learning a trade, a profession, but that they are safe as well. So I am all over this.

[The information follows:]

Comprehensive Reports on SASH issues at the USMMA

The Department continues to be very concerned about sexual assault and sexual harassment (SASH) of Midshipmen at the U.S. Merchant Marine Academy. As required under the Duncan Hunter National Defense Authorization Act (NDAA) for Fiscal Year 2009, the Department just recently completed both the Final 2015 - 2016 Academic Year Biennial Survey and Report on Sexual Harassment and Sexual Assault at the United States Merchant Marine Academy, as well as the 2016-2017 Academic Program Year Annual Report on Sexual Harassment and Sexual Assault at the United States Merchant Marine Academy. These reports were transmitted to the Senate Commerce, Science and Transportation and the House Transportation and Infrastructure Committees on April 6, 2018.

The final survey report for Academic Year 2015-2016 reported that approximately 18.4% of female Midshipmen and 0.8% of male Midshipmen experienced sexual assault, and that approximately 53% of female Midshipmen and 8% of male Midshipmen experienced sexual harassment.

The 2016-2017 Annual Report provided the results of the focus groups that were held in 2017 by the Department of Defense's Office of People Analytics. Key observations from these focus groups noted:

- Academy influencers, including Midshipmen, athletic, academic and administration personnel, have unique responsibilities to provide leadership to implement the message on prevention.
- There is a protectionist mindset amongst the Midshipmen that may pose a potential barrier to reporting sexual assault and sexual harassment.
- Midshipmen, faculty and staff do not trust the system, sexual assault and sexual harassment policies are regarded with suspicion, and Midshipmen who report sexual misconduct are considered "untrustworthy" and may be excluded or retaliated against by their peers.
- Midshipmen, faculty and staff need training provided by facilitators who are familiar with the Academy environment and understand life at sea.
- Students believe that they can help prevent sexual assault by becoming active bystanders.

With permission from these Committees, the Department would be happy to share both of these comprehensive reports on the SASH issue with Congresswoman Clark's Office.

In addition, as requested in House Report 115-237, the Department is currently working on a report for the Appropriations Committees that details the USMMA's current system for reporting and investigating allegations of sexual harassment and assault at the Academy and during Sea Year. This report:

- Provides details regarding the sexual assault and sexual harassment prevention training programs for students at the Academy and at sea,
- Describes industry implementation of sexual assault and sexual harassment prevention and response best practices in the commercial Sea Year program, and
- Compares student sentiment in Sea Year sailings under the revised Sea Year program with a similar cohort under the old program guidelines

We anticipate completion of this comprehensive report within the next 3-4 months.

Ms. CLARK. All right. I am way over my time, but I appreciate your offer to give us a more comprehensive report, and we will be following up with you. Thank you.

Mr. DIAZ-BALART. And, again, it was important, too, because I think this is about as important of an issue as we will ever deal with. So thank you for your leadership on that.

And, Madam Secretary, thank you for yours also.

And, as far as the NSMV, the ship, we will continue to talk. Because, as you saw, this subcommittee, I think, did a pretty good job. And, Madam Secretary, I know that is something that you have been advocating for. And as we develop the 2019 bill, we will have to look at what our next step is—what our next step is.

Mr. Young, great State of Iowa.

Mr. YOUNG. Thank you, Mr. Chairman.

Secretary Chao, welcome. Thank you for being with us here today.

I want to tag-team on my colleague's comments, Mr. Valadao, regarding electronic logging devices, the ELD. As you know, there is a waiver out there to delay that for agriculture, specifically livestock. But it is really an underlying issue about hours of service. It is a difficult issue. You have recognized that. We have all recognized that as well.

It seems, though, maybe it can be simplified if we cut it down a little bit by category, and maybe we can find a permanent solution for at least livestock. Because I imagine that we are just going to continually do 90-day, 90-day kind of waivers—

Secretary CHAO. I don't know whether you can do 90 days forever either.

Mr. YOUNG. Yeah.

Secretary CHAO. Not that I don't want to.

Mr. YOUNG. Sure. So do you think we should just be both working together to advocate a permanent solution at least for livestock so there can be some certainty there?

Secretary CHAO. Well, I am certainly very open and willing to work on this issue. And I think it would also help if Members would work with other stakeholder groups that feel very differently as well. Because, obviously, this is a very difficult issue. There are opinions on both sides—multiple sides. The hours of service is an issue, and I have actually encouraged legislative action on clarifying that.

Mr. YOUNG. Uh-huh. I have had a lot of talks back in the district on this, and from those—

Secretary CHAO. It is heartbreaking. The stories are heartbreaking.

Mr. YOUNG. Yeah.

Secretary CHAO. Yeah.

Mr. YOUNG. And I have invited the head of the FMCSA to come out and maybe—

Secretary CHAO. Good.

Mr. YOUNG [continuing]. Just hear these stories. I know that the head already hears them, but just get on the ground. I think it is very, very important.

The Highway Trust Fund hasn't been self-sustaining in a while, and we seem to be finding funds from the general treasury to borrow and to put over in there to keep it going.

There is a lot of great new technologies out there, new vehicles, new fuels out there. There is a big concern that I have always had out there, that everyone out there on the roads is not paying to play, and that some are out there using our roads and not really paying into the Highway Trust Fund.

And how fair is that? And how do we approach this disparity in a fair way? Has the Department been looking at some alternatives? I mean, I have been, and there are a lot of different ones out there. But it seems like we have to address this at some point in a real way, instead of doing what we have always been doing.

Secretary CHAO. Well, the wear and tear on roads is real. And the heavier a vehicle is, the more damage that it does. And vehicles are getting heavier and heavier. And the twin—there are now newer technology that has the twin containers—I am not—

Mr. YOUNG. Uh-huh.

Secretary CHAO. So that creates more wear and tear on an already stressed and aging infrastructure.

So, as to how best to address that, the truckers have agreed that they actually want a gas tax. And the question is, what are other ways in which to increase revenue? And, unfortunately, I don't have a good answer for you on that, in that we don't really have an agreement—

Mr. YOUNG. Yeah.

Secretary CHAO [continuing]. Within the administration on how to proceed.

Mr. YOUNG. Would you agree—and this is not a “gotcha” question, but it seems to me that everybody who is on the roads should be paying something. I mean, the new technologies, the electric vehicles and those kinds of things, are awesome, but you have to pay to play, it seems.

Secretary CHAO. We actually have looked at vehicles-traveled mileage user fees of some sort.

Mr. YOUNG. Right.

Secretary CHAO. But we have run into—there has been opposition registered by those who fear having an electronic chip—

Mr. YOUNG. Yeah. The privacy issue. I get it. Yeah.

Secretary CHAO [continuing]. Embedded in their vehicle that would, again, infringe upon the privacy issues.

So I think the next—we have the infrastructure proposal coming up, we have reauthorization coming up, so I think we are going to talk more and more about these issues, because we have to come to some kind of a consensus on the way forward.

Mr. YOUNG. Well, thank you for your open-mindedness on this and being part of the solution on this to try to think of new ways to make sure that people are paying their fair share in this, and the pay-to-play aspect of this, and that we get away from, kind of, the funding mechanisms that we have been doing before, where we are not—the Highway Trust Fund hasn't been self-sustaining and we keep doing what we are doing. So thank you for being here and being part of the solution.

Secretary CHAO. Thank you.

Mr. DIAZ-BALART. Thank you.

The gentleman from sunny southern California, Mr. Aguilar.

Mr. AGUILAR. Thank you, Mr. Chairman.

Thank you, Madam Secretary, for being here.

The TIGER program, as the chairman and the ranking member both mentioned, is a popular program here with this committee and in Congress and provides important infrastructure projects that I can personally attest to.

One in my community, the Redlands Passenger Rail Project, was an \$8.7 million TIGER grant program that I advocated for first as a local city council member and local mayor. That is a project that will create thousands of jobs and contribute to our economy by providing low-income residents with alternative and affordable transit routes.

I have a quote that you gave that said "TIGER grants are direct Federal investments in projects that will improve our surface transportation at the national, regional, or local level." I completely agree. However, for the second fiscal year in a row, the administration has proposed to zero-out the program.

Why continue to zero-out the program even though you understand the importance that it provides to our infrastructure?

Secretary CHAO. Well, we were hoping that the TIGER grants, the INFRA grants, would somehow be wrapped into the infrastructure proposal.

There are so many different grant programs now scattered throughout the whole department. The TIGER and INFRA grant, for example, come out of the policy shop. When I was at the Transportation Department over, you know, 20 years ago—I won't tell you exactly how many years—policy was a strict policy shop. Somehow, because of the FAST Act, the policy shop is now an operational arm of dispensing grants, and yet that is not the structure.

So we are struggling a bit, now, especially, with so much money coming into the Department. We have to get that money out really quickly, because there are deadlines coming. And we are talking about an avenue, a channel, a funnel that has traditionally not had this much money go through them.

So we want to invest in infrastructure. We were just hoping that with the TIGER and INFRA grant that it would be part of the infrastructure proposal.

Mr. AGUILAR. So you don't disagree with the program; you disagree with how it is administered within the agency?

Secretary CHAO. Well, the other thing, also, is we weren't supposed to have earmarks. So, coming back to the government after all these years was kind of confusing, also, to see now these different projects that are specifically, kind of, designated. So that is another, kind of, confusion.

But we want to invest in infrastructure. We want to do so in a fiscally responsible and efficient way that will be good for the community and for the country.

Mr. AGUILAR. Back to the capital investment grants, I know many of my colleagues have touched on this before, but specific to the review process, one of the criteria, one of the evaluation criteria, among many, is population density. And since population density is a component of the process, applicants, obviously, from

more urban areas are more competitive when it comes to the grant side.

The current framework doesn't provide that equal access to cities that might be emerging or growing or even from disadvantaged areas and highly congested highways.

How is the Department objectively rating these projects so that applicants from regions transitioning from suburban to urban are not penalized?

Secretary CHAO. Are you talking about the infrastructure proposal or the current TIGER and INFRA?

Mr. AGUILAR. No, no, no. I am talking about the current CIG, the current capital investment grant. It is one of the criteria, the evaluation criteria, for CIG.

Secretary CHAO. Oh, I think you make an excellent point. Most of the CIG grants actually go into urban areas.

Mr. AGUILAR. Right. And I guess what I am saying is, you know, the current change of our demographics and geography, you know, how can we in the future, you know, better capture those emerging and growing communities that are becoming more urban and will be? If infrastructure and transportation should be investing in where the issues may lie in the future, how are we capturing that, from a policy perspective?

Secretary CHAO. Well, we try to do that in the President's infrastructure proposal by focusing more on suburban and also rural areas. In some years, rural areas have only received about 7 percent of the overall funding.

Mr. AGUILAR. Can you share with me an example within the infrastructure proposal where a suburban designation, as you just mentioned, a suburban or rural—

Secretary CHAO. There is actually a section that would be devoted to rural America.

Mr. AGUILAR. You mentioned suburban. So are there any examples—

Secretary CHAO. Yeah, so I think that—it depends on what you call "rural." Some of them are, like—it is defined as 250,000, which in some areas could be defined as "suburban."

Mr. AGUILAR. I am sure Mr. Young and Mr. Valadao and I would probably all have different definitions of what "rural" might mean—

Secretary CHAO. Yes.

Mr. AGUILAR [continuing]. In different parts of the country. So I would welcome more discussion and dialogue about, you know, how we reach—

Secretary CHAO. You are concerned about rural and suburban areas.

Mr. AGUILAR. Correct. Well, I am just—

Secretary CHAO. Yes. No, no. I just want to—

Mr. AGUILAR. Yeah. Yeah. I am concerned that some of those growing communities that are growing in population much faster than the rest of the Nation, that they adequately receive designation and that the criteria doesn't punitively affect them in a negative way where they would be scored less within our current framework as an emerging community. That is my point.

Secretary CHAO. I understand.

Mr. AGUILAR. Thank you, Madam Secretary.

Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Thank you, sir.

And from that State way up north from where I am from.

Mr. GRAVES. That is right. That is right.

Mr. DIAZ-BALART. How are you, sir?

Mr. GRAVES. Mr. Chairman, thank you.

Madam Secretary, good to see you. Thank you for your many great years of service and joining us today. And congratulations on your first year—just over your first year of being Secretary of Transportation.

Secretary CHAO. Thank you.

Mr. GRAVES. As you know, just over a year ago, March 30, a few weeks after you took your new helm here, one of the busiest stretches of Georgia's roads was impacted. 225,000 people or so travel I-85, and yet it collapsed during a fire one evening during rush hour. But with your help and the President's help, Federal assistance was flowing immediately, and I want to thank you for that. I want to thank you for your swift response and for your many visits you have made to our State as well.

But I know you are aware of this, and I just wanted to lay it out for the record and for the committee, that the Georgia Department of Transportation had contractors, including C.W. Matthews and D.H. Griffin and others, on site with inspectors and demolition crews beginning work before the sun came up the very next day.

And it was determined that all the spans across this interstate, a hugely busy interstate—three spans southbound, three spans northbound—had to be removed and replaced, with 13 million pounds of debris. And demolition was completed just 7 days after the accident, construction on the new columns beginning. C.W. Matthews had crews going 24/7. And just very swiftly, 43 days after this tremendous accident and removal of debris and new construction, it was opened up.

And so it wouldn't have been possible, though, without your help and the President's help and certainly the contractors. But it was done a month earlier than anticipated, and it was because regulations were streamlined, your assistance was very swift, the private sector was very engaged and was relied on. And so I want to commend you, the Georgia Department of Transportation, the contractors, everybody involved.

And, all that being said, it was rather remarkable. And we don't see that happen often with transportation projects, that something can go from beginning to end in 43 days, and a new construction project.

So is there anything you can share with us—and hopefully you have had a chance to reflect—on, were there any lessons learned from that, anything that we can do as a Congress or anything you can do in your position? Or is there anything that our States have learned from the success of this project that might help future projects?

Secretary CHAO. A lot of credit really goes to your State and your State Department of Transportation and also your Governor. Your Governor was very prescient in staging EMTs and highway police around the I-85 intersections at key points so that when this acci-

dent occurred the police moved in right away, within literally 10 minutes.

And then your Department of Transportation was very prescient, in that they were coordinated, they were organized, they knew what to ask us for so that we could give the response quickly. So, within literally 2 hours of their initial notification and request, we gave them \$10 million, because they had all the papers ready, the documentation was there.

This also shows that, under certain emergency criteria, we can actually streamline the permitting process. Because the permitting process was what was taking the most time. And the permitting process included concurrently working on some surveys, getting agreement within the community as to what was duplicative, getting MARTA to be a willing and enthusiastic partner in taking some of the passenger load off of the highways. I mean, it was a wonderful partnership between the State, local, and Federal government.

And I think, under emergency circumstances like these were, everyone's attention is focused. Where the permitting processes can be streamlined, it really makes a difference.

Mr. GRAVES. Well, thank for your work on that.

And for the committee and chairman, you should know, I mean, ahead of time and under budget a project was completed in transportation. So it can be done.

And so, Madam Secretary, I hope that—there are some great lessons to be learned—even outside of emergency situations, if there are opportunities to streamline regulations or coordination could be a little better, that you would point that out and help our States as they are trying to squeeze every penny they can out of these limited resources we have.

But thank you again for your great help there.

Secretary CHAO. That is an excellent point, Congressman, that I wanted to echo as well.

When we have these permitting delays, they actually add to the cost and the risk of a project. So, if we can streamline the permitting process without compromising the quality, you know, of the environment—we all care about the environment. Because that is always the one criticism lodged. No, we are talking about just doing away with—using commonsensical ways to cut red tape and, in so doing, actually save time for these projects and, thus, save money and reduce the risk factor as well.

Mr. GRAVES. Thank you.

Secretary CHAO. Thank you.

Mr. DIAZ-BALART. Thank you. I thank the gentleman.

Madam Secretary, if that is alright with you, we can do another round. We will do it shorter, 3 minutes, if you can stay for that.

Secretary CHAO. That is fine.

Mr. DIAZ-BALART. By the way, I would be remiss—I notice my former LD, Miguel Mendoza, is in the audience. He was working so hard I almost didn't recognize him.

So, Madam Secretary, let me shift our attention a little bit now to the ports. That is something that I know you know a lot about and have always been very supportive of, and I don't have to tell you the importance to our economy.

So can you discuss what potentially you can do or are doing to prioritize port infrastructure projects? And so, especially, for example, programs like TIGER and INFRA, where DOT is making funding decisions, is there a way to emphasize and to make sure that ports have a better shot at those pots of money, and other places?

Secretary CHAO. Well, certainly, the ports are a part of the infrastructure proposal of the President. And Chairman Shuster—I know that is another committee—was a tremendous proponent of the Harbor Maintenance Fund, which, actually, is a great program as well. We have also the maritime highway programs. So I think we just need to not forget that ports are part of the infrastructure of our country as well.

Mr. DIAZ-BALART. Yeah. And I would like to work with you on, again, whether it is through TIGER or INFRA—or, for example, are there other opportunities for Congress to maybe clarify, you know, what authority you may or may not have to better support some potential port projects?

For example, TIFIA, as you know, is a loan program which has a large unexpended balance, you know, that, hopefully, potentially, could support tens of millions in additional projects. And I would love to see if there are ways that—and I will follow up with you—to see if there are ways that we can look out how, from the current pots of money out there—and you mentioned that there are so many different pots of money out there—that we could look at working together to kind of emphasize the ports, because, as you know, that is a big part of our economy.

Secretary CHAO. Great.

Mr. DIAZ-BALART. So I look forward to working with you on that.

Secretary CHAO. Of course.

[The information follows:]

TIFIA PORT INVESTMENT

TIFIA can be used to help finance surface transportation infrastructure projects located within the boundaries of a port terminal that facilitate direct intermodal interchange or transfer of goods into and out of a port. The types of port projects that TIFIA can support, include improvements to wharves, piers, docks and waterborne mooring infrastructure.

In addition, other eligibilities include infrastructure or assets that facilitate more efficient transfer of goods between ship and shore, between vessels, and into and out of the port such as container lay-down areas, rail-mounted gantry/ship-shore cranes, and berths. If a project satisfactorily meets eligibilities, including a credit-worthiness review, a TIFIA loan can provide long-term debt at a low fixed rate of interest with flexible amortization, thereby lowering overall project costs.

Mr. DIAZ-BALART. Mr. Price?

And, by the way, notice that I am below my 3 minutes.

Mr. PRICE. Thank you, Mr. Chairman.

Madam Secretary, many on the dais today, including our full committee chairman, have spoken about the Gateway project in New York and New Jersey. At one time, this project was number one on President-elect Trump's priority list of emergency and national security projects, but that was then.

I want to be clear: This is a national project with national benefits. Each week, constituents from my district board the Amtrak Carolinian line, and they travel across the Portal North Bridge and through the Hudson Tunnel. So, while this tunnel may be located just outside New York City, the benefits from high-capacity pas-

senger rail accrue to the entire country. And I believe that delaying this project will only raise costs in the long term, because we have to get it done.

So let me turn our attention to what I am arguing is a related matter—namely, the Southeast Rail Corridor. This corridor would increase connectivity between Atlanta, Charlotte, Raleigh, Richmond to Washington, D.C., and up the main line of the Northeast Corridor.

Amtrak has already expanded the Northeast Regional Service to Richmond and Virginia Beach. And we have made great strides in upgrading the Raleigh-to-Charlotte leg, with the help of Recovery Act funds.

The fiscal 2017 omnibus contained a million dollars to stand up the Southeast Rail Commission, modeled after the Northeast Corridor Commission, to coordinate rail investments in the corridor. So my question is quite simple: Please provide us an update on your plans for establishing this commission.

Secretary CHAO. I will do so. I am not very familiar—I will do so. Yeah.

[The information follows:]

SOUTHEAST CORRIDOR COMMISSION

The Federal Railroad Administration (FRA) is working with the North Carolina Department of Transportation (NCDOT) to obligate the \$1 million appropriated under the FY17 Consolidated Appropriations Act to stand-up the Southeast Rail Commission.

FRA has been collaborating with rail stakeholders in the Southeast region over the last two years to develop a Regional Rail Plan that outlines a 40-year vision for intercity passenger rail service in the region. A component of this long-term vision is to identify the institutional and governance structures necessary to support a high performing regional rail network.

NCDOT will serve as the grantee for the \$1 million on behalf of the states of Virginia, South Carolina, Georgia, Florida, Tennessee, the District of Columbia, and the existing Virginia-North Carolina Interstate High Speed Rail Compact to formalize and institute the long-term governance model for the Southeast Rail Commission.

Mr. PRICE. All right. Thank you.

Mr. DIAZ-BALART. Madam Secretary, since we have a little bit more time, let me just hit you with one final question. And that is that the FAA—I will wait until—

Secretary CHAO. I was trying to get an answer—

Mr. DIAZ-BALART. No, absolutely. Please.

Secretary CHAO. I was trying to get an answer—

Mr. DIAZ-BALART. Right. Take your time.

Secretary CHAO [continuing]. For Congressman Price, but I don't think I have that one. Let me answer it for the record.

Mr. DIAZ-BALART. And I appreciate you trying to do that for the ranking member's question.

The FAA has utilized advisory committees to collaborate—and this is on aviation—collaborate with aviation stakeholders to advance innovation and safety and to modernize, frankly, our air traffic control system. And the NextGen Advisory Committee includes both FAA and industry professionals and has helped focus and advance FAA's effort to modernize our air traffic control system.

So, last year, by the way, we had members of the NAC meet with the subcommittee here to discuss how we can improve our air traffic control system. And so we think the NextGen Advisory Com-

mittee represents just a phenomenal example of public-private partnerships that has clearly been a priority of the administration and of his—of the President and his administration.

So, given the interest in the advancement of FAA's NextGen programs, we would really hope and expect that you would advise us in advance of any plans to change the NAC's mission, the structure, or the charter. And we would really hope that, if there are going to be any changes there—because we have worked with them—if you could let us know ahead of time.

And it would be great if we could hear from you and get that assurance from you. Because, again, we have worked with them. We see their value. And we would like to make sure that we are in the loop if there are any changes that are going to take place.

Secretary CHAO. We will do so.

Apparently, you are talking about the Radio Technical Commission, I think, as well.

Mr. DIAZ-BALART. Yes, ma'am.

Secretary CHAO. They are currently in contract negotiations to hopefully, I think, gain the Commission's agreement to continue to support these advisory committees.

So we are very committed to the work of the committee. There is some requirement to recharter, according to the Federal Advisory Committee Act requirements, but we will keep you in—

Mr. DIAZ-BALART. That is great. And that is what I would like. Let's stay in contact on that. It is just—again, it is a group that we have worked with rather closely over the years and find them to be very helpful. And, it is because it is all of the, you know—it is a lot of the stakeholders are there.

Mr. Price, further questions, comments?

Mr. PRICE. One further question.

Mr. DIAZ-BALART. Absolutely.

Mr. PRICE. I appreciate the chance to ask it.

It has to do with a matter that, I am sure, Madam Secretary, we talked about last year—namely, the controversy, it is fair to call it, at that point, about the way your department and other departments responded to oversight requests.

Let me just recall what you said to Ranking Member Nita Lowey at that point. You said, "It has always been my history to work with both sides. I have always done it that way and will continue to do so. But there is a precedent that oversight questions are handled in a certain way. Again, we are not talking about requests for data or information needed for developing legislation or any information a Member needs to help constituents."

I bring this up because Democratic colleagues on the Transportation and Infrastructure Committee tell me that when they recently requested copies of positive train control implementation reports they were told to go to a website. They were simply—

Secretary CHAO. We are pretty transparent.

Mr. PRICE. "Go to the DOT website." Well, I will—"Go to the DOT website." And when they went there, this is what they found.

Secretary CHAO. Well, that is—I don't think that is right.

Mr. PRICE. Well, there it is. This is the best we could do, apparently.

Secretary CHAO. Well, let me definitely check into that. Yeah.

Mr. PRICE. Heavily redacted, heavily redacted reports that made it impossible to make any sense of it. You couldn't view data. You couldn't assess the progress you are making toward complying with the law or understand what further legislation might be required.

So I do hope you will follow up on this. Is this an isolated incident, or is this the response that you—

Secretary CHAO. No. We try to be—

Mr. PRICE [continuing]. Typically give to data requests? And do you think we are entitled to full, unredacted copies of such documents?

Secretary CHAO. Well, we certainly want to be transparent. And I don't know what happened on that page with the PTC, because we actually have a great story.

I personally have gotten involved on this issue. I sent a letter to all of the CEOs of rail and transit, telling them that their deadline is coming, December 2018, and that they need to get ready for it.

We have been having stakeholder meetings. The newly confirmed FRA Administrator, Ron Batory, and his team have met with over 41 rail companies, transit, and they are continuing to meet with suppliers.

So we actually have been very transparent, and we thought that we would have just put it all up there. So let me take a look at that.

Mr. PRICE. Thank you. I hope it is an aberration and would appreciate whatever steps you need to take to correct this. Thank you very much.

Thank you Mr. Chairman.

Mr. DIAZ-BALART. Thank you, sir.

Madam Secretary, let me first thank you again for your participation today, for your answers, and, again, for your willingness to step up as you have. The committee staff will be in contact with your budget office regarding questions for the record.

I do want to mention one more time, on a personal note, my gratitude for your sensitivity and—frankly, your just—what is the right word—your willingness to step up, come forward immediately after that tragedy of the overpass at FIU and how, again, as I mentioned, before I was even able to call you, you called me. And so thank you for that.

Madam Secretary, I know there will be a number of other questions that will be submitted. And so I would ask, please, that you work with OMB to return the information for the record to the subcommittee within 30 days from Friday, which will allow us to publish the transcripts of today's hearing and, obviously, so we can continue to make informed decisions as we put together the fiscal year 2019 bill.

Mr. DIAZ-BALART. Mr. Price, any further comments?

Mr. PRICE. No.

Thank you, Madam Secretary.

Mr. DIAZ-BALART. Madam Secretary, I look forward to continuing to work with you.

Secretary CHAO. Thank you.

Mr. DIAZ-BALART. With that, this hearing is adjourned.

Department of Transportation
Fiscal Year 2019 Questions for the Record
Chairman Mario Diaz-Balart
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
House Committee on Appropriations

Diaz-Balart #1

Foreign Object Debris

Foreign Object Debris, or FOD, is a costly issue for the aviation industry that requires considerable financial and manpower resourcing to mitigate its disastrous effects.

Question: Can you discuss the role and value of automated technologies for the detection of FOD in today's industry?

Answer: Federal Regulations (14 CFR Part 139.327) require certificated airports to conduct daily inspections, which include the detection and removal of foreign object debris. The FAA also requires that personnel in the air operations area should practice a clean-as-you-go technique of looking for foreign object debris during their normal shifts in the course of their regular duties. This means that for long periods, runway and taxiways could accumulate undetected foreign object debris. Standard debris detection is also susceptible to human error. Installing automated detection systems provide continuous monitoring of the airport surfaces with higher accuracy, meaning that foreign object debris that was once undetected by lapses in inspection times or due to human error now can be detected immediately.

Foreign Object Debris

Question: Do you believe automation could assist in reducing the costs of FOD detection while also maintaining a comparable level of detection commiserate with manual processes?

Answer: Automated systems, running continuously, can detect foreign object debris on runway and taxiways faster than traditional inspections methods, reducing the risk of such debris causing damage to aircraft. The information provided by automated detection systems can aid airport operators in determining the hazard level of detected debris, and taking timely appropriate action.

A preliminary study conducted at an airport showed that more foreign object debris was detected on a runway instrumented with a detection system than on a runway that was inspected using traditional methods. Research has shown that automation of a detection system could reduce the costs associated with debris inspections with a better level of detection than is currently available through manual techniques. However, beyond manual debris detection inspections, there are other needs for visual inspections of runways that will still be required to maintain safety under the Federal regulations.

Foreign Object Debris

Question: What is the FAA doing today to utilize industry's automation technology development efforts to maximize FOD detection capabilities for the aviation industry, and what more can the FAA do to help airports take advantage of these systems?

Answer: The FAA is engaged with the detection industry to maximize the aviation industry's ability to detect foreign object debris. The FAA is collecting performance and cost data of installed detection systems at Boston Logan International Airport and Seattle Tacoma International Airport. The FAA is planning to publish a report based on the analysis of this data that will help other airports make informed decisions to install and take advantage of these systems.

Department of Transportation
Fiscal Year 2019 Questions for the Record
Ranking Member David Price
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
House Committee on Appropriations

Price #1

Travel by the Secretary

Question: Please list all travel by the Secretary from her first day in office through the date of receipt of this question, including both official and political travel and categorizing each trip (or segments of a trip) as official or political.

Answer: Travel is a vital and fundamental tool for most Department of Transportation (DOT) employees, including political appointees, in carrying out our transportation mission through day-to-day interactions with citizens, state and local officials, colleagues in related fields, and researchers across the nation and world.

At DOT, a robust set of layered internal controls are in place to ensure that each trip is planned, conducted, and reimbursed with absolute integrity and in accordance with relevant Federal Travel Regulations. For political appointees, each trip is approved by both a funds control official and a designated approving official prior to departure. As an added layer of control, each trip is also pre-audited by travel examiners to flag any potential oversights or miscalculations. Finally, a duly authorized general counsel agent conducts a legal review on all political appointee travel prior to approval.

All Secretarial trips have been for official Department business. None of the trips have been for political purposes. Please reference the following, "Attachment 1 - Secretarial Travel:"

**Department of Transportation
Secretary and Accompanying Staff Travel Information**

First Name	Last Name	Purpose	Depart	Return	First Destination	Total Cost	Political or Official	Funded By
Geoffrey	Burr	Site Visit	6/16/2017	6/17/2017	New York, NY, United States	\$944.18	Official	Secretary LOA
Elaine	Chao	Site Visit	3/2/2017	3/3/2017	Beaumont, TX, United States	\$216.67	Official	Secretary LOA
Elaine	Chao	Conference Attendance and Speech	3/10/2017	3/12/2017	Jacksonville, FL, United States	\$891.70	Official	Secretary LOA
Elaine	Chao	Agency Management Activities	3/15/2017	3/15/2017	Detroit, MI, United States	\$392.65	Official	Secretary LOA
Elaine	Chao	Meetings	3/30/2017	3/31/2017	Ottawa, Canada	\$398.73	Official	Secretary LOA
Elaine	Chao	Site Visit	4/20/2017	4/21/2017	Boston, MA, United States	\$736.73	Official	Secretary LOA
Elaine	Chao	Site Visit	4/24/2017	4/24/2017	Columbus, OH, United States	\$120.59	Official	Secretary LOA
Elaine	Chao	Speech and Meetings	4/30/2017	5/3/2017	Los Angeles, CA, United States	\$2,001.89	Official	Secretary LOA
Elaine	Chao	Speech	5/18/2017	5/18/2017	Atlanta, GA, United States	\$333.42	Official	Secretary LOA
Elaine	Chao	Agency Management Activities and Meetings	5/19/2017	5/21/2017	New York, NY, United States	\$452.89	Official	Secretary LOA
Elaine	Chao	Agency Management Activities and Meetings	5/26/2017	5/29/2017	New York, NY, United States	\$487.16	Official	Secretary LOA
Elaine	Chao	Speech	5/30/2017	5/31/2017	Fargo, ND, United States	\$718.28	Official	Secretary LOA
Elaine	Chao	Speech	6/1/2017	6/2/2017	Charleston, SC, United States	\$978.56	Official	Secretary LOA
Elaine	Chao	Speech	6/5/2017	6/5/2017	Detroit, MI, United States	\$22.62	Official	Secretary LOA
Elaine	Chao	Speech and Meetings	6/8/2017	6/8/2017	New York, NY, United States	\$22.62	Official	Secretary LOA
Elaine	Chao	Speech	6/16/2017	6/17/2017	New York, NY, United States	\$487.65	Official	Secretary LOA

Elaine	Chao	Conference	6/18/2017	6/23/2017	Paris, France	\$2,334.13	Official	Secretary LOA
Elaine	Chao	Speech	6/28/2017	6/30/2017	Aspen, Colorado, United States	\$2,181.67	Official	Secretary LOA
Elaine	Chao	Speech and Meeting	7/13/2017	7/16/2017	Louisville, KY, United States	\$829.38	Official	Secretary LOA
Elaine	Chao	Site Visit	8/6/2017	8/9/2017	San Francisco, CA, United States	\$1,962.26	Official	Secretary LOA
Elaine	Chao	Site Visit	8/15/2017	8/15/2017	New York, NY, United States	\$63.14	Official	Secretary LOA
Elaine	Chao	Site Visit	8/21/2017	8/25/2017	Omaha, NE, United States	\$3,312.81	Official	Secretary LOA
Elaine	Chao	Site Visit	8/31/2017	8/31/2017	Corpus Christi, TX, United States	\$59.35	Official	Secretary LOA
Elaine	Chao	Meetings	9/9/2017	9/11/2017	New York, NY, United States	\$524.20	Official	Secretary LOA
Elaine	Chao	Speech	9/12/2017	9/12/2017	Detroit, MI, United States	\$526.54	Official	Secretary LOA
Elaine	Chao	Speech	9/18/2017	9/19/2017	New York, NY, United States	\$303.32	Official	Secretary LOA
Elaine	Chao	Speech	9/21/2017	9/24/2017	New York, NY, United States	\$196.04	Official	Secretary LOA
Elaine	Chao	Speech and Conference Attendance	9/27/2017	9/27/2017	Phoenix, AZ, United States	\$526.49	Official	Secretary LOA
Elaine	Chao	Speech	10/3/2017	10/4/2017	Las Vegas, NV, United States	\$787.25	Official	Secretary LOA
Elaine	Chao	Site Visit	10/5/2017	10/6/2017	Orlando, FL, United States	\$661.67	Official	Secretary LOA
Elaine	Chao	Speech	10/11/2017	10/11/2017	Atlanta, GA, United States	\$660.60	Official	Secretary LOA
Elaine	Chao	Speech	10/13/2017	10/15/2017	New York, NY, United States	\$340.09	Official	Secretary LOA
Elaine	Chao	Site Visit	10/17/2017	10/17/2017	Miami, FL, United States	\$525.04	Official	Secretary LOA
Elaine	Chao	Speech	10/20/2017	10/23/2017	New York, NY, United States	\$616.99	Official	Secretary LOA
Elaine	Chao	Speech	11/9/2017	11/12/2017	New York, NY, United States	\$406.02	Official	Secretary LOA
Elaine	Chao	Speech and Conference Attendance	12/1/2017	12/2/2017	Phoenix, AZ, United States	\$790.81	Official	Secretary LOA
Elaine	Chao	Speech and Conference Attendance	1/9/2018	1/11/2018	Las Vegas, NV, United States	\$1,709.75	Official	Secretary LOA
Elaine	Chao	Speech	1/14/2018	1/14/2018	Detroit, MI, United States	\$638.30	Official	Secretary LOA

Elaine	Chao	Conference	1/23/2018	1/26/2018	Davos, Switzerland	\$5,318.45	Official	Secretary LOA
Elaine	Chao	Speech and Conference Attendance	1/31/2018	2/1/2018	White Sulpher Springs, WV, United States	\$91.60	Official	Secretary LOA
Elaine	Chao	Site Visit	3/29/2018	3/29/2018	Cleveland, OH, United States	\$279.75	Official	Secretary LOA
Elaine	Chao	Speech	4/3/2018	4/4/2018	Reno, NV, United States	\$1,169.95	Official	Secretary LOA
Elaine	Chao	Site Visit	4/13/2018	4/13/2018	New York, NY, United States	\$192.62	Official	Secretary LOA
Thomas	Fulton	Staffing	4/24/2017	4/24/2017	Columbus, OH, United States	\$24.59	Official	Secretary LOA
Jonathan	Furman	Staffing	3/2/2017	3/3/2017	Beaumont, TX, United States	\$241.74	Official	Secretary LOA
Jonathan	Furman	Staffing	3/15/2017	3/15/2017	Detroit, MI, United States	\$505.95	Official	Secretary LOA
Jonathan	Furman	Staffing	3/30/2017	3/31/2017	Ottawa, Canada	\$362.07	Official	Secretary LOA
Jonathan	Furman	Staffing	4/20/2017	4/21/2017	Boston, MA, United States	\$719.74	Official	Secretary LOA
Jonathan	Furman	Staffing	4/30/2017	5/3/2017	Los Angeles, CA, United States	\$1,874.65	Official	Secretary LOA
Jonathan	Furman	Staffing	5/18/2017	5/18/2017	Atlanta, GA, United States	\$399.84	Official	Secretary LOA
Jonathan	Furman	Staffing	5/19/2017	5/21/2017	New York, NY, United States	\$449.46	Official	Secretary LOA
Jonathan	Furman	Staffing	5/26/2017	5/29/2017	New York, NY, United States	\$614.53	Official	Secretary LOA
Jonathan	Furman	Staffing	5/30/2017	5/31/2017	Fargo, ND, United States	\$729.59	Official	Secretary LOA
Jonathan	Furman	Staffing	6/1/2017	6/2/2017	Charleston, SC, United States	\$567.03	Official	Secretary LOA
Jonathan	Furman	Staffing	6/8/2017	6/8/2017	New York, NY, United States	\$39.15	Official	Secretary LOA
Jonathan	Furman	Staffing	6/16/2017	6/17/2017	New York, NY, United States	\$747.00	Official	Secretary LOA
Jonathan	Furman	Staffing	6/18/2017	6/23/2017	Paris, France	\$2,598.03	Official	Secretary LOA
Jonathan	Furman	Staffing	6/28/2017	6/30/2017	Aspen, Colorado, United States	\$1,397.88	Official	Secretary LOA
Jonathan	Furman	Staffing	7/13/2017	7/15/2017	Louisville, KY, United States	\$1,213.86	Official	Secretary LOA
Jonathan	Furman	Staffing	8/4/2017	8/9/2017	San Francisco, CA, United States	\$2,201.04	Official	Secretary LOA
Jonathan	Furman	Staffing	8/21/2017	8/25/2017	Omaha, NE, United States	\$6,778.09	Official	Secretary LOA
Jonathan	Furman	Staffing	9/9/2017	9/11/2017	New York, NY, United States	\$231.45	Official	Secretary LOA
Jonathan	Furman	Staffing	9/12/2017	9/12/2017	Detroit, MI, United States	\$260.65	Official	Secretary LOA

Jonathan	Furman	Staffing	9/14/2017	9/15/2017	Louisville, KY, United States	\$841.94	Official	Secretary LOA
Jonathan	Furman	Staffing	9/17/2017	9/19/2017	New York, NY, United States	\$473.01	Official	Secretary LOA
Jonathan	Furman	Staffing	9/27/2017	9/27/2017	Phoenix, AZ, United States	\$536.41	Official	Secretary LOA
Jonathan	Furman	Staffing	10/3/2017	10/4/2017	Las Vegas, NV, United States	\$788.84	Official	Secretary LOA
Jonathan	Furman	Staffing	10/5/2017	10/6/2017	Orlando, FL, United States	\$844.76	Official	Secretary LOA
Jonathan	Furman	Staffing	10/11/2017	10/11/2017	Atlanta, GA, United States	\$141.80	Official	Secretary LOA
Jonathan	Furman	Staffing	10/13/2017	10/15/2017	New York, NY, United States	\$668.99	Official	Secretary LOA
Jonathan	Furman	Staffing	10/20/2017	10/23/2017	New York, NY, United States	\$688.28	Official	Secretary LOA
Jonathan	Furman	Staffing	11/9/2017	11/12/2017	New York, NY, United States	\$558.80	Official	Secretary LOA
Jonathan	Furman	Staffing	11/30/2017	12/1/2017	New York, NY, United States	\$138.39	Official	Secretary LOA
Jonathan	Furman	Staffing	12/1/2017	12/2/2017	Phoenix, AZ, United States	\$819.06	Official	Secretary LOA
Jonathan	Furman	Staffing	12/21/2017	12/22/2017	Louisville, KY, United States	\$751.40	Official	Secretary LOA
Jonathan	Furman	Staffing	1/9/2018	1/11/2018	Las Vegas, NV, United States	\$1,763.38	Official	Secretary LOA
Jonathan	Furman	Staffing	1/14/2018	1/14/2018	Detroit, MI, United States	\$754.60	Official	Secretary LOA
Jonathan	Furman	Staffing	1/22/2018	1/26/2018	Davos, Switzerland	\$712.90	Official	Secretary LOA
Jonathan	Furman	Staffing	1/31/2018	2/1/2018	White Sulphur Springs, WV, United States	\$153.38	Official	Secretary LOA
Jonathan	Furman	Staffing	3/25/2018	3/26/2018	New York, NY, United States	\$417.85	Official	Secretary LOA
Jonathan	Furman	Staffing	3/29/2018	3/29/2018	Cleveland, OH, United States	\$78.45	Official	Secretary LOA
Jonathan	Furman	Staffing	4/13/2018	4/13/2018	New York, NY, United States	\$407.31	Official	Secretary LOA
Laura	Genero	Staffing	3/30/2017	3/31/2017	Ottawa, Canada	\$362.07	Official	Secretary LOA
Laura	Genero	Staffing	4/30/2017	5/3/2017	Los Angeles, CA, United States	\$1,774.26	Official	Secretary LOA
Laura	Genero	Staffing	6/18/2017	6/23/2017	Paris, France	\$2,568.10	Official	Secretary LOA
Laura	Genero	Staffing	6/28/2017	6/30/2017	Aspen, Colorado, United States	\$1,688.68	Official	Secretary LOA
Laura	Genero	Staffing	1/23/2018	1/26/2018	Davos, Switzerland	\$652.10	Official	Secretary LOA
James	Inman	Site Visit	3/2/2017	3/3/2017	Beaumont, TX, United States	\$225.64	Official	Secretary LOA
James	Inman	Staffing	3/14/2017	3/15/2017	Detroit, MI, United States	\$1,089.52	Official	Secretary LOA

James	Inman	Staffing	3/30/2017	3/31/2017	Ottawa, Canada	\$362.07	Official	Secretary LOA
James	Inman	Staffing	4/24/2017	4/24/2017	Columbus, OH, United States	\$21.52	Official	Secretary LOA
James	Inman	Staffing	5/18/2017	5/18/2017	Atlanta, GA, United States	\$333.42	Official	Secretary LOA
James	Inman	Staffing	5/25/2017	5/28/2017	New York, NY, United States	\$1,522.42	Official	Secretary LOA
James	Inman	Staffing	6/18/2017	6/23/2017	Paris, France	\$2,571.97	Official	Secretary LOA
James	Inman	Staffing	6/28/2017	6/30/2017	Aspen, Colorado, United States	\$711.87	Official	Secretary LOA
James	Inman	Staffing	7/12/2017	7/16/2017	Bridgeport, WV, United States	\$1,327.31	Official	Secretary LOA
James	Inman	Staffing	8/4/2017	8/9/2017	Paducah, KY, United States	\$2,078.17	Official	Secretary LOA
James	Inman	Staffing	8/15/2017	8/15/2017	New York, NY, United States	\$680.07	Official	Secretary LOA
James	Inman	Staffing	8/19/2017	8/20/2017	New York, NY, United States	\$355.93	Official	Secretary LOA
James	Inman	Staffing	8/21/2017	8/25/2017	Omaha, NE, United States	\$3,944.88	Official	Secretary LOA
James	Inman	Staffing	8/31/2017	8/31/2017	Corpus Christi, TX, United States	\$59.35	Official	Secretary LOA
James	Inman	Staffing	9/12/2017	9/12/2017	Detroit, MI, United States	\$594.80	Official	Secretary LOA
James	Inman	Staffing	9/17/2017	9/18/2017	Louisville, KY, United States	\$1,331.02	Official	Secretary LOA
James	Inman	Staffing	9/21/2017	9/22/2017	New York, NY, United States	\$945.27	Official	Secretary LOA
James	Inman	Staffing	9/27/2017	9/27/2017	Phoenix, AZ, United States	\$573.74	Official	Secretary LOA
James	Inman	Staffing	10/3/2017	10/4/2017	Las Vegas, NV, United States	\$779.25	Official	Secretary LOA
James	Inman	Staffing	10/11/2017	10/11/2017	Atlanta, GA, United States	\$466.89	Official	Secretary LOA
James	Inman	Staffing	10/17/2017	10/17/2017	Miami, FL, United States	\$78.45	Official	Secretary LOA
James	Inman	Staffing	10/23/2017	10/23/2017	Orlando, FL, United States	\$141.80	Official	Secretary LOA
James	Inman	Staffing	12/1/2017	12/2/2017	Phoenix, AZ, United States	\$795.68	Official	Secretary LOA
James	Inman	Staffing	12/21/2017	12/22/2017	Louisville, KY, United States	\$310.35	Official	Secretary LOA
James	Inman	Staffing	1/9/2018	1/11/2018	Las Vegas, NV, United States	\$1,675.83	Official	Secretary LOA
James	Inman	Staffing	1/13/2018	1/14/2018	Detroit, MI, United States	\$718.12	Official	Secretary LOA
James	Inman	Staffing	2/16/2018	2/16/2018	Orlando, FL, United States	\$78.45	Official	Secretary LOA
James	Inman	Staffing	4/3/2018	4/5/2018	Reno, NV, United States	\$832.90	Official	Secretary LOA

Marianne	McInerney	Staffing	3/2/2017	3/3/2017	Beaumont, TX, United States	\$211.72	Official	Secretary LOA
Marianne	McInerney	Staffing	4/20/2017	4/21/2017	Boston, MA, United States	\$717.08	Official	Secretary LOA
Marianne	McInerney	Staffing	4/23/2017	4/24/2017	Columbus, OH, United States	\$541.90	Official	Secretary LOA
Marianne	McInerney	Staffing	4/30/2017	5/3/2017	Los Angeles, CA, United States	\$1,897.99	Official	Secretary LOA
Marianne	McInerney	Staffing	5/18/2017	5/18/2017	Atlanta, GA, United States	\$625.20	Official	Secretary LOA
Marianne	McInerney	Staffing	5/26/2017	5/28/2017	New York, NY, United States	\$1,044.70	Official	Secretary LOA
Marianne	McInerney	Staffing	5/30/2017	5/31/2017	Fargo, ND, United States	\$719.33	Official	Secretary LOA
Marianne	McInerney	Staffing	6/2/2017	6/2/2017	Charleston, SC, United States	\$488.50	Official	Secretary LOA
Marianne	McInerney	Staffing	6/16/2017	6/18/2017	Kings Point, NY, United States	\$765.33	Official	Secretary LOA
Marianne	McInerney	Staffing	6/18/2017	6/23/2017	Paris, France	\$2,504.05	Official	Secretary LOA
Marianne	McInerney	Staffing	6/28/2017	6/30/2017	Aspen, Colorado, United States	\$2,554.56	Official	Secretary LOA
Marianne	McInerney	Staffing	8/15/2017	8/15/2017	New York, NY, United States	\$639.02	Official	Secretary LOA
Marianne	McInerney	Staffing	8/19/2017	8/20/2017	New York, NY, United States	\$408.98	Official	Secretary LOA
Marianne	McInerney	Staffing	9/11/2017	9/12/2017	Detroit, MI, United States	\$800.02	Official	Secretary LOA
Marianne	McInerney	Staffing	9/14/2017	9/15/2017	Louisville, KY, United States	\$1,010.20	Official	Secretary LOA
Marianne	McInerney	Staffing	9/18/2017	9/18/2017	New York, NY, United States	\$782.02	Official	Secretary LOA
Marianne	McInerney	Staffing	10/3/2017	10/3/2017	Las Vegas, NV, United States	\$551.85	Official	Secretary LOA
Marianne	McInerney	Staffing	10/14/2017	10/15/2017	New York, NY, United States	\$722.57	Official	Secretary LOA
Marianne	McInerney	Staffing	11/9/2017	11/12/2017	New York, NY, United States	\$1,307.00	Official	Secretary LOA
Marianne	McInerney	Staffing	12/1/2017	12/2/2017	Phoenix, AZ, United States	\$940.27	Official	Secretary LOA
Marianne	McInerney	Staffing	1/8/2018	1/11/2018	Las Vegas, NV, United States	\$2,378.83	Official	Secretary LOA
Marianne	McInerney	Staffing	1/13/2018	1/14/2018	Detroit, MI, United States	\$954.21	Official	Secretary LOA
Marianne	McInerney	Staffing	2/8/2018	2/11/2018	New York, NY, United States	\$1,038.88	Official	Secretary LOA
Marianne	McInerney	Staffing	3/26/2018	3/26/2018	New York, NY, United States	\$617.95	Official	Secretary LOA

Travel by the Secretary

Question: Please indicate the date of departure and return to Washington, D.C., for each trip; the purpose of trip; the number of DOT staff persons accompanying the Secretary; the total cost of the trip, including all costs incurred by all persons accompanying the Secretary; the total cost for all trips by person; and whether the cost of the trip was borne by DOT, another agency, or a non-governmental entity.

Answer: Please reference the following, "Attachment 1 - Secretarial Travel:"

**Department of Transportation
Secretary and Accompanying Staff Travel Information**

First Name	Last Name	Purpose	Depart	Return	First Destination	Total Cost	Political or Official	Funded By
GEOFFREY	BURR	Site Visit	6/16/2017	6/17/2017	New York, NY, United States	\$944.18	Official	Secretary LOA
Elaine	Chao	Site Visit	3/2/2017	3/3/2017	Beaumont, TX, United States	\$216.67	Official	Secretary LOA
Elaine	Chao	Conference Attendance and Speech	3/10/2017	3/12/2017	Jacksonville, FL, United States	\$891.70	Official	Secretary LOA
Elaine	Chao	Agency Management Activities	3/15/2017	3/15/2017	Detroit, MI, United States	\$392.65	Official	Secretary LOA
Elaine	Chao	Meetings	3/30/2017	3/31/2017	Ottawa, Canada	\$398.73	Official	Secretary LOA
Elaine	Chao	Site Visit	4/20/2017	4/21/2017	Boston, MA, United States	\$736.73	Official	Secretary LOA
Elaine	Chao	Site Visit	4/24/2017	4/24/2017	Columbus, OH, United States	\$120.59	Official	Secretary LOA
Elaine	Chao	Speech and Meetings	4/30/2017	5/3/2017	Los Angeles, CA, United States	\$2,001.89	Official	Secretary LOA
Elaine	Chao	Speech	5/18/2017	5/18/2017	Atlanta, GA, United States	\$333.42	Official	Secretary LOA
Elaine	Chao	Agency Management Activities and Meetings	5/19/2017	5/21/2017	New York, NY, United States	\$452.89	Official	Secretary LOA
Elaine	Chao	Agency Management Activities and Meetings	5/26/2017	5/29/2017	New York, NY, United States	\$487.16	Official	Secretary LOA

Elaine	Chao	Speech	5/30/2017	5/31/2017	Fargo, ND, United States	\$718.28	Official	Secretary LOA
Elaine	Chao	Speech	6/1/2017	6/2/2017	Charleston, SC, United States	\$978.56	Official	Secretary LOA
Elaine	Chao	Speech	6/5/2017	6/5/2017	Detroit, MI, United States	\$22.62	Official	Secretary LOA
Elaine	Chao	Speech and Meetings	6/8/2017	6/8/2017	New York, NY, United States	\$22.62	Official	Secretary LOA
Elaine	Chao	Speech	6/16/2017	6/17/2017	New York, NY, United States	\$487.65	Official	Secretary LOA
Elaine	Chao	Conference	6/18/2017	6/23/2017	Paris, France	\$2,334.13	Official	Secretary LOA
Elaine	Chao	Speech	6/28/2017	6/30/2017	Aspen, Colorado, United States	\$2,181.67	Official	Secretary LOA
Elaine	Chao	Speech and Meeting	7/13/2017	7/16/2017	Louisville, KY, United States	\$829.38	Official	Secretary LOA
Elaine	Chao	Site Visit	8/6/2017	8/9/2017	San Francisco, CA, United States	\$1,962.26	Official	Secretary LOA
Elaine	Chao	Site Visit	8/15/2017	8/15/2017	New York, NY, United States	\$63.14	Official	Secretary LOA
Elaine	Chao	Site Visit	8/21/2017	8/25/2017	Omaha, NE, United States	\$3,312.81	Official	Secretary LOA
Elaine	Chao	Site Visit	8/31/2017	8/31/2017	Corpus Christi, TX, United States	\$59.35	Official	Secretary LOA
Elaine	Chao	Meetings	9/9/2017	9/11/2017	New York, NY, United States	\$524.20	Official	Secretary LOA
Elaine	Chao	Speech	9/12/2017	9/12/2017	Detroit, MI, United States	\$526.54	Official	Secretary LOA
Elaine	Chao	Speech	9/18/2017	9/19/2017	New York, NY, United States	\$303.32	Official	Secretary LOA
Elaine	Chao	Speech	9/21/2017	9/24/2017	New York, NY, United States	\$196.04	Official	Secretary LOA
Elaine	Chao	Speech and Conference Attendance	9/27/2017	9/27/2017	Phoenix, AZ, United States	\$526.49	Official	Secretary LOA
Elaine	Chao	Speech	10/3/2017	10/4/2017	Las Vegas, NV, United States	\$787.25	Official	Secretary LOA
Elaine	Chao	Site Visit	10/5/2017	10/6/2017	Orlando, FL, United States	\$661.67	Official	Secretary LOA
Elaine	Chao	Speech	10/11/2017	10/11/2017	Atlanta, GA, United States	\$660.60	Official	Secretary LOA
Elaine	Chao	Speech	10/13/2017	10/15/2017	New York, NY, United States	\$340.09	Official	Secretary LOA
Elaine	Chao	Site Visit	10/17/2017	10/17/2017	Miami, FL, United States	\$525.04	Official	Secretary LOA
Elaine	Chao	Speech	10/20/2017	10/23/2017	New York, NY, United States	\$616.99	Official	Secretary LOA
Elaine	Chao	Speech	11/9/2017	11/12/2017	New York, NY, United States	\$406.02	Official	Secretary LOA

Elaine	Chao	Speech and Conference Attendance	12/1/2017	12/2/2017	Phoenix, AZ, United States	\$790.81	Official	Secretary LOA
Elaine	Chao	Speech and Conference Attendance	1/9/2018	1/11/2018	Las Vegas, NV, United States	\$1,709.75	Official	Secretary LOA
Elaine	Chao	Speech	1/14/2018	1/14/2018	Detroit, MI, United States	\$638.30	Official	Secretary LOA
Elaine	Chao	Conference	1/23/2018	1/26/2018	Davos, Switzerland	\$5,318.45	Official	Secretary LOA
Elaine	Chao	Speech and Conference Attendance	1/31/2018	2/1/2018	White Sulphur Springs, WV, United States	\$91.60	Official	Secretary LOA
Elaine	Chao	Site Visit	3/29/2018	3/29/2018	Cleveland, OH, United States	\$279.75	Official	Secretary LOA
Elaine	Chao	Speech	4/3/2018	4/4/2018	Reno, NV, United States	\$1,169.95	Official	Secretary LOA
Elaine	Chao	Site Visit	4/13/2018	4/13/2018	New York, NY, United States	\$192.62	Official	Secretary LOA
Thomas	Fulton	Staffing	4/24/2017	4/24/2017	Columbus, OH, United States	\$24.59	Official	Secretary LOA
Jonathan	Furman	Staffing	3/2/2017	3/3/2017	Beaumont, TX, United States	\$241.74	Official	Secretary LOA
Jonathan	Furman	Staffing	3/15/2017	3/15/2017	Detroit, MI, United States	\$505.95	Official	Secretary LOA
Jonathan	Furman	Staffing	3/30/2017	3/31/2017	Ottawa, Canada	\$362.07	Official	Secretary LOA
Jonathan	Furman	Staffing	4/20/2017	4/21/2017	Boston, MA, United States	\$719.74	Official	Secretary LOA
Jonathan	Furman	Staffing	4/30/2017	5/3/2017	Los Angeles, CA, United States	\$1,874.65	Official	Secretary LOA
Jonathan	Furman	Staffing	5/18/2017	5/18/2017	Atlanta, GA, United States	\$399.84	Official	Secretary LOA
Jonathan	Furman	Staffing	5/19/2017	5/21/2017	New York, NY, United States	\$449.46	Official	Secretary LOA
Jonathan	Furman	Staffing	5/26/2017	5/29/2017	New York, NY, United States	\$614.53	Official	Secretary LOA
Jonathan	Furman	Staffing	5/30/2017	5/31/2017	Fargo, ND, United States	\$729.59	Official	Secretary LOA
Jonathan	Furman	Staffing	6/1/2017	6/2/2017	Charleston, SC, United States	\$567.03	Official	Secretary LOA
Jonathan	Furman	Staffing	6/8/2017	6/8/2017	New York, NY, United States	\$39.15	Official	Secretary LOA
Jonathan	Furman	Staffing	6/16/2017	6/17/2017	New York, NY, United States	\$747.00	Official	Secretary LOA
Jonathan	Furman	Staffing	6/18/2017	6/23/2017	Paris, France	\$2,598.03	Official	Secretary LOA
Jonathan	Furman	Staffing	6/28/2017	6/30/2017	Aspen, Colorado, United States	\$1,397.88	Official	Secretary LOA

Jonathan	Furman	Staffing	7/13/2017	7/15/2017	Louisville, KY, United States	\$1,213.86	Official	Secretary LOA
Jonathan	Furman	Staffing	8/4/2017	8/9/2017	San Francisco, CA, United States	\$2,201.04	Official	Secretary LOA
Jonathan	Furman	Staffing	8/21/2017	8/25/2017	Omaha, NE, United States	\$6,778.09	Official	Secretary LOA
Jonathan	Furman	Staffing	9/9/2017	9/11/2017	New York, NY, United States	\$231.45	Official	Secretary LOA
Jonathan	Furman	Staffing	9/12/2017	9/12/2017	Detroit, MI, United States	\$260.65	Official	Secretary LOA
Jonathan	Furman	Staffing	9/14/2017	9/15/2017	Louisville, KY, United States	\$841.94	Official	Secretary LOA
Jonathan	Furman	Staffing	9/17/2017	9/19/2017	New York, NY, United States	\$473.01	Official	Secretary LOA
Jonathan	Furman	Staffing	9/27/2017	9/27/2017	Phoenix, AZ, United States	\$536.41	Official	Secretary LOA
Jonathan	Furman	Staffing	10/3/2017	10/4/2017	Las Vegas, NV, United States	\$788.84	Official	Secretary LOA
Jonathan	Furman	Staffing	10/5/2017	10/6/2017	Orlando, FL, United States	\$844.76	Official	Secretary LOA
Jonathan	Furman	Staffing	10/11/2017	10/11/2017	Atlanta, GA, United States	\$141.80	Official	Secretary LOA
Jonathan	Furman	Staffing	10/13/2017	10/15/2017	New York, NY, United States	\$668.99	Official	Secretary LOA
Jonathan	Furman	Staffing	10/20/2017	10/23/2017	New York, NY, United States	\$688.28	Official	Secretary LOA
Jonathan	Furman	Staffing	11/9/2017	11/12/2017	New York, NY, United States	\$558.80	Official	Secretary LOA
Jonathan	Furman	Staffing	11/30/2017	12/1/2017	New York, NY, United States	\$138.39	Official	Secretary LOA
Jonathan	Furman	Staffing	12/1/2017	12/2/2017	Phoenix, AZ, United States	\$819.06	Official	Secretary LOA
Jonathan	Furman	Staffing	12/21/2017	12/22/2017	Louisville, KY, United States	\$751.40	Official	Secretary LOA
Jonathan	Furman	Staffing	1/9/2018	1/11/2018	Las Vegas, NV, United States	\$1,763.38	Official	Secretary LOA
Jonathan	Furman	Staffing	1/14/2018	1/14/2018	Detroit, MI, United States	\$754.60	Official	Secretary LOA
Jonathan	Furman	Staffing	1/22/2018	1/26/2018	Davos, Switzerland	\$712.90	Official	Secretary LOA
Jonathan	Furman	Staffing	1/31/2018	2/1/2018	White Sulphur Springs, WV, United States	\$153.38	Official	Secretary LOA
Jonathan	Furman	Staffing	3/25/2018	3/26/2018	New York, NY, United States	\$417.85	Official	Secretary LOA
Jonathan	Furman	Staffing	3/29/2018	3/29/2018	Cleveland, OH, United States	\$78.45	Official	Secretary LOA
Jonathan	Furman	Staffing	4/13/2018	4/13/2018	New York, NY, United States	\$407.31	Official	Secretary LOA
Laura	Genero	Staffing	3/30/2017	3/31/2017	Ottawa, Canada	\$362.07	Official	Secretary LOA
Laura	Genero	Staffing	4/30/2017	5/3/2017	Los Angeles, CA, United States	\$1,774.26	Official	Secretary LOA

Laura	Genero	Staffing	6/18/2017	6/23/2017	Paris, France	\$2,568.10	Official	Secretary LOA
Laura	Genero	Staffing	6/28/2017	6/30/2017	Aspen, Colorado, United States	\$1,688.68	Official	Secretary LOA
Laura	Genero	Staffing	1/23/2018	1/26/2018	Davos, Switzerland	\$652.10	Official	Secretary LOA
James	Inman	Site Visit	3/2/2017	3/3/2017	Beaumont, TX, United States	\$225.64	Official	Secretary LOA
James	Inman	Staffing	3/14/2017	3/15/2017	Detroit, MI, United States	\$1,089.52	Official	Secretary LOA
James	Inman	Staffing	3/30/2017	3/31/2017	Ottawa, Canada	\$362.07	Official	Secretary LOA
James	Inman	Staffing	4/24/2017	4/24/2017	Columbus, OH, United States	\$21.52	Official	Secretary LOA
James	Inman	Staffing	5/18/2017	5/18/2017	Atlanta, GA, United States	\$333.42	Official	Secretary LOA
James	Inman	Staffing	5/25/2017	5/28/2017	New York, NY, United States	\$1,522.42	Official	Secretary LOA
James	Inman	Staffing	6/18/2017	6/23/2017	Paris, France	\$2,571.97	Official	Secretary LOA
James	Inman	Staffing	6/28/2017	6/30/2017	Aspen, Colorado, United States	\$711.87	Official	Secretary LOA
James	Inman	Staffing	7/12/2017	7/16/2017	Bridgeport, WV, United States	\$1,327.31	Official	Secretary LOA
James	Inman	Staffing	8/4/2017	8/9/2017	Paducah, KY, United States	\$2,078.17	Official	Secretary LOA
James	Inman	Staffing	8/15/2017	8/15/2017	New York, NY, United States	\$680.07	Official	Secretary LOA
James	Inman	Staffing	8/19/2017	8/20/2017	New York, NY, United States	\$355.93	Official	Secretary LOA
James	Inman	Staffing	8/21/2017	8/25/2017	Omaha, NE, United States	\$3,944.88	Official	Secretary LOA
James	Inman	Staffing	8/31/2017	8/31/2017	Corpus Christi, TX, United States	\$59.35	Official	Secretary LOA
James	Inman	Staffing	9/12/2017	9/12/2017	Detroit, MI, United States	\$594.80	Official	Secretary LOA
James	Inman	Staffing	9/17/2017	9/18/2017	Louisville, KY, United States	\$1,331.02	Official	Secretary LOA
James	Inman	Staffing	9/21/2017	9/22/2017	New York, NY, United States	\$945.27	Official	Secretary LOA
James	Inman	Staffing	9/27/2017	9/27/2017	Phoenix, AZ, United States	\$573.74	Official	Secretary LOA
James	Inman	Staffing	10/3/2017	10/4/2017	Las Vegas, NV, United States	\$779.25	Official	Secretary LOA
James	Inman	Staffing	10/11/2017	10/11/2017	Atlanta, GA, United States	\$466.89	Official	Secretary LOA
James	Inman	Staffing	10/17/2017	10/17/2017	Miami, FL, United States	\$78.45	Official	Secretary LOA
James	Inman	Staffing	10/23/2017	10/23/2017	Orlando, FL, United States	\$141.80	Official	Secretary LOA
James	Inman	Staffing	12/1/2017	12/2/2017	Phoenix, AZ, United States	\$795.68	Official	Secretary LOA

James	Inman	Staffing	12/21/2017	12/22/2017	Louisville, KY, United States	\$310.35	Official	Secretary LOA
James	Inman	Staffing	1/9/2018	1/11/2018	Las Vegas, NV, United States	\$1,675.83	Official	Secretary LOA
James	Inman	Staffing	1/13/2018	1/14/2018	Detroit, MI, United States	\$718.12	Official	Secretary LOA
James	Inman	Staffing	2/16/2018	2/16/2018	Orlando, FL, United States	\$78.45	Official	Secretary LOA
James	Inman	Staffing	4/3/2018	4/5/2018	Reno, NV, United States	\$832.90	Official	Secretary LOA
Marianne	McInerney	Staffing	3/2/2017	3/3/2017	Beaumont, TX, United States	\$211.72	Official	Secretary LOA
Marianne	McInerney	Staffing	4/20/2017	4/21/2017	Boston, MA, United States	\$717.08	Official	Secretary LOA
Marianne	McInerney	Staffing	4/23/2017	4/24/2017	Columbus, OH, United States	\$541.90	Official	Secretary LOA
Marianne	McInerney	Staffing	4/30/2017	5/3/2017	Los Angeles, CA, United States	\$1,897.99	Official	Secretary LOA
Marianne	McInerney	Staffing	5/18/2017	5/18/2017	Atlanta, GA, United States	\$625.20	Official	Secretary LOA
Marianne	McInerney	Staffing	5/26/2017	5/28/2017	New York, NY, United States	\$1,044.70	Official	Secretary LOA
Marianne	McInerney	Staffing	5/30/2017	5/31/2017	Fargo, ND, United States	\$719.33	Official	Secretary LOA
Marianne	McInerney	Staffing	6/2/2017	6/2/2017	Charleston, SC, United States	\$488.50	Official	Secretary LOA
Marianne	McInerney	Staffing	6/16/2017	6/18/2017	Kings Point, NY, United States	\$765.33	Official	Secretary LOA
Marianne	McInerney	Staffing	6/18/2017	6/23/2017	Paris, France	\$2,504.05	Official	Secretary LOA
Marianne	McInerney	Staffing	6/28/2017	6/30/2017	Aspen, Colorado, United States	\$2,554.56	Official	Secretary LOA
Marianne	McInerney	Staffing	8/15/2017	8/15/2017	New York, NY, United States	\$639.02	Official	Secretary LOA
Marianne	McInerney	Staffing	8/19/2017	8/20/2017	New York, NY, United States	\$408.98	Official	Secretary LOA
Marianne	McInerney	Staffing	9/11/2017	9/12/2017	Detroit, MI, United States	\$800.02	Official	Secretary LOA
Marianne	McInerney	Staffing	9/14/2017	9/15/2017	Louisville, KY, United States	\$1,010.20	Official	Secretary LOA
Marianne	McInerney	Staffing	9/18/2017	9/18/2017	New York, NY, United States	\$782.02	Official	Secretary LOA
Marianne	McInerney	Staffing	10/3/2017	10/3/2017	Las Vegas, NV, United States	\$551.85	Official	Secretary LOA
Marianne	McInerney	Staffing	10/14/2017	10/15/2017	New York, NY, United States	\$722.57	Official	Secretary LOA
Marianne	McInerney	Staffing	11/9/2017	11/12/2017	New York, NY, United States	\$1,307.00	Official	Secretary LOA
Marianne	McInerney	Staffing	12/1/2017	12/2/2017	Phoenix, AZ, United States	\$940.27	Official	Secretary LOA
Marianne	McInerney	Staffing	1/8/2018	1/11/2018	Las Vegas, NV, United States	\$2,378.83	Official	Secretary LOA

Marianne	McInerney	Staffing	1/13/2018	1/14/2018	Detroit, MI, United States	\$954.21	Official	Secretary LOA
Marianne	McInerney	Staffing	2/8/2018	2/11/2018	New York, NY, United States	\$1,038.88	Official	Secretary LOA
Marianne	McInerney	Staffing	3/26/2018	3/26/2018	New York, NY, United States	\$617.95	Official	Secretary LOA

Travel by the Secretary

Question: If the trip was paid by DOT, indicate from which DOT account the funding was drawn.

Answer: Please reference the following, "Attachment 1 - Secretarial Travel:"

**Department of Transportation
Secretary and Accompanying Staff Travel Information**

First Name	Last Name	Purpose	Depart	Return	First Destination	Total Cost	Political or Official	Funded By
GEOFFREY	BURR	Site Visit	6/16/2017	6/17/2017	New York, NY, United States	\$944.18	Official	Secretary LOA
Elaine	Chao	Site Visit	3/2/2017	3/3/2017	Beaumont, TX, United States	\$216.67	Official	Secretary LOA
Elaine	Chao	Conference Attendance and Speech	3/10/2017	3/12/2017	Jacksonville, FL, United States	\$891.70	Official	Secretary LOA
Elaine	Chao	Agency Management Activities	3/15/2017	3/15/2017	Detroit, MI, United States	\$392.65	Official	Secretary LOA
Elaine	Chao	Meetings	3/30/2017	3/31/2017	Ottawa, Canada	\$398.73	Official	Secretary LOA
Elaine	Chao	Site Visit	4/20/2017	4/21/2017	Boston, MA, United States	\$736.73	Official	Secretary LOA
Elaine	Chao	Site Visit	4/24/2017	4/24/2017	Columbus, OH, United States	\$120.59	Official	Secretary LOA
Elaine	Chao	Speech and Meetings	4/30/2017	5/3/2017	Los Angeles, CA, United States	\$2,001.89	Official	Secretary LOA
Elaine	Chao	Speech	5/18/2017	5/18/2017	Atlanta, GA, United States	\$333.42	Official	Secretary LOA
Elaine	Chao	Agency Management Activities and Meetings	5/19/2017	5/21/2017	New York, NY, United States	\$452.89	Official	Secretary LOA
Elaine	Chao	Agency Management Activities and Meetings	5/26/2017	5/29/2017	New York, NY, United States	\$487.16	Official	Secretary LOA
Elaine	Chao	Speech	5/30/2017	5/31/2017	Fargo, ND, United States	\$718.28	Official	Secretary LOA
Elaine	Chao	Speech	6/1/2017	6/2/2017	Charleston, SC, United States	\$978.56	Official	Secretary LOA

Elaine	Chao	Speech	6/5/2017	6/5/2017	Detroit, MI, United States	\$22.62	Official	Secretary LOA
Elaine	Chao	Speech and Meetings	6/8/2017	6/8/2017	New York, NY, United States	\$22.62	Official	Secretary LOA
Elaine	Chao	Speech	6/16/2017	6/17/2017	New York, NY, United States	\$487.65	Official	Secretary LOA
Elaine	Chao	Conference	6/18/2017	6/23/2017	Paris, France	\$2,334.13	Official	Secretary LOA
Elaine	Chao	Speech	6/28/2017	6/30/2017	Aspen, Colorado, United States	\$2,181.67	Official	Secretary LOA
Elaine	Chao	Speech and Meeting	7/13/2017	7/16/2017	Louisville, KY, United States	\$829.38	Official	Secretary LOA
Elaine	Chao	Site Visit	8/6/2017	8/9/2017	San Francisco, CA, United States	\$1,962.26	Official	Secretary LOA
Elaine	Chao	Site Visit	8/15/2017	8/15/2017	New York, NY, United States	\$63.14	Official	Secretary LOA
Elaine	Chao	Site Visit	8/21/2017	8/25/2017	Omaha, NE, United States	\$3,312.81	Official	Secretary LOA
Elaine	Chao	Site Visit	8/31/2017	8/31/2017	Corpus Christi, TX, United States	\$59.35	Official	Secretary LOA
Elaine	Chao	Meetings	9/9/2017	9/11/2017	New York, NY, United States	\$524.20	Official	Secretary LOA
Elaine	Chao	Speech	9/12/2017	9/12/2017	Detroit, MI, United States	\$526.54	Official	Secretary LOA
Elaine	Chao	Speech	9/18/2017	9/19/2017	New York, NY, United States	\$303.32	Official	Secretary LOA
Elaine	Chao	Speech	9/21/2017	9/24/2017	New York, NY, United States	\$196.04	Official	Secretary LOA
Elaine	Chao	Speech and Conference Attendance	9/27/2017	9/27/2017	Phoenix, AZ, United States	\$526.49	Official	Secretary LOA
Elaine	Chao	Speech	10/3/2017	10/4/2017	Las Vegas, NV, United States	\$787.25	Official	Secretary LOA
Elaine	Chao	Site Visit	10/5/2017	10/6/2017	Orlando, FL, United States	\$661.67	Official	Secretary LOA
Elaine	Chao	Speech	10/11/2017	10/11/2017	Atlanta, GA, United States	\$660.60	Official	Secretary LOA
Elaine	Chao	Speech	10/13/2017	10/15/2017	New York, NY, United States	\$340.09	Official	Secretary LOA
Elaine	Chao	Site Visit	10/17/2017	10/17/2017	Miami, FL, United States	\$525.04	Official	Secretary LOA
Elaine	Chao	Speech	10/20/2017	10/23/2017	New York, NY, United States	\$616.99	Official	Secretary LOA
Elaine	Chao	Speech	11/9/2017	11/12/2017	New York, NY, United States	\$406.02	Official	Secretary LOA
Elaine	Chao	Speech and Conference Attendance	12/1/2017	12/2/2017	Phoenix, AZ, United States	\$790.81	Official	Secretary LOA

Elaine	Chao	Speech and Conference Attendance	1/9/2018	1/11/2018	Las Vegas, NV, United States	\$1,709.75	Official	Secretary LOA
Elaine	Chao	Speech	1/14/2018	1/14/2018	Detroit, MI, United States	\$638.30	Official	Secretary LOA
Elaine	Chao	Conference	1/23/2018	1/26/2018	Davos, Switzerland	\$5,318.45	Official	Secretary LOA
Elaine	Chao	Speech and Conference Attendance	1/31/2018	2/1/2018	White Sulpher Springs, WV, United States	\$91.60	Official	Secretary LOA
Elaine	Chao	Site Visit	3/29/2018	3/29/2018	Cleveland, OH, United States	\$279.75	Official	Secretary LOA
Elaine	Chao	Speech	4/3/2018	4/4/2018	Reno, NV, United States	\$1,169.95	Official	Secretary LOA
Elaine	Chao	Site Visit	4/13/2018	4/13/2018	New York, NY, United States	\$192.62	Official	Secretary LOA
Thomas	Fulton	Staffing	4/24/2017	4/24/2017	Columbus, OH, United States	\$24.59	Official	Secretary LOA
Jonathan	Furman	Staffing	3/2/2017	3/3/2017	Beaumont, TX, United States	\$241.74	Official	Secretary LOA
Jonathan	Furman	Staffing	3/15/2017	3/15/2017	Detroit, MI, United States	\$505.95	Official	Secretary LOA
Jonathan	Furman	Staffing	3/30/2017	3/31/2017	Ottawa, Canada	\$362.07	Official	Secretary LOA
Jonathan	Furman	Staffing	4/20/2017	4/21/2017	Boston, MA, United States	\$719.74	Official	Secretary LOA
Jonathan	Furman	Staffing	4/30/2017	5/3/2017	Los Angeles, CA, United States	\$1,874.65	Official	Secretary LOA
Jonathan	Furman	Staffing	5/18/2017	5/18/2017	Atlanta, GA, United States	\$399.84	Official	Secretary LOA
Jonathan	Furman	Staffing	5/19/2017	5/21/2017	New York, NY, United States	\$449.46	Official	Secretary LOA
Jonathan	Furman	Staffing	5/26/2017	5/29/2017	New York, NY, United States	\$614.53	Official	Secretary LOA
Jonathan	Furman	Staffing	5/30/2017	5/31/2017	Fargo, ND, United States	\$729.59	Official	Secretary LOA
Jonathan	Furman	Staffing	6/1/2017	6/2/2017	Charleston, SC, United States	\$567.03	Official	Secretary LOA
Jonathan	Furman	Staffing	6/8/2017	6/8/2017	New York, NY, United States	\$39.15	Official	Secretary LOA
Jonathan	Furman	Staffing	6/16/2017	6/17/2017	New York, NY, United States	\$747.00	Official	Secretary LOA
Jonathan	Furman	Staffing	6/18/2017	6/23/2017	Paris, France	\$2,598.03	Official	Secretary LOA
Jonathan	Furman	Staffing	6/28/2017	6/30/2017	Aspen, Colorado, United States	\$1,397.88	Official	Secretary LOA
Jonathan	Furman	Staffing	7/13/2017	7/15/2017	Louisville, KY, United States	\$1,213.86	Official	Secretary LOA
Jonathan	Furman	Staffing	8/4/2017	8/9/2017	San Francisco, CA, United States	\$2,201.04	Official	Secretary LOA

Jonathan	Furman	Staffing	8/21/2017	8/25/2017	Omaha, NE, United States	\$6,778.09	Official	Secretary LOA
Jonathan	Furman	Staffing	9/9/2017	9/11/2017	New York, NY, United States	\$231.45	Official	Secretary LOA
Jonathan	Furman	Staffing	9/12/2017	9/12/2017	Detroit, MI, United States	\$260.65	Official	Secretary LOA
Jonathan	Furman	Staffing	9/14/2017	9/15/2017	Louisville, KY, United States	\$841.94	Official	Secretary LOA
Jonathan	Furman	Staffing	9/17/2017	9/19/2017	New York, NY, United States	\$473.01	Official	Secretary LOA
Jonathan	Furman	Staffing	9/27/2017	9/27/2017	Phoenix, AZ, United States	\$536.41	Official	Secretary LOA
Jonathan	Furman	Staffing	10/3/2017	10/4/2017	Las Vegas, NV, United States	\$788.84	Official	Secretary LOA
Jonathan	Furman	Staffing	10/5/2017	10/6/2017	Orlando, FL, United States	\$844.76	Official	Secretary LOA
Jonathan	Furman	Staffing	10/11/2017	10/11/2017	Atlanta, GA, United States	\$141.80	Official	Secretary LOA
Jonathan	Furman	Staffing	10/13/2017	10/15/2017	New York, NY, United States	\$668.99	Official	Secretary LOA
Jonathan	Furman	Staffing	10/20/2017	10/23/2017	New York, NY, United States	\$688.28	Official	Secretary LOA
Jonathan	Furman	Staffing	11/9/2017	11/12/2017	New York, NY, United States	\$558.80	Official	Secretary LOA
Jonathan	Furman	Staffing	11/30/2017	12/1/2017	New York, NY, United States	\$138.39	Official	Secretary LOA
Jonathan	Furman	Staffing	12/1/2017	12/2/2017	Phoenix, AZ, United States	\$819.06	Official	Secretary LOA
Jonathan	Furman	Staffing	12/21/2017	12/22/2017	Louisville, KY, United States	\$751.40	Official	Secretary LOA
Jonathan	Furman	Staffing	1/9/2018	1/11/2018	Las Vegas, NV, United States	\$1,763.38	Official	Secretary LOA
Jonathan	Furman	Staffing	1/14/2018	1/14/2018	Detroit, MI, United States	\$754.60	Official	Secretary LOA
Jonathan	Furman	Staffing	1/22/2018	1/26/2018	Davos, Switzerland	\$712.90	Official	Secretary LOA
Jonathan	Furman	Staffing	1/31/2018	2/1/2018	White Sulpher Springs, WV, United States	\$153.38	Official	Secretary LOA
Jonathan	Furman	Staffing	3/25/2018	3/26/2018	New York, NY, United States	\$417.85	Official	Secretary LOA
Jonathan	Furman	Staffing	3/29/2018	3/29/2018	Cleveland, OH, United States	\$78.45	Official	Secretary LOA
Jonathan	Furman	Staffing	4/13/2018	4/13/2018	New York, NY, United States	\$407.31	Official	Secretary LOA
Laura	Genero	Staffing	3/30/2017	3/31/2017	Ottawa, Canada	\$362.07	Official	Secretary LOA
Laura	Genero	Staffing	4/30/2017	5/3/2017	Los Angeles, CA, United States	\$1,774.26	Official	Secretary LOA
Laura	Genero	Staffing	6/18/2017	6/23/2017	Paris, France	\$2,568.10	Official	Secretary LOA
Laura	Genero	Staffing	6/28/2017	6/30/2017	Aspen, Colorado, United States	\$1,688.68	Official	Secretary LOA

Laura	Genero	Staffing	1/23/2018	1/26/2018	Davos, Switzerland	\$652.10	Official	Secretary LOA
James	Inman	Site Visit	3/2/2017	3/3/2017	Beaumont, TX, United States	\$225.64	Official	Secretary LOA
James	Inman	Staffing	3/14/2017	3/15/2017	Detroit, MI, United States	\$1,089.52	Official	Secretary LOA
James	Inman	Staffing	3/30/2017	3/31/2017	Ottawa, Canada	\$362.07	Official	Secretary LOA
James	Inman	Staffing	4/24/2017	4/24/2017	Columbus, OH, United States	\$21.52	Official	Secretary LOA
James	Inman	Staffing	5/18/2017	5/18/2017	Atlanta, GA, United States	\$333.42	Official	Secretary LOA
James	Inman	Staffing	5/25/2017	5/28/2017	New York, NY, United States	\$1,522.42	Official	Secretary LOA
James	Inman	Staffing	6/18/2017	6/23/2017	Paris, France	\$2,571.97	Official	Secretary LOA
James	Inman	Staffing	6/28/2017	6/30/2017	Aspen, Colorado, United States	\$711.87	Official	Secretary LOA
James	Inman	Staffing	7/12/2017	7/16/2017	Bridgeport, WV, United States	\$1,327.31	Official	Secretary LOA
James	Inman	Staffing	8/4/2017	8/9/2017	Paducah, KY, United States	\$2,078.17	Official	Secretary LOA
James	Inman	Staffing	8/15/2017	8/15/2017	New York, NY, United States	\$680.07	Official	Secretary LOA
James	Inman	Staffing	8/19/2017	8/20/2017	New York, NY, United States	\$355.93	Official	Secretary LOA
James	Inman	Staffing	8/21/2017	8/25/2017	Omaha, NE, United States	\$3,944.88	Official	Secretary LOA
James	Inman	Staffing	8/31/2017	8/31/2017	Corpus Christi, TX, United States	\$59.35	Official	Secretary LOA
James	Inman	Staffing	9/12/2017	9/12/2017	Detroit, MI, United States	\$594.80	Official	Secretary LOA
James	Inman	Staffing	9/17/2017	9/18/2017	Louisville, KY, United States	\$1,331.02	Official	Secretary LOA
James	Inman	Staffing	9/21/2017	9/22/2017	New York, NY, United States	\$945.27	Official	Secretary LOA
James	Inman	Staffing	9/27/2017	9/27/2017	Phoenix, AZ, United States	\$573.74	Official	Secretary LOA
James	Inman	Staffing	10/3/2017	10/4/2017	Las Vegas, NV, United States	\$779.25	Official	Secretary LOA
James	Inman	Staffing	10/11/2017	10/11/2017	Atlanta, GA, United States	\$466.89	Official	Secretary LOA
James	Inman	Staffing	10/17/2017	10/17/2017	Miami, FL, United States	\$78.45	Official	Secretary LOA
James	Inman	Staffing	10/23/2017	10/23/2017	Orlando, FL, United States	\$141.80	Official	Secretary LOA
James	Inman	Staffing	12/1/2017	12/2/2017	Phoenix, AZ, United States	\$795.68	Official	Secretary LOA
James	Inman	Staffing	12/21/2017	12/22/2017	Louisville, KY, United States	\$310.35	Official	Secretary LOA
James	Inman	Staffing	1/9/2018	1/11/2018	Las Vegas, NV, United States	\$1,675.83	Official	Secretary LOA

James	Inman	Staffing	1/13/2018	1/14/2018	Detroit, MI, United States	\$718.12	Official	Secretary LOA
James	Inman	Staffing	2/16/2018	2/16/2018	Orlando, FL, United States	\$78.45	Official	Secretary LOA
James	Inman	Staffing	4/3/2018	4/5/2018	Reno, NV, United States	\$832.90	Official	Secretary LOA
Marianne	McInerney	Staffing	3/2/2017	3/3/2017	Beaumont, TX, United States	\$211.72	Official	Secretary LOA
Marianne	McInerney	Staffing	4/20/2017	4/21/2017	Boston, MA, United States	\$717.08	Official	Secretary LOA
Marianne	McInerney	Staffing	4/23/2017	4/24/2017	Columbus, OH, United States	\$541.90	Official	Secretary LOA
Marianne	McInerney	Staffing	4/30/2017	5/3/2017	Los Angeles, CA, United States	\$1,897.99	Official	Secretary LOA
Marianne	McInerney	Staffing	5/18/2017	5/18/2017	Atlanta, GA, United States	\$625.20	Official	Secretary LOA
Marianne	McInerney	Staffing	5/26/2017	5/28/2017	New York, NY, United States	\$1,044.70	Official	Secretary LOA
Marianne	McInerney	Staffing	5/30/2017	5/31/2017	Fargo, ND, United States	\$719.33	Official	Secretary LOA
Marianne	McInerney	Staffing	6/2/2017	6/2/2017	Charleston, SC, United States	\$488.50	Official	Secretary LOA
Marianne	McInerney	Staffing	6/16/2017	6/18/2017	Kings Point, NY, United States	\$765.33	Official	Secretary LOA
Marianne	McInerney	Staffing	6/18/2017	6/23/2017	Paris, France	\$2,504.05	Official	Secretary LOA
Marianne	McInerney	Staffing	6/28/2017	6/30/2017	Aspen, Colorado, United States	\$2,554.56	Official	Secretary LOA
Marianne	McInerney	Staffing	8/15/2017	8/15/2017	New York, NY, United States	\$639.02	Official	Secretary LOA
Marianne	McInerney	Staffing	8/19/2017	8/20/2017	New York, NY, United States	\$408.98	Official	Secretary LOA
Marianne	McInerney	Staffing	9/11/2017	9/12/2017	Detroit, MI, United States	\$800.02	Official	Secretary LOA
Marianne	McInerney	Staffing	9/14/2017	9/15/2017	Louisville, KY, United States	\$1,010.20	Official	Secretary LOA
Marianne	McInerney	Staffing	9/18/2017	9/18/2017	New York, NY, United States	\$782.02	Official	Secretary LOA
Marianne	McInerney	Staffing	10/3/2017	10/3/2017	Las Vegas, NV, United States	\$551.85	Official	Secretary LOA
Marianne	McInerney	Staffing	10/14/2017	10/15/2017	New York, NY, United States	\$722.57	Official	Secretary LOA
Marianne	McInerney	Staffing	11/9/2017	11/12/2017	New York, NY, United States	\$1,307.00	Official	Secretary LOA
Marianne	McInerney	Staffing	12/1/2017	12/2/2017	Phoenix, AZ, United States	\$940.27	Official	Secretary LOA
Marianne	McInerney	Staffing	1/8/2018	1/11/2018	Las Vegas, NV, United States	\$2,378.83	Official	Secretary LOA
Marianne	McInerney	Staffing	1/13/2018	1/14/2018	Detroit, MI, United States	\$954.21	Official	Secretary LOA
Marianne	McInerney	Staffing	2/8/2018	2/11/2018	New York, NY, United States	\$1,038.88	Official	Secretary LOA

Marianne	McInerney	Staffing	3/26/2018	3/26/2018	New York, NY, United States	\$617.95	Official	Secretary LOA

Travel by the Secretary

Question: If any costs were initially borne by DOT or another federal agency for a political trip, please indicate when DOT or the other agency was reimbursed for its expenditures, by whom, and whether reimbursement in full has been received.

Answer: All Secretarial trips have been for official Department business. None of the trips have been for political purposes. Please reference the following, "Attachment 1 - Secretarial Travel:"

**Department of Transportation
Secretary and Accompanying Staff Travel Information**

First Name	Last Name	Purpose	Depart	Return	First Destination	Total Cost	Political or Official	Funded By
Geoffrey	Burr	Site Visit	6/16/2017	6/17/2017	New York, NY, United States	\$944.18	Official	Secretary LOA
Elaine	Chao	Site Visit	3/2/2017	3/3/2017	Beaumont, TX, United States	\$216.67	Official	Secretary LOA
Elaine	Chao	Conference Attendance and Speech	3/10/2017	3/12/2017	Jacksonville, FL, United States	\$891.70	Official	Secretary LOA
Elaine	Chao	Agency Management Activities	3/15/2017	3/15/2017	Detroit, MI, United States	\$392.65	Official	Secretary LOA
Elaine	Chao	Meetings	3/30/2017	3/31/2017	Ottawa, Canada	\$398.73	Official	Secretary LOA
Elaine	Chao	Site Visit	4/20/2017	4/21/2017	Boston, MA, United States	\$736.73	Official	Secretary LOA
Elaine	Chao	Site Visit	4/24/2017	4/24/2017	Columbus, OH, United States	\$120.59	Official	Secretary LOA
Elaine	Chao	Speech and Meetings	4/30/2017	5/3/2017	Los Angeles, CA, United States	\$2,001.89	Official	Secretary LOA
Elaine	Chao	Speech	5/18/2017	5/18/2017	Atlanta, GA, United States	\$333.42	Official	Secretary LOA
Elaine	Chao	Agency Management Activities and Meetings	5/19/2017	5/21/2017	New York, NY, United States	\$452.89	Official	Secretary LOA
Elaine	Chao	Agency Management Activities and Meetings	5/26/2017	5/29/2017	New York, NY, United States	\$487.16	Official	Secretary LOA

Elaine	Chao	Speech	5/30/2017	5/31/2017	Fargo, ND, United States	\$718.28	Official	Secretary LOA
Elaine	Chao	Speech	6/1/2017	6/2/2017	Charleston, SC, United States	\$978.56	Official	Secretary LOA
Elaine	Chao	Speech	6/5/2017	6/5/2017	Detroit, MI, United States	\$22.62	Official	Secretary LOA
Elaine	Chao	Speech and Meetings	6/8/2017	6/8/2017	New York, NY, United States	\$22.62	Official	Secretary LOA
Elaine	Chao	Speech	6/16/2017	6/17/2017	New York, NY, United States	\$487.65	Official	Secretary LOA
Elaine	Chao	Conference	6/18/2017	6/23/2017	Paris, France	\$2,334.13	Official	Secretary LOA
Elaine	Chao	Speech	6/28/2017	6/30/2017	Aspen, Colorado, United States	\$2,181.67	Official	Secretary LOA
Elaine	Chao	Speech and Meeting	7/13/2017	7/16/2017	Louisville, KY, United States	\$829.38	Official	Secretary LOA
Elaine	Chao	Site Visit	8/6/2017	8/9/2017	San Francisco, CA, United States	\$1,962.26	Official	Secretary LOA
Elaine	Chao	Site Visit	8/15/2017	8/15/2017	New York, NY, United States	\$63.14	Official	Secretary LOA
Elaine	Chao	Site Visit	8/21/2017	8/25/2017	Omaha, NE, United States	\$3,312.81	Official	Secretary LOA
Elaine	Chao	Site Visit	8/31/2017	8/31/2017	Corpus Christi, TX, United States	\$59.35	Official	Secretary LOA
Elaine	Chao	Meetings	9/9/2017	9/11/2017	New York, NY, United States	\$524.20	Official	Secretary LOA
Elaine	Chao	Speech	9/12/2017	9/12/2017	Detroit, MI, United States	\$526.54	Official	Secretary LOA
Elaine	Chao	Speech	9/18/2017	9/19/2017	New York, NY, United States	\$303.32	Official	Secretary LOA
Elaine	Chao	Speech	9/21/2017	9/24/2017	New York, NY, United States	\$196.04	Official	Secretary LOA
Elaine	Chao	Speech and Conference Attendance	9/27/2017	9/27/2017	Phoenix, AZ, United States	\$526.49	Official	Secretary LOA
Elaine	Chao	Speech	10/3/2017	10/4/2017	Las Vegas, NV, United States	\$787.25	Official	Secretary LOA
Elaine	Chao	Site Visit	10/5/2017	10/6/2017	Orlando, FL, United States	\$661.67	Official	Secretary LOA
Elaine	Chao	Speech	10/11/2017	10/11/2017	Atlanta, GA, United States	\$660.60	Official	Secretary LOA
Elaine	Chao	Speech	10/13/2017	10/15/2017	New York, NY, United States	\$340.09	Official	Secretary LOA
Elaine	Chao	Site Visit	10/17/2017	10/17/2017	Miami, FL, United States	\$525.04	Official	Secretary LOA
Elaine	Chao	Speech	10/20/2017	10/23/2017	New York, NY, United States	\$616.99	Official	Secretary LOA
Elaine	Chao	Speech	11/9/2017	11/12/2017	New York, NY, United States	\$406.02	Official	Secretary LOA

Elaine	Chao	Speech and Conference Attendance	12/1/2017	12/2/2017	Phoenix, AZ, United States	\$790.81	Official	Secretary LOA
Elaine	Chao	Speech and Conference Attendance	1/9/2018	1/11/2018	Las Vegas, NV, United States	\$1,709.75	Official	Secretary LOA
Elaine	Chao	Speech	1/14/2018	1/14/2018	Detroit, MI, United States	\$638.30	Official	Secretary LOA
Elaine	Chao	Conference	1/23/2018	1/26/2018	Davos, Switzerland	\$5,318.45	Official	Secretary LOA
Elaine	Chao	Speech and Conference Attendance	1/31/2018	2/1/2018	White Sulpher Springs, WV, United States	\$91.60	Official	Secretary LOA
Elaine	Chao	Site Visit	3/29/2018	3/29/2018	Cleveland, OH, United States	\$279.75	Official	Secretary LOA
Elaine	Chao	Speech	4/3/2018	4/4/2018	Reno, NV, United States	\$1,169.95	Official	Secretary LOA
Elaine	Chao	Site Visit	4/13/2018	4/13/2018	New York, NY, United States	\$192.62	Official	Secretary LOA
Thomas	Fulton	Staffing	4/24/2017	4/24/2017	Columbus, OH, United States	\$24.59	Official	Secretary LOA
Jonathan	Furman	Staffing	3/2/2017	3/3/2017	Beaumont, TX, United States	\$241.74	Official	Secretary LOA
Jonathan	Furman	Staffing	3/15/2017	3/15/2017	Detroit, MI, United States	\$505.95	Official	Secretary LOA
Jonathan	Furman	Staffing	3/30/2017	3/31/2017	Ottawa, Canada	\$362.07	Official	Secretary LOA
Jonathan	Furman	Staffing	4/20/2017	4/21/2017	Boston, MA, United States	\$719.74	Official	Secretary LOA
Jonathan	Furman	Staffing	4/30/2017	5/3/2017	Los Angeles, CA, United States	\$1,874.65	Official	Secretary LOA
Jonathan	Furman	Staffing	5/18/2017	5/18/2017	Atlanta, GA, United States	\$399.84	Official	Secretary LOA
Jonathan	Furman	Staffing	5/19/2017	5/21/2017	New York, NY, United States	\$449.46	Official	Secretary LOA
Jonathan	Furman	Staffing	5/26/2017	5/29/2017	New York, NY, United States	\$614.53	Official	Secretary LOA
Jonathan	Furman	Staffing	5/30/2017	5/31/2017	Fargo, ND, United States	\$729.59	Official	Secretary LOA
Jonathan	Furman	Staffing	6/1/2017	6/2/2017	Charleston, SC, United States	\$567.03	Official	Secretary LOA
Jonathan	Furman	Staffing	6/8/2017	6/8/2017	New York, NY, United States	\$39.15	Official	Secretary LOA
Jonathan	Furman	Staffing	6/16/2017	6/17/2017	New York, NY, United States	\$747.00	Official	Secretary LOA
Jonathan	Furman	Staffing	6/18/2017	6/23/2017	Paris, France	\$2,598.03	Official	Secretary LOA
Jonathan	Furman	Staffing	6/28/2017	6/30/2017	Aspen, Colorado, United States	\$1,397.88	Official	Secretary LOA

Jonathan	Furman	Staffing	7/13/2017	7/15/2017	Louisville, KY, United States	\$1,213.86	Official	Secretary LOA
Jonathan	Furman	Staffing	8/4/2017	8/9/2017	San Francisco, CA, United States	\$2,201.04	Official	Secretary LOA
Jonathan	Furman	Staffing	8/21/2017	8/25/2017	Omaha, NE, United States	\$6,778.09	Official	Secretary LOA
Jonathan	Furman	Staffing	9/9/2017	9/11/2017	New York, NY, United States	\$231.45	Official	Secretary LOA
Jonathan	Furman	Staffing	9/12/2017	9/12/2017	Detroit, MI, United States	\$260.65	Official	Secretary LOA
Jonathan	Furman	Staffing	9/14/2017	9/15/2017	Louisville, KY, United States	\$841.94	Official	Secretary LOA
Jonathan	Furman	Staffing	9/17/2017	9/19/2017	New York, NY, United States	\$473.01	Official	Secretary LOA
Jonathan	Furman	Staffing	9/27/2017	9/27/2017	Phoenix, AZ, United States	\$536.41	Official	Secretary LOA
Jonathan	Furman	Staffing	10/3/2017	10/4/2017	Las Vegas, NV, United States	\$788.84	Official	Secretary LOA
Jonathan	Furman	Staffing	10/5/2017	10/6/2017	Orlando, FL, United States	\$844.76	Official	Secretary LOA
Jonathan	Furman	Staffing	10/11/2017	10/11/2017	Atlanta, GA, United States	\$141.80	Official	Secretary LOA
Jonathan	Furman	Staffing	10/13/2017	10/15/2017	New York, NY, United States	\$668.99	Official	Secretary LOA
Jonathan	Furman	Staffing	10/20/2017	10/23/2017	New York, NY, United States	\$688.28	Official	Secretary LOA
Jonathan	Furman	Staffing	11/9/2017	11/12/2017	New York, NY, United States	\$558.80	Official	Secretary LOA
Jonathan	Furman	Staffing	11/30/2017	12/1/2017	New York, NY, United States	\$138.39	Official	Secretary LOA
Jonathan	Furman	Staffing	12/1/2017	12/2/2017	Phoenix, AZ, United States	\$819.06	Official	Secretary LOA
Jonathan	Furman	Staffing	12/21/2017	12/22/2017	Louisville, KY, United States	\$751.40	Official	Secretary LOA
Jonathan	Furman	Staffing	1/9/2018	1/11/2018	Las Vegas, NV, United States	\$1,763.38	Official	Secretary LOA
Jonathan	Furman	Staffing	1/14/2018	1/14/2018	Detroit, MI, United States	\$754.60	Official	Secretary LOA
Jonathan	Furman	Staffing	1/22/2018	1/26/2018	Davos, Switzerland	\$712.90	Official	Secretary LOA
Jonathan	Furman	Staffing	1/31/2018	2/1/2018	White Sulphur Springs, WV, United States	\$153.38	Official	Secretary LOA
Jonathan	Furman	Staffing	3/25/2018	3/26/2018	New York, NY, United States	\$417.85	Official	Secretary LOA
Jonathan	Furman	Staffing	3/29/2018	3/29/2018	Cleveland, OH, United States	\$78.45	Official	Secretary LOA
Jonathan	Furman	Staffing	4/13/2018	4/13/2018	New York, NY, United States	\$407.31	Official	Secretary LOA
Laura	Genero	Staffing	3/30/2017	3/31/2017	Ottawa, Canada	\$362.07	Official	Secretary LOA
Laura	Genero	Staffing	4/30/2017	5/3/2017	Los Angeles, CA, United States	\$1,774.26	Official	Secretary LOA

Laura	Genero	Staffing	6/18/2017	6/23/2017	Paris, France	\$2,568.10	Official	Secretary LOA
Laura	Genero	Staffing	6/28/2017	6/30/2017	Aspen, Colorado, United States	\$1,688.68	Official	Secretary LOA
Laura	Genero	Staffing	1/23/2018	1/26/2018	Davos, Switzerland	\$652.10	Official	Secretary LOA
James	Inman	Site Visit	3/2/2017	3/3/2017	Beaumont, TX, United States	\$225.64	Official	Secretary LOA
James	Inman	Staffing	3/14/2017	3/15/2017	Detroit, MI, United States	\$1,089.52	Official	Secretary LOA
James	Inman	Staffing	3/30/2017	3/31/2017	Ottawa, Canada	\$362.07	Official	Secretary LOA
James	Inman	Staffing	4/24/2017	4/24/2017	Columbus, OH, United States	\$21.52	Official	Secretary LOA
James	Inman	Staffing	5/18/2017	5/18/2017	Atlanta, GA, United States	\$333.42	Official	Secretary LOA
James	Inman	Staffing	5/25/2017	5/28/2017	New York, NY, United States	\$1,522.42	Official	Secretary LOA
James	Inman	Staffing	6/18/2017	6/23/2017	Paris, France	\$2,571.97	Official	Secretary LOA
James	Inman	Staffing	6/28/2017	6/30/2017	Aspen, Colorado, United States	\$711.87	Official	Secretary LOA
James	Inman	Staffing	7/12/2017	7/16/2017	Bridgeport, WV, United States	\$1,327.31	Official	Secretary LOA
James	Inman	Staffing	8/4/2017	8/9/2017	Paducah, KY, United States	\$2,078.17	Official	Secretary LOA
James	Inman	Staffing	8/15/2017	8/15/2017	New York, NY, United States	\$680.07	Official	Secretary LOA
James	Inman	Staffing	8/19/2017	8/20/2017	New York, NY, United States	\$355.93	Official	Secretary LOA
James	Inman	Staffing	8/21/2017	8/25/2017	Omaha, NE, United States	\$3,944.88	Official	Secretary LOA
James	Inman	Staffing	8/31/2017	8/31/2017	Corpus Christi, TX, United States	\$59.35	Official	Secretary LOA
James	Inman	Staffing	9/12/2017	9/12/2017	Detroit, MI, United States	\$594.80	Official	Secretary LOA
James	Inman	Staffing	9/17/2017	9/18/2017	Louisville, KY, United States	\$1,331.02	Official	Secretary LOA
James	Inman	Staffing	9/21/2017	9/22/2017	New York, NY, United States	\$945.27	Official	Secretary LOA
James	Inman	Staffing	9/27/2017	9/27/2017	Phoenix, AZ, United States	\$573.74	Official	Secretary LOA
James	Inman	Staffing	10/3/2017	10/4/2017	Las Vegas, NV, United States	\$779.25	Official	Secretary LOA
James	Inman	Staffing	10/11/2017	10/11/2017	Atlanta, GA, United States	\$466.89	Official	Secretary LOA
James	Inman	Staffing	10/17/2017	10/17/2017	Miami, FL, United States	\$78.45	Official	Secretary LOA
James	Inman	Staffing	10/23/2017	10/23/2017	Orlando, FL, United States	\$141.80	Official	Secretary LOA
James	Inman	Staffing	12/1/2017	12/2/2017	Phoenix, AZ, United States	\$795.68	Official	Secretary LOA

James	Inman	Staffing	12/21/2017	12/22/2017	Louisville, KY, United States	\$310.35	Official	Secretary LOA
James	Inman	Staffing	1/9/2018	1/11/2018	Las Vegas, NV, United States	\$1,675.83	Official	Secretary LOA
James	Inman	Staffing	1/13/2018	1/14/2018	Detroit, MI, United States	\$718.12	Official	Secretary LOA
James	Inman	Staffing	2/16/2018	2/16/2018	Orlando, FL, United States	\$78.45	Official	Secretary LOA
James	Inman	Staffing	4/3/2018	4/5/2018	Reno, NV, United States	\$832.90	Official	Secretary LOA
Marianne	McInerney	Staffing	3/2/2017	3/3/2017	Beaumont, TX, United States	\$211.72	Official	Secretary LOA
Marianne	McInerney	Staffing	4/20/2017	4/21/2017	Boston, MA, United States	\$717.08	Official	Secretary LOA
Marianne	McInerney	Staffing	4/23/2017	4/24/2017	Columbus, OH, United States	\$541.90	Official	Secretary LOA
Marianne	McInerney	Staffing	4/30/2017	5/3/2017	Los Angeles, CA, United States	\$1,897.99	Official	Secretary LOA
Marianne	McInerney	Staffing	5/18/2017	5/18/2017	Atlanta, GA, United States	\$625.20	Official	Secretary LOA
Marianne	McInerney	Staffing	5/26/2017	5/28/2017	New York, NY, United States	\$1,044.70	Official	Secretary LOA
Marianne	McInerney	Staffing	5/30/2017	5/31/2017	Fargo, ND, United States	\$719.33	Official	Secretary LOA
Marianne	McInerney	Staffing	6/2/2017	6/2/2017	Charleston, SC, United States	\$488.50	Official	Secretary LOA
Marianne	McInerney	Staffing	6/16/2017	6/18/2017	Kings Point, NY, United States	\$765.33	Official	Secretary LOA
Marianne	McInerney	Staffing	6/18/2017	6/23/2017	Paris, France	\$2,504.05	Official	Secretary LOA
Marianne	McInerney	Staffing	6/28/2017	6/30/2017	Aspen, Colorado, United States	\$2,554.56	Official	Secretary LOA
Marianne	McInerney	Staffing	8/15/2017	8/15/2017	New York, NY, United States	\$639.02	Official	Secretary LOA
Marianne	McInerney	Staffing	8/19/2017	8/20/2017	New York, NY, United States	\$408.98	Official	Secretary LOA
Marianne	McInerney	Staffing	9/11/2017	9/12/2017	Detroit, MI, United States	\$800.02	Official	Secretary LOA
Marianne	McInerney	Staffing	9/14/2017	9/15/2017	Louisville, KY, United States	\$1,010.20	Official	Secretary LOA
Marianne	McInerney	Staffing	9/18/2017	9/18/2017	New York, NY, United States	\$782.02	Official	Secretary LOA
Marianne	McInerney	Staffing	10/3/2017	10/3/2017	Las Vegas, NV, United States	\$551.85	Official	Secretary LOA
Marianne	McInerney	Staffing	10/14/2017	10/15/2017	New York, NY, United States	\$722.57	Official	Secretary LOA
Marianne	McInerney	Staffing	11/9/2017	11/12/2017	New York, NY, United States	\$1,307.00	Official	Secretary LOA
Marianne	McInerney	Staffing	12/1/2017	12/2/2017	Phoenix, AZ, United States	\$940.27	Official	Secretary LOA
Marianne	McInerney	Staffing	1/8/2018	1/11/2018	Las Vegas, NV, United States	\$2,378.83	Official	Secretary LOA

Marianne	McInerney	Staffing	1/13/2018	1/14/2018	Detroit, MI, United States	\$954.21	Official	Secretary LOA
Marianne	McInerney	Staffing	2/8/2018	2/11/2018	New York, NY, United States	\$1,038.88	Official	Secretary LOA
Marianne	McInerney	Staffing	3/26/2018	3/26/2018	New York, NY, United States	\$617.95	Official	Secretary LOA

Travel by the Secretary

Question: Please provide the same travel information as in the first question for all political appointees, by name, on the DOT roster as of the date of receipt of this question.

Answer: Please reference the following, "Attachment 2 - Secretarial Non-Career Travel:"

**Department of Transportation
Non-Career Travel Information**

FIRST NAME	LAST NAME	PURPOSE	DEPART	RETURN	FIRST DESTINATION
Richard	Balzano	Site Visit	10/19/2017	10/19/2017	Kings Point, NY, United States
Richard	Balzano	Site Visit	10/27/2017	10/27/2017	New York, NY, United States
Richard	Balzano	Site Visit	11/16/2017	11/17/2017	Boston, MA, United States
Richard	Balzano	Conference	11/29/2017	11/29/2017	New York, NY, United States
Richard	Balzano	Site Visit	1/23/2018	1/24/2018	Norfolk, VA, United States
Richard	Balzano	Conference Attendance	1/29/2018	1/30/2018	Dallas, TX, United States
Richard	Balzano	Conference Attendance	4/3/2018	4/6/2018	Fort Lauderdale, FL, United States
Brian	Barnard	Conference	12/12/2017	12/13/2017	Detroit, MI, United States
Brian	Barnard	Conference	1/9/2018	1/11/2018	Las Vegas, NV, United States
Brian	Barnard	Conference	1/13/2018	1/16/2018	Detroit, MI, United States
Brian	Barnard	Agency Management Activities	2/15/2018	2/15/2018	Piney Point, MD, MD, US (Standard Rate)
Brian	Barnard	Conference	4/2/2018	4/5/2018	San Francisco, CA, United States
Ronald	Batory	Conference Attendance	3/13/2018	3/13/2018	New Orleans, LA, United States
Ronald	Batory	Conference	4/13/2018	4/13/2018	New York, NY, United States
Anthony	Bedell	Speech - Conference Attendance	8/7/2017	8/7/2017	Boston, MA, United States

Anthony	Bedell	Conference Attendance	9/12/2017	9/13/2017	St. Louis, MO, United States
Anthony	Bedell	InterGov - Meeting	9/20/2017	9/20/2017	Morrisville, PA, United States
Anthony	Bedell	InterGov - Tribal Conference	9/24/2017	9/28/2017	Tucson, AZ, United States
Anthony	Bedell	InterGov - Meeting	10/15/2017	10/18/2017	Chicago, IL, United States
Anthony	Bedell	InterGov - Meeting	11/14/2017	11/16/2017	Austin, TX, United States
Anthony	Bedell	InterGov - Conference Attendance	11/30/2017	12/3/2017	Phoenix, AZ, United States
Anthony	Bedell	Conference Attendance	12/11/2017	12/11/2017	Columbus, OH, United States
Anthony	Bedell	Conference Attendance	1/11/2018	1/14/2018	Las Vegas, NV, United States
Anthony	Bedell	InterGov - Meeting	1/29/2018	1/30/2018	Richmond (City), VA, United States
Anthony	Bedell	Site Visit	2/7/2018	2/8/2018	Columbus, OH, United States
Anthony	Bedell	InterGov - Meeting	2/21/2018	2/22/2018	Austin, TX, United States
Anthony	Bedell	InterGov - Meeting	3/21/2018	3/23/2018	Tampa, FL, United States
Anthony	Bedell	Conference	4/3/2018	4/5/2018	Reno, NV, United States
Christopher	Brown	Conference and Meetings	11/7/2017	11/9/2017	Seattle, WA, United States
Christopher	Brown	Conference Attendance	1/9/2018	1/11/2018	Las Vegas, NV, United States
Douglas	Burnett	Conference	11/29/2017	11/29/2017	New York, NY, United States
Douglas	Burnett	Conference	1/10/2018	1/10/2018	New York, NY, United States
Grover	Burthey	Conference Attendance	9/19/2017	9/20/2017	Chicago, IL, United States
Grover	Burthey	Conference Attendance	9/29/2017	10/4/2017	Los Angeles, CA, United States
Grover	Burthey	Conference Attendance - Speech	10/18/2017	10/20/2017	New York, NY, United States
Grover	Burthey	Speech	10/29/2017	10/31/2017	Montreal, Canada
Grover	Burthey	Speech - Infrastructure Panel	12/5/2017	12/5/2017	New York, NY, United States
Grover	Burthey	Project Oversight	1/22/2018	1/24/2018	Miami, FL, United States

Grover	Burthey	Project Oversight	1/25/2018	1/26/2018	Los Angeles, CA, United States
Grover	Burthey	Conference Attendance	2/27/2018	2/28/2018	New York, NY, United States
Grover	Burthey	Conference Attendance	3/8/2018	3/8/2018	Newark, NJ, United States
Mark	Buzby	Agency Management Activities	8/22/2017	8/22/2017	New York, NY, United States
Mark	Buzby	Site Visit	8/28/2017	8/29/2017	Houston, TX, United States
Mark	Buzby	Speech	8/31/2017	8/31/2017	New York, NY, United States
Mark	Buzby	Site Visit	9/14/2017	9/16/2017	New York, NY, United States
Mark	Buzby	Project Oversight - Meeting	9/17/2017	9/18/2017	Saint Louis, MO, United States
Mark	Buzby	Meetings	9/20/2017	9/22/2017	New York, NY, United States
Mark	Buzby	Meetings	10/1/2017	10/5/2017	Panama City, Panama
Mark	Buzby	Meetings	10/9/2017	10/14/2017	St. Louis, MO, United States
Mark	Buzby	Speech and Meeting	10/18/2017	10/20/2017	Orlando, FL, United States
Mark	Buzby	Meetings	11/6/2017	11/6/2017	New York, NY, United States
Mark	Buzby	Speech	11/7/2017	11/9/2017	Providence, RI, United States
Mark	Buzby	Site Visit	11/10/2017	11/12/2017	New York, NY, United States
Mark	Buzby	Speech	11/14/2017	11/16/2017	New York, NY, United States
Mark	Buzby	Conference Attendance	11/29/2017	12/1/2017	New Orleans, LA, United States
Mark	Buzby	Meetings	12/2/2017	12/7/2017	Seattle, WA, United States
Mark	Buzby	Site Visits	12/14/2017	12/17/2017	Newark, NJ, United States
Mark	Buzby	Site Visit	1/3/2018	1/3/2018	New York, NY, United States
Mark	Buzby	Site Visit	1/13/2018	1/14/2018	District of Columbia, DC, United States
Mark	Buzby	Site Visit	1/18/2018	1/20/2018	Houston, TX, United States
Mark	Buzby	Speech	2/5/2018	2/7/2018	Cleveland, OH, United States
Mark	Buzby	Speech	2/9/2018	2/10/2018	Tampa, FL, United States

Mark	Buzby	Conference Attendance	2/20/2018	2/21/2018	St. Louis, MO, United States
Mark	Buzby	Speech	2/22/2018	2/23/2018	New York, NY, United States
Mark	Buzby	Site Visit	3/8/2018	3/9/2018	Providence, RI, United States
Mark	Buzby	Meetings	3/12/2018	3/13/2018	New York, NY, United States
Mark	Buzby	Meetings	3/14/2018	3/15/2018	Valhalla, NY, NY, US (Westchester County)
Mark	Buzby	Conference	3/17/2018	3/22/2018	Tokyo City, Japan
Mark	Buzby	Site Visit	3/26/2018	3/27/2018	Savannah, GA, United States
Mark	Buzby	Speech	4/4/2018	4/4/2018	Wilmington, DE, United States
Mark	Buzby	Meetings	4/11/2018	4/12/2018	New York, NY, United States
Mark	Buzby	Agency Management Activities	4/13/2018	4/14/2018	New York, NY, United States
Mark	Buzby	Meetings	4/16/2018	4/17/2018	New York, NY, United States
Peter	Cipriano	Project Oversight - Meeting	10/13/2017	10/16/2017	Bwi Airport, MD, United States
James	Deck	Speech	8/16/2017	8/17/2017	Denver, CO, United States
James	Deck	Conference Attendance	9/17/2017	9/21/2017	White Horse, CAN (Other)
James	Deck	Site Visit	9/25/2017	9/27/2017	Austin, TX, United States
James	Deck	Speech	10/29/2017	11/2/2017	Montreal, Canada
James	Deck	Meetings	3/4/2018	3/7/2018	San Francisco, CA, United States
James	Deck	Agency Management Activities	3/13/2018	3/15/2018	El Paso, TX, United States
James	Deck	Conference Attendance	3/22/2018	3/23/2018	Louisville, KY, United States
Benjamin	Edwards	Meetings	3/13/2018	3/14/2018	Melbourne, FL, United States
Howard	Elliott	Site Visit	2/20/2018	2/23/2018	Oklahoma City, OK, United States
Howard	Elliott	Conference Attendance	3/6/2018	3/8/2018	Phoenix, AZ, United States
Daniel	Elwell	Conference Attendance	6/27/2017	6/28/2017	Memphis, TN, United States
Daniel	Elwell	Site Visit	7/24/2017	7/25/2017	Oshkosh, WI, United States

Daniel	Elwell	Meetings	8/22/2017	8/23/2017	Hampton, VA, United States
Daniel	Elwell	Meetings	9/5/2017	9/6/2017	Chicago, IL, United States
Daniel	Elwell	Meetings	10/3/2017	10/4/2017	Chicago, IL, United States
Daniel	Elwell	Site Visit	10/11/2017	10/11/2017	Boston, MA, United States
Daniel	Elwell	Conference Attendance	11/7/2017	11/10/2017	Seattle, WA, United States
Daniel	Elwell	Conference Attendance	11/18/2017	11/22/2017	Buenos Aires, Argentina
Daniel	Elwell	Other	12/3/2017	12/9/2017	Orlando, FL, United States
Daniel	Elwell	Other	12/17/2017	12/22/2017	Orlando, FL, United States
Daniel	Elwell	Conference Attendance and Speech	1/9/2018	1/11/2018	Las Vegas, NV, United States
Daniel	Elwell	Conference Attendance	2/26/2018	3/2/2018	London, United Kingdom
Daniel	Elwell	Conference Attendance	3/12/2018	3/14/2018	Orlando, FL, United States
Andrew	Fink	Advance for Official Travel	8/20/2017	8/25/2017	Anchorage INCL NAV RES, AK, United States
Andrew	Fink	Advance for Official Travel	9/10/2017	9/11/2017	New York, NY, United States
Andrew	Fink	Advance for Official Travel	9/17/2017	9/18/2017	Louisville, KY, United States
Andrew	Fink	Advance for Official Travel	9/21/2017	9/22/2017	New York, NY, United States
Andrew	Fink	Advance for Official Travel	10/5/2017	10/6/2017	Orlando, FL, United States
Andrew	Fink	Advance for Official Travel	10/9/2017	10/11/2017	Atlanta, GA, United States
Andrew	Fink	Advance for Official Travel	10/14/2017	10/15/2017	New York, NY, United States
Andrew	Fink	Advance for Official Travel	10/17/2017	10/17/2017	Miami, FL, United States
Andrew	Fink	Advance for Official Travel	10/25/2017	11/6/2017	Beijing, China
Andrew	Fink	Advance for Official Travel	11/10/2017	11/12/2017	New York, NY, United States
Andrew	Fink	Advance for Official Travel	11/30/2017	12/2/2017	Phoenix, AZ, United States
Andrew	Fink	Advance for Official Travel	2/15/2018	2/15/2018	Orlando, FL, United States

Darien	Flowers	Agency Management Activities	2/14/2018	2/15/2018	Piney Point, MD, US (Standard Rate)
Darien	Flowers	Meetings	3/18/2018	3/20/2018	Miami, FL, United States
Robert	Fraser	Site Visit	8/20/2017	8/25/2017	Omaha, NE, United States
Robert	Fraser	Site Visit	10/27/2017	10/27/2017	New York, NY, United States
Robert	Fraser	Site Visit	12/2/2017	12/4/2017	Boston, MA, United States
Robert	Fraser	Site Visit	1/23/2018	1/24/2018	Norfolk, VA, United States
Robert	Fraser	Site Visit	1/31/2018	2/1/2018	White Sulphur Springs, WV, US (Greenbrier County)
Robert	Fraser	Site Visit	3/8/2018	3/9/2018	Providence, RI, United States
Thomas	Fulton	Conference Attendance	6/12/2017	6/13/2017	New York, NY, United States
Thomas	Fulton	Conference Attendance	8/15/2017	8/16/2017	Dallas, TX, United States
Thomas	Fulton	Speech	9/12/2017	9/12/2017	Detroit, MI, United States
Thomas	Fulton	Conference Attendance	9/17/2017	9/18/2017	College Station, TX, US (Brazos County)
Thomas	Fulton	Site Visit	9/27/2017	9/28/2017	Memphis, TN, United States
Thomas	Fulton	Conference Attendance	10/25/2017	10/27/2017	Las Vegas, NV, United States
Thomas	Fulton	Conference Attendance	10/25/2017	10/27/2017	Las Vegas, NV, United States
Thomas	Fulton	Conference Attendance	11/7/2017	11/8/2017	Boston, MA, United States
Thomas	Fulton	Conference Attendance and Speech	12/1/2017	12/2/2017	Phoenix, AZ, United States
Thomas	Fulton	Conference Attendance	1/9/2018	1/12/2018	Las Vegas, NV, United States
Thomas	Fulton	Conference Attendance	1/14/2018	1/15/2018	Detroit, MI, United States
Thomas	Fulton	Speech	3/13/2018	3/13/2018	Columbia, SC, United States
Thomas	Fulton	Site Visit	3/29/2017	3/31/2017	Ottawa, Canada
Cathy	Gautreaux	Speech	11/14/2017	11/15/2017	Birmingham, AL, United States
Cathy	Gautreaux	Conference Attendance	12/10/2017	12/12/2017	West Palm Beach, FL, United States

Cathy	Gautreaux	Agency Management Activities	1/25/2018	1/31/2018	New Orleans, LA, United States
Cathy	Gautreaux	Agency Management Activities	2/26/2018	2/27/2018	Oklahoma City, OK, United States
Cathy	Gautreaux	Meetings	3/4/2018	3/6/2018	San Francisco, CA, United States
Brandye	Hendrickson	Conference Attendance	7/26/2017	7/28/2017	Cleveland, OH, United States
Brandye	Hendrickson	Conference Attendance	8/14/2017	8/15/2017	Norfolk, VA, United States
Brandye	Hendrickson	Site Visit	8/29/2017	8/29/2017	Chicago, IL, United States
Brandye	Hendrickson	Conference Attendance	9/26/2017	9/29/2017	Phoenix, AZ, United States
Brandye	Hendrickson	Agency Management Activities	11/16/2017	11/16/2017	Austin, TX, United States
Brandye	Hendrickson	Site Visit	12/14/2017	12/15/2017	Columbus, OH, United States
Brandye	Hendrickson	Conference Attendance	1/27/2018	1/29/2018	San Antonio, TX, United States
Brandye	Hendrickson	Agency Management Activities	1/30/2018	2/1/2018	Luis Munoz Marin IAP AGS, Puerto Rico
Brandye	Hendrickson	Agency Management Activities	2/6/2018	2/7/2018	Louisville, KY, United States
Brandye	Hendrickson	Agency Management Activities	2/15/2018	2/15/2018	Piney Point, MD, US (Standard Rate)
Brandye	Hendrickson	Agency Management Activities	2/22/2018	2/23/2018	Jackson, MS, United States
Brandye	Hendrickson	Agency Management Activities	3/6/2018	3/7/2018	Denver, CO, United States
Brandye	Hendrickson	Agency Management Activities	4/9/2018	4/10/2018	Topeka, KS, United States
Brandye	Hendrickson	Agency Management Activities	4/17/2018	4/18/2018	Albany, NY, United States
Christopher	Hess	Meetings	7/27/2017	7/27/2017	New York, NY, United States
Christopher	Hess	Site Visit	8/14/2017	8/17/2017	St. Louis, MO, United States

Christopher	Hess	Site Visit	9/18/2017	9/21/2017	Oakland, CA, United States
Christopher	Hess	Conference Attendance	10/18/2017	10/23/2017	Orlando, FL, United States
Christopher	Hess	Agency Management Activities	11/19/2017	11/20/2017	Hartford, CT, United States
Victoria	Hildebrand	Agency Management Activities	2/7/2018	2/12/2018	Boston, MA, United States
James	Inman	Site Visit	10/12/2017	10/16/2017	Beijing, China
Derek	Kan	Site Visit	8/6/2017	8/9/2017	San Francisco, CA, United States
Derek	Kan	Site Visit	9/12/2017	9/12/2017	Detroit, MI, United States
Derek	Kan	Conference	10/28/2017	11/1/2017	Beijing, China
Derek	Kan	Conference Attendance	12/5/2017	12/5/2017	Newark, NJ, United States
Derek	Kan	Conference	12/19/2017	12/19/2017	Boston, MA, United States
Derek	Kan	Conference Attendance	1/9/2018	1/12/2018	Las Vegas, NV, United States
Derek	Kan	Conference	1/14/2018	1/14/2018	Detroit, MI, United States
Derek	Kan	Site Visit	1/29/2018	2/2/2018	Beijing, China
Heidi	King	Speech	10/22/2017	10/23/2017	Detroit, MI, United States
Heidi	King	Agency Management Activities	11/15/2017	11/20/2017	Sacramento, CA, United States
Heidi	King	Agency Management Activities	11/29/2017	12/3/2017	Santa Ana, CA, CA, US (Orange County)
Heidi	King	Speech	12/12/2017	12/13/2017	Dearborn, MI, United States
Heidi	King	Conference Attendance	12/14/2017	12/15/2017	Los Angeles, CA, United States
Heidi	King	Conference Attendance	1/9/2018	1/11/2018	Las Vegas, NV, United States
Heidi	King	Conference	1/13/2018	1/17/2018	Detroit, MI, United States
Heidi	King	Agency Management Activities	4/2/2018	4/5/2018	San Francisco, CA, United States
Matthew	Kopko	Agency Management Activities	3/10/2017	3/10/2017	Philadelphia, PA, United States

Matthew	Kopko	Conference	3/29/2017	3/31/2017	Newark, NJ, United States
Matthew	Kopko	Site Visit	6/27/2017	6/28/2017	New York, NY, United States
Monica	Kuo	Conference	10/14/2017	10/15/2017	New York, NY, United States
Monica	Kuo	Conference	11/9/2017	11/12/2017	New York, NY, United States
Mark	Lillie	Agency Management Activities	3/7/2018	3/11/2018	Chicago, IL, United States
Mark	Lillie	Agency Management Activities	4/11/2018	4/11/2018	Atlanta, GA, United States
Gregory	Martin	Conference Attendance	7/26/2017	7/27/2017	Oshkosh, WI, United States
Gregory	Martin	Agency Management Activities	9/17/2017	9/19/2017	Bentonville, AR, United States
Gregory	Martin	Conference	9/25/2017	9/26/2017	Fort Lauderdale, FL, United States
Gregory	Martin	Agency Management Activities	11/7/2017	11/9/2017	Seattle, WA, United States
Gregory	Martin	Agency Management Activities	11/10/2017	11/11/2017	Chincoteague, VA, United States
Gregory	Martin	Agency Management Activities	11/15/2017	11/19/2017	London, United Kingdom
Gregory	Martin	Agency Management Activities	12/11/2017	12/14/2017	London, United Kingdom
Gregory	Martin	Conference Attendance	1/9/2018	1/11/2018	Las Vegas, NV, United States
Raymond	Martinez	Agency Management Activities	2/26/2018	2/27/2018	Oklahoma City, OK, United States
Raymond	Martinez	Site Visit	3/13/2018	3/15/2018	El Paso, TX, United States
Raymond	Martinez	Speech	3/22/2018	3/23/2018	Louisville, KY, United States
Raymond	Martinez	Speech	3/25/2018	3/26/2018	Orlando, FL, United States
Raymond	Martinez	Speech	4/2/2018	4/4/2018	Albany, NY, United States
Raymond	Martinez	Speech	4/8/2018	4/9/2018	Portland, OR, United States

Sean	McMaster	Conference	10/17/2017	10/17/2017	Miami, FL, United States
Sean	McMaster	Conference	1/31/2018	2/1/2018	White Sulphur Springs, WV, US (Standard Rate)
Sean	McMaster	Conference	4/13/2018	4/13/2018	New York, NY, United States
Christopher	Mitton	InterGov - Meeting	9/20/2017	9/20/2017	Morrisville, PA, United States
Christopher	Mitton	InterGov - Meeting	1/29/2018	1/30/2018	Richmond, VA, United States
Myra	Moore	Advance for Official Travel	7/13/2017	7/15/2017	Louisville, KY, United States
Owen	Morgan	Advance for Official Travel	5/27/2017	5/29/2017	New York, NY, United States
Owen	Morgan	Advance for Official Travel	8/19/2017	8/20/2017	New York, NY, United States
Jonathan	Morrison	Conference	11/15/2017	11/18/2017	Sacramento, CA, United States
Keith	Nelson	Site Visit	2/22/2018	2/22/2018	Kansas City, MO, United States
Keith	Nelson	Agency Management Activities	3/8/2018	3/8/2018	Newark, NJ, United States
Drue	Pearce	Conference Attendance	9/26/2017	9/28/2017	Columbus, OH, United States
Drue	Pearce	Conference Attendance	10/2/2017	10/5/2017	Atlanta, GA, United States
Drue	Pearce	Conference Attendance	11/1/2017	11/9/2017	Atlanta, GA, United States
Drue	Pearce	Conference Attendance	11/13/2017	11/13/2017	Chattanooga, TN, United States
Drue	Pearce	Site Visit	11/18/2017	11/22/2017	Minneapolis, MN, United States
Drue	Pearce	Conference Attendance	1/14/2018	1/20/2018	Anchorage INCL NAV RES, AK, United States
Drue	Pearce	Agency Management Activities	4/3/2018	4/6/2018	Oklahoma City, OK, United States
Andrew	Post	Conference	8/21/2017	8/23/2017	Omaha, NE, United States
Andrew	Post	Conference Attendance	10/10/2017	10/11/2017	Atlanta, GA, United States
Andrew	Post	Conference	10/22/2017	10/23/2017	Orlando, FL, United States
Andrew	Post	Conference	1/6/2018	1/11/2018	Las Vegas, NV, United States

Andrew	Post	Grant Support	4/2/2018	4/5/2018	Reno, NV, United States
Barry	Plans	Conference	8/18/2017	8/20/2017	Flushing, New York, NY, US (New York County)
Barry	Plans	Site Visit	1/19/2018	1/20/2018	Jacksonville, FL, United States
James	Ray	Conference Attendance	8/14/2017	8/16/2017	Norfolk, VA, United States
James	Ray	Speech	9/17/2017	9/18/2017	College Station TX, TX, US (Brazos County)
James	Ray	Conference Attendance	9/19/2017	9/20/2017	Savannah, GA, United States
James	Ray	Conference Attendance	9/26/2017	9/29/2017	Phoenix, AZ, United States
James	Ray	InterGov - Meeting	10/15/2017	10/17/2017	Chicago, IL, United States
Juan	Reyes	Agency Management Activities	9/27/2017	9/29/2017	Pueblo, CO, United States
Juan	Reyes	Project Oversight	10/30/2017	11/1/2017	Darien, CT, United States
Juan	Reyes	InterGov - Meeting	11/20/2017	11/21/2017	New Haven, CT, United States
Juan	Reyes	Project Oversight	3/8/2018	3/13/2018	Newark, NJ, United States
Juan	Reyes	Agency Management Activities	4/11/2018	4/11/2018	Miami, FL, United States
Jeffrey	Rosen	Agency Management Activities	8/15/2017	8/15/2017	New York, NY, United States
Jeffrey	Rosen	InterGov - Meeting	2/20/2018	2/21/2018	Cocoa Beach, FL, United States
Jeffrey	Rosen	Speech	2/22/2018	2/23/2018	New York, NY, United States
Benjamin	Siegrist	Advance for Official Travel	4/19/2017	4/21/2017	Boston, MA, United States
Benjamin	Siegrist	Advance for Official Travel	4/30/2017	5/3/2017	Los Angeles, CA, United States
Benjamin	Siegrist	Advance for Official Travel	5/25/2017	5/28/2017	New York, NY, United States
Benjamin	Siegrist	Advance for Official Travel	5/29/2017	5/31/2017	Fargo, ND, United States
Benjamin	Siegrist	Advance for Official Travel	6/13/2017	6/21/2017	Paris, France

Benjamin	Siegrist	Advance for Official Travel	8/19/2017	8/20/2017	New York, NY, United States
Benjamin	Siegrist	Advance for Official Travel	9/11/2017	9/12/2017	Detroit, MI, United States
Benjamin	Siegrist	Advance for Official Travel	9/18/2017	9/18/2017	New York, NY, United States
Benjamin	Siegrist	Advance for Official Travel	9/26/2017	9/27/2017	Phoenix, AZ, United States
Benjamin	Siegrist	Advance for Official Travel	10/16/2017	10/17/2017	Miami, FL, United States
Benjamin	Siegrist	Advance for Official Travel	10/22/2017	11/5/2017	Beijing, China
Benjamin	Siegrist	Advance for Official Travel	1/12/2018	1/14/2018	Detroit, MI, United States
Benjamin	Siegrist	Advance for Official Travel	1/31/2018	2/1/2018	Lewisburg, WV, United States
Benjamin	Siegrist	Advance for Official Travel	2/14/2018	2/15/2018	California, MD, United States
Benjamin	Siegrist	Advance for Official Travel	3/26/2018	3/26/2018	New York, NY, United States
Elisabeth	Smeda	InterGov - Meeting	6/27/2017	6/29/2017	Memphis, TN, United States
Elisabeth	Smeda	Site Visit	7/24/2017	7/25/2017	Oshkosh, WI, United States
Elisabeth	Smeda	Agency Management Activities	9/5/2017	9/6/2017	Chicago, IL, United States
Elisabeth	Smeda	InterGov - Meeting	10/3/2017	10/4/2017	Chicago, IL, United States
Elisabeth	Smeda	InterGov - Meeting	2/5/2018	2/7/2018	Melbourne, FL, United States
Elisabeth	Smeda	InterGov - Meeting	3/13/2018	3/14/2018	Melbourne, FL, United States
Geoff	Smith	Advance for Official Travel	3/1/2017	3/4/2017	Houston, TX, United States
Geoff	Smith	Advance for Official Travel	4/28/2017	5/3/2017	Los Angeles, CA, United States
Geoff	Smith	Advance for Official Travel	5/26/2017	5/28/2017	New York, NY, United States
Geoff	Smith	Advance for Official Travel	6/4/2017	6/5/2017	Detroit, MI, United States
Geoff	Smith	Advance for Official Travel	6/14/2017	6/24/2017	Cagliari, ITA (Other)
Geoff	Smith	Advance for Official Travel	8/3/2017	8/9/2017	San Francisco, CA, United States
Geoff	Smith	Advance for Official Travel	8/20/2017	8/23/2017	Omaha, NE, United States

Geoff	Smith	Advance for Official Travel	8/28/2017	8/29/2017	South Bend, IN, United States
Geoff	Smith	Advance for Official Travel	9/19/2017	9/19/2017	Wilmington, DE, United States
Geoff	Smith	Advance for Official Travel	10/2/2017	10/4/2017	Las Vegas, NV, United States
Geoff	Smith	Advance for Official Travel	10/14/2017	10/15/2017	New York, NY, United States
Geoff	Smith	Advance for Official Travel	10/19/2017	10/20/2017	New York, NY, United States
Geoff	Smith	Advance for Official Travel	1/7/2018	1/11/2018	Las Vegas, NV, United States
Geoff	Smith	Advance for Official Travel	3/28/2018	3/29/2018	Cleveland, OH, United States
Loren	Smith	Conference Attendance	10/4/2017	10/5/2017	Des Moines, IA, United States
Loren	Smith	Agency Management Activities	12/4/2017	12/4/2017	Boston, MA, United States
Loren	Smith	Conference Attendance	12/8/2017	12/8/2017	Nashville, TN, United States
Megan	Sweeney	Conference	9/27/2017	9/27/2017	Phoenix, AZ, United States
Megan	Sweeney	Conference	10/16/2017	10/17/2017	Miami, FL, United States
Megan	Sweeney	Conference	1/13/2018	1/14/2018	Detroit, MI, United States
Charles	Trippe	Site Visit	8/16/2017	8/17/2017	Dallas, TX, United States
Charles	Trippe	Site Visit	9/11/2017	9/14/2017	Los Angeles, CA, United States
Charles	Trippe	Agency Management Activities	10/10/2017	10/11/2017	Atlanta, GA, United States
Charles	Trippe	Site Visit	10/18/2017	10/21/2017	Anchorage INCL NAV RES, AK, United States
Charles	Trippe	Site Visit	10/25/2017	10/25/2017	Jamaica, NY, United States
Charles	Trippe	Agency Management Activities	11/7/2017	11/7/2017	Atlanta, GA, United States
Charles	Trippe	Site Visit	1/30/2018	1/30/2018	Chicago, IL, United States
Charles	Trippe	Site Visit	2/26/2018	2/28/2018	Seattle, WA, United States

Charles	Trippe	Agency Management Activities	3/28/2018	3/29/2018	Dallas, TX, United States
James	Wilkinson	Advance for Official Travel	3/1/2017	3/4/2017	Houston, TX, United States
James	Wilkinson	Advance for Official Travel	3/28/2017	4/1/2017	Ottawa, Canada
James	Wilkinson	Advance for Official Travel	4/23/2017	4/24/2017	Columbus, OH, United States
James	Wilkinson	Advance for Official Travel	5/17/2017	5/18/2017	Atlanta, GA, United States
James	Wilkinson	Advance for Official Travel	5/25/2017	5/28/2017	New York, NY, United States
James	Wilkinson	Advance for Official Travel	5/31/2017	6/2/2017	Charleston, SC, United States
James	Wilkinson	Advance for Official Travel	6/6/2017	6/9/2017	New York, NY, United States
James	Wilkinson	Advance for Official Travel	6/15/2017	6/17/2017	New York, NY, United States
James	Wilkinson	Advance for Official Travel	6/25/2017	7/1/2017	Aspen, CO, United States
James	Wilkinson	Advance for Official Travel	7/30/2017	8/1/2017	St. Louis, MO, United States
James	Wilkinson	Advance for Official Travel	8/20/2017	8/25/2017	Anchorage INCL NAV RES, AK, United States
James	Wilkinson	Advance for Official Travel	8/29/2017	8/29/2017	St. Louis, MO, United States
James	Wilkinson	Advance for Official Travel	9/20/2017	9/22/2017	New York, NY, United States
James	Wilkinson	Advance for Official Travel	9/25/2017	9/26/2017	Piney Point, MD, US (Standard Rate)
James	Wilkinson	Advance for Official Travel	10/21/2017	10/23/2017	Orlando, FL, United States
James	Wilkinson	Advance for Official Travel	11/10/2017	11/12/2017	New York, NY, United States
James	Wilkinson	Advance for Official Travel	12/20/2017	12/22/2017	Louisville, KY, United States
James	Wilkinson	Advance for Official Travel	1/16/2018	1/27/2018	Zurich, Switzerland
James	Wilkinson	Advance for Official Travel	2/14/2018	2/15/2018	California, MD, United States
James	Wilkinson	Advance for Official Travel	3/31/2018	4/5/2018	Reno, NV, United States
Kimberly	Williams	Speech	10/7/2017	10/15/2017	Atlanta, GA, United States
Kimberly	Williams	Speech	10/29/2017	10/30/2017	Omaha, NE, United States

Kimberly	Williams	Intergov - Meeting	1/1/2018	1/4/2018	San Francisco, CA, United States
Kimberly	Williams	Speech	2/9/2018	2/11/2018	Miami, FL, United States
Kimberly	Williams	Speech	2/26/2018	2/27/2018	Dallas, TX, United States
Kimberly	Williams	Speech	3/2/2018	3/6/2018	Denver, CO, United States
Kimberly	Williams	Site Visit	4/13/2018	4/13/2018	New York, NY, United States
Sharon	Worthy	Intergov - Meeting	6/14/2017	6/16/2017	Cincinnati, OH, United States
Sharon	Worthy	Agency Management Activities	6/29/2017	7/1/2017	Richmond, VA, United States
Sharon	Worthy	Agency Management Activities	7/9/2017	7/11/2017	Laredo, TX, United States
Sharon	Worthy	Intergov - Meeting	7/20/2017	7/22/2017	Richmond, VA, United States
Sharon	Worthy	Conference Attendance	8/8/2017	8/10/2017	Minneapolis-St. Paul ARS, MN, United States
Sharon	Worthy	Conference Attendance	8/14/2017	8/18/2017	Philadelphia, PA, United States
Sharon	Worthy	Conference Attendance	8/25/2017	8/30/2017	Dallas, TX, United States
Sharon	Worthy	Meetings	9/17/2017	9/22/2017	Whitehorse, Yukon, Canada
Sharon	Worthy	Project Oversight	10/10/2017	10/13/2017	Richmond, VA, United States
Sharon	Worthy	Conference Attendance	10/21/2017	10/24/2017	Philadelphia, PA, United States
Sharon	Worthy	Conference Attendance	11/5/2017	11/8/2017	Kansas City, MO, United States
Sharon	Worthy	Conference Attendance	3/20/2018	3/24/2018	Louisville, KY, United States
Sharon	Worthy	Conference	4/7/2018	4/12/2018	Portland, OR, United States

Unmanned Aircraft

Question: There have been documented collisions between hobbyist drones and manned aircraft. Based on the expertise and judgement of those at the Federal Aviation Administration who monitor safety risks to the traveling public, what safety concerns do you have with drones that are flown by unlicensed and unregulated modeler or hobbyist in airspace where there are airline flights?

Answer: The FAA shares Congress' concerns regarding drone operations within controlled airspace and in the vicinity of any manned aircraft operations. While documented collisions with passenger aircraft are rare occurrences (with one known US airspace collision over Staten Island, NY on September 21, 2017), the possibility does exist. The FAA's safety concerns about unlicensed and unregulated modeler or hobbyist operations are:

- Unmanned aircraft operated near airports without prior permission or authorization;
- Unmanned operations that are not following the same airspace regulations in controlled airspace as all other aircraft, which cause an undue hazard to all other aircraft operations, both manned and unmanned;
- Unmanned operations that are not required to identify nor coordinate their operations with other aircraft systems operations;
- Hobbyist and modeler unmanned aircraft are exempt from consumer safety or FAA safety regulations regarding the safety of the design, including hazardous materials such as lithium batteries and associated charging systems;
- Unmanned aircraft disrupting traffic flows (traffic patterns, departure and arrival corridors, and aircraft ground operations);
- The risk of collision with a manned aircraft;
- Lack of aviation knowledge or understanding of the complexities and risk of operating an unmanned aircraft in the national airspace;
- Lack of standard operating rules for all unmanned aircraft systems operators; and
- Limited enforcement tools for unsafe and non-compliant unmanned aircraft systems operations by any operator.

Unmanned Aircraft

Question: What can we in Congress do to help the Department and the FAA ensure safety of the skies, and prevent drones flown by hobbyists from being operated in airspace where there are airline operations?

Answer: The Department appreciates Congress' support in requiring the registration of all small unmanned aircraft systems. Further support could include requiring remote identification of all drones operating in the National Airspace System, as well as addressing the limitations in Section 336 of the FAA Modernization and Reform Act of 2012, which prohibit the FAA from regulating model aircraft operators.

In addition, Congress could consider:

- Supporting the development of industry consensus standards for the safe design and manufacturer of consumer unmanned aircraft systems; and
- Enacting a criminal penalty, similar to laser strikes, for instances where unmanned aircraft systems are operated unsafely or pose a risk to manned aircraft.

Child Safety in Automobiles

Question: In the report accompanying our FY 2018 bill, the Committee included language calling for strong action by the National Highway Traffic Safety Administration (NHTSA) to prevent the deaths of young children who are left alone in hot vehicles—or get into unlocked vehicles. Please provide the Department and NHTSA’s plan to address this issue this year, consistent with the direction in the FY2018 THUD appropriations bill.

Answer: NHTSA’s commitment to safety is particularly poignant when it comes to protecting our most vulnerable citizens. NHTSA is launching a national heatstroke prevention campaign, which emphasizes year-round consumer education and encourages bystander action. The agency is also engaging partners in the nonprofit and private sectors, as well as other Federal agencies in conducting education and outreach, especially in support of National Heatstroke Prevention Day (July 31, 2018).

In addition to these efforts, NHTSA is surveying technological developments to assess their potential in preventing these tragic incidents. For more details, please see <https://www.trafficsafetymarketing.gov/get-materials/child-safety/heatstroke-prevention>.

Child Safety in Automobiles

Question: Please provide the Department's plan to redouble efforts to ensure that everyone in a motor vehicle is buckled up - especially younger children who should be in a child passenger restraint system.

Answer: It is tragic that despite all we have learned about vehicle safety, we lose so many lives each year due to unbelted vehicle occupants. NHTSA conducts a comprehensive occupant protection program emphasizing the importance of riding properly restrained on every trip. The agency supports the annual 'Click It or Ticket' law enforcement mobilization program to address adult seat belt use. NHTSA also engages law enforcement and advocacy organizations through training, partnerships, education and community demonstration programs on occupant protection.

With regard to child restraint use, the agency educates the public on proper child restraint use through public service advertising campaigns, online resources for consumers, and support for nationwide observance of Child Passenger Safety Week each September. NHTSA also supports community-level technical assistance for parents through a nationwide network of more than 41,000 Certified Child Passenger Safety Technicians and more than 3,000 car seat inspection stations. Finally, NHTSA provides highway safety grants to States to address seat belt and child restraint use at the State and local level.

Child Safety in Automobiles

Question: High visibility enforcement for occupant protection programs rarely include children in child passenger restraint systems. Would the Secretary support an explicit statement in the authorization law to allow and encourage states to actively enforce child passenger safety laws?

Answer: NHTSA has several ongoing activities encouraging safe passenger restraint system use – including child passenger restraints. The agency has a leadership role in the National Child Passenger Safety Certification Training Program. Since 1997, the Program has trained more than 162,000 Certified Child Passenger Safety Technicians. High visibility enforcement for occupant protection is a key component of overall safety programs, including enforcement for appropriate use of child car seats. Ensuring restraints are appropriately being used for child passengers is important and the Secretary would support encouraging States to actively enforce child passenger safety laws.

Our staffs have been coordinating with each other to schedule a briefing.

Data Analysis, Sharing and Analytics

Question: The Department possess and collects a substantial amount of data among its various agencies. Integrating data from multiple components within the Department, and using advanced analytics to discover patterns and other useful information, can help DOT stay ahead of rapid growth, evolving infrastructure demands and disruptive developments like drones, Internet of Things (IoT) and autonomous vehicles, and improve the efficiency of the transportation system while providing new mobility services and optimizing transportation investments. Please provide DOT's plan to encourage data sharing, and the use of advanced analytics technologies and predictive modeling techniques, across its agencies and divisions.

Answer: The Department of Transportation's Strategic Plan for fiscal years 2018-2022 outlines the Department's goals, objectives, and strategies across safety, infrastructure, innovation and accountability. The Strategic Plan is our guidepost for advancing the use of data across the agency and the transportation sector as a whole.

Advanced analytics and predictive modeling techniques are used for highway and surface transportation travel demand models, weather risk assessments using probabilistic modeling in aviation safety, and comprehensive pictures of multimodal freight movements using integrated data and advanced statistical methods.

DOT's strategies in the area of safety focus on improving the way we collect, manage, and integrate the Department's data. These activities are foundational to the application of advanced analytics approaches and predictive modeling techniques. We will apply those approaches and techniques toward identifying risks, evaluating the effectiveness of risk management strategies, and promoting the use of performance-based safety standards and measures.

DOT's strategies in the area of infrastructure involve the use of data to streamline the environmental review process and expedite project delivery. We will advance the use of our data to manage lifecycle risk of our current infrastructure. Advanced analytics will be applied to measure system operations and performance for all users, including freight.

DOT's strategies in the area of innovation include targeting our research investments on advanced technology to promote safety and efficiency. Our innovation activities also focus on the development of data systems to support data-driven technologies, decision making, and data sharing.

Data Analysis, Sharing and Analytics

Question: In January, the Department announced two pilot programs to modernize its data analysis and integrate its traditional datasets with new “big data” sources to gain insights into transportation safety. Please provide an update on these pilot projects and the Department’s plans to leverage data analytics.

Answer: A Department-wide effort called the Safety Data Initiative was launched early this year and will modernize our data analysis and integrate traditional datasets with new “big data” sources to gain insights into transportation safety. The three main focus areas are data integration, data visualization, and predictive insights.

As part of the Safety Data Initiative, two pilot programs were announced. One pilot is examining rural speed using a dataset that provides actual speeds across the National Highway System; the other is integrating traffic crash data with data from the crowd-sourced app Waze on traffic hazards and conditions.

After promising preliminary results, the pilot focused on rural speed is expanding its initial scope and is being further researched with DOT partners. The second pilot on crash information and Waze is close to preliminary results; both pilots have informed the project’s broader goal of building capacity in the Department to be able to integrate datasets and conduct advanced analytics to improve safety.

Innovations in Accessible Mobility Grants

Question: Please provide an update on the status of the Innovations in Accessible Mobility Grants. Please include how these grants are being used, the outcomes of the grants, and future plans for piloting accessible transportation community best practices with the technical assistance and training funds.

Answer: The National Aging and Disability Transportation Center (NADTC), funded by the Federal Transit Administration, provided \$300,000 in 2017 to fund Innovations in Accessible Mobility Grants. The NADTC provides training and technical assistance to enhance coordination in the delivery of transportation for older adults and people with disabilities. NADTC is managed through a partnership of Easter Seals and the National Association of Area Agencies on Aging (n4a).

In January 2017, NADTC awarded six one-year grants of approximately \$50,000 for Innovations in Access and Mobility. Together, the six NADTC grantees implemented a variety of innovative approaches to increase accessible transportation options for older adults and people with disabilities. Accomplishments include:

- **Area Agency on Aging 1-B, Southfield, MI** created a new travel training program as part of an existing mobility management service. Seven travel training classes were held with 97 trainees. Thirty-eight percent of trainees had used public transit independently by the end of the grant. Travel training will continue and expand to other areas in the region, including a partnership with the City of Detroit Public Transit.
- **Berkshire Regional Planning Commission, Pittsfield, MA** developed cross-jurisdictional transportation and relationships across agencies to enable more reliable access to medical appointments. They provided 156 one-way trips to medical appointments for 31 individuals and achieved a 12 percent increase in medical trips for each of 4 out of 5 months of program operation. They found that the average cost per ride was less than expected and plans are underway to broaden this service to provide rides to other destinations.
- **City of Hernando, MS** created new transportation service to increase access to hard-to-reach destinations and local farmers' markets. They provided rides to 41 individuals and educated 110 older adults about the new service options. There was a 22 percent increase in the number of trips provided during the grant period, and the City has begun work on developing a wider array of transportation options, including bicycle and tricycle rentals.
- **Mountain Empire Older Citizens, Big Stone Gap, VA** recruited and trained volunteers to assist transit passengers with chronic conditions, including kidney dialysis patients. They provided 902 one-way medical trips, 194 of which included Transportation Aide assistance. Transportation Aide assistance increased

by 20 percent over the previous year, thanks to recruitment of 17 volunteers to serve in this capacity. This service will continue to be offered.

- **Peace Village/Cancer Justice Network, Cincinnati, OH** added transportation to the repertoire of supports provided by “cancer navigators” and utilized Medicaid-funded bus passes to enable low income individuals to access cancer-related services. Paid and volunteer Transportation Navigators provided 124 medical trips and assisted 133 older adults and people with disabilities. The number of rides provided increased by 32 percent during the grant period. The service will continue.
- **Senior Transportation Connection, Cleveland/North Olmstead, OH** offered evening and weekend transportation services to 172 individuals, totaling 598 one-way trips, for social, recreational, and worship activities. Fourteen percent of program participants used the service more than once during the grant period. This program is expected to continue.

FTA and the NADTC continue to support such transportation access opportunities. For example, NADTC currently has an open grant opportunity that will provide up to \$20,000 to as many as ten communities for a six-month period. This opportunity is designed to support the development of program innovations that result in the removal of transportation barriers and the expansion of mobility options. Local and regional private nonprofit or government organizations may apply for this funding opportunity, which is open until May 31, 2018.

Bonuses

Question: Please provide a list of all bonuses and cash awards from January 21, 2017 through the date of receipt of this question given to all DOT employees, noting which were for non-career staff. Please provide the information by pay grade, by agency or staff office, by fiscal year, with totals.

Answer: Please reference the following, “Attachment 3A – DOT Non-FAA Bonuses” and “Attachment 3B – DOT FAA Bonuses.”

Department of Transportation – Non-FAA Awards and Bonuses (*) ()**
1/21/17-4/24/18
Information as of April 24, 2018

(*) Report contains non-FAA Cash Awards excluding Separation, Relocation, Retention, Student Loan Repayment, Recruitment, Travel Savings Incentives
(**) No Schedule C or NonCareer employees received these awards

		FY Values					
OA	Grade	2017		2018		Total Total	Total Award
		Total	Award	Total	Award		
Group Cash Awards	FHWA	04	2	350		2	350
		05	1	100		1	100
		06	3	600		3	600
		07	18	3,095		18	3,095
		08	12	1,685		12	1,685
		09	24	4,848		24	4,848
		11	46	11,055		46	11,055
		12	251	64,373		251	64,373
		13	340	86,187		340	86,187
		14	351	95,091		351	95,091
		15	226	70,377		226	70,377
	FTA	09		1	300	1	300
		11		1	300	1	300
		12		4	1,200	4	1,200
		13		9	2,700	9	2,700
		14		9	2,700	9	2,700
		15		13	3,900	13	3,900

Individual Cash Awards	MARAD	00	7	2,100		7	2,100
		06	2	600		2	600
		07	3	900		3	900
		08	6	2,000		6	2,000
		09	1	300		1	300
		10	9	2,700		9	2,700
		11	8	2,400		8	2,400
		12	12	3,800		12	3,800
		13	13	4,950		13	4,950
		14	6	2,400		6	2,400
		15	3	1,750		3	1,750
	OST	04	1	232		1	232
		05	1	275		1	275
		07	2	1,232		2	1,232
		09	1	150		1	150
		11	2	1,055		2	1,055
		12	6	2,185		6	2,185
		13	24	14,925		24	14,925
		14	29	16,291		29	16,291
		15	23	10,405		23	10,405
	SLSDC	01	1	461		1	461
		02	1	461		1	461
		03	2	653		2	653
		05	13	5,184		13	5,184
		06	3	1,037		3	1,037
		07	2	922		2	922
		08	14	5,723		14	5,723
		09	8	3,419		8	3,419
		10	35	14,211		35	14,211
		11	9	3,803		9	3,803
		12	9	4,149		9	4,149
	FHWA	04	5	1,750		5	1,750
		05	10	5,969		10	5,969
		06	16	6,568		16	6,568
		07	49	15,457		49	15,457
		08	12	5,380		12	5,380
		09	46	15,910		46	15,910
		10	1	500		1	500
		11	60	19,761		60	19,761

	12	353	109,890		353	109,890
	13	363	147,735	1	500	364 148,235
	14	135	79,706	3	2,534	138 82,240
	15	61	51,517			61 51,517
FMCSA	12	1	300			1 300
	13	4	1,200	1	300	5 1,500
	14	2	600			2 600
	15	1	1,500			1 1,500
FRA	06	2	2,000			2 2,000
	07	6	3,513			6 3,513
	09	8	4,000			8 4,000
	11	13	5,950			13 5,950
	12	200	114,971			200 114,971
	13	133	106,562			133 106,562
	14	128	91,128			128 91,128
	15	52	51,483			52 51,483
FTA	11			3	3,000	3 3,000
	12			1	1,000	1 1,000
	13			8	10,500	8 10,500
	14			7	8,000	7 8,000
	15	1	750	3	3,000	4 3,750
MARAD	15	1	3,000			1 3,000
NHTSA	10	1	400	1	3,500	2 3,900
	12	6	4,455			6 4,455
	13	7	8,600			7 8,600
	14	2	1,200			2 1,200
	15	1	40,424			1 40,424
OIG	00			1	2,000	1 2,000
	09			1	500	1 500
	11			5	3,800	5 3,800
	12			1	500	1 500
	13			13	11,500	13 11,500
	14			11	14,000	11 14,000
	15			9	10,400	9 10,400
OST	07	1	500			1 500
	08	1	200			1 200
	09	5	2,640			5 2,640
	10	1	500			1 500
	11	5	3,000			5 3,000
	12	13	10,101			13 10,101
	13	23	16,472			23 16,472

Presidential Rank Awards SES Performance Awards		14	34	32,833		34	32,833	
		15	36	54,082		36	54,082	
	PHMSA	07	1	300		1	300	
		12	1	300		1	300	
		13	13	4,350		13	4,350	
		14	11	13,350		11	13,350	
		15	1	1,500		1	1,500	
	SLSDC	01	1	150		1	150	
		03	1	500		1	500	
		05	4	1,000		4	1,000	
		08	1	750		1	750	
		09	5	1,150		5	1,150	
		10	14	4,950	1	500	15	5,450
		12	2	1,500		2	1,500	
	OST	00			1	37,400	1	37,400
	FHWA	00			46	509,859	46	509,859
	FMCSA	00			14	168,646	14	168,646
	FRA	00			9	99,826	9	99,826
	FTA	00			17	183,771	17	183,771
	MARAD	00			12	136,515	12	136,515
	NHTSA	00			19	208,797	19	208,797
	OIG	00			13	161,707	13	161,707
	OST	00			44	525,923	44	525,923
	PHMSA	00			9	101,774	9	101,774
SLSDC	00			2	25,593	2	25,593	
		3,384	1,500,741	293	2,246,445	3,677	3,747,186	

Department of Transportation - Federal Aviation Administration
Awards and Bonuses (*) ()**
1/21/17 - 4/24/18
Information as of April 24, 2018

(*) Report contains FAA Cash Awards excluding Separation, Relocation, Retention, Student Loan Repayment, Recruitment, Travel Savings Incentives

(**) No Schedule C or NonCareer employees received these awards

			FY Values					
	OA	Grade	2017		2018		Total	Total
			Total	Award	Total	Award	Total	Award
INDIVIDUAL	FAA	C	2	1,050			2	1,050
CASH AWARDS		D	1	500			1	500
		E	2	2,000			2	2,000
		F	5	4,963			5	4,963
		FI	1	500			1	500
		G	2	1,800			2	1,800
		H	9	8,475			9	8,475
		I	7	7,750			7	7,750
		J	9	8,550			9	8,550
		K	2	3,999			2	3,999
		KJ	1	250			1	250
	FAA	13	1	200			1	200
		E	1	500			1	500
		J	5	4,750			5	4,750
		K	1	1,500			1	1,500
	FAA	02	4	13,262			4	13,262
		F	1	1,000			1	1,000
		HH	1	250			1	250
		J	1	1,000			1	1,000
		K	2	3,250			2	3,250
		L			2	25,172	2	25,172
	FAA	02	1	400			1	400
		05	4	1,800			4	1,800
		06	15	8,800			15	8,800
		07	87	47,100			87	47,100
INDIVIDUAL	FAA	08	8	5,000			8	5,000
CASH AWARDS		09	34	22,050			34	22,050
		10	50	7,410			50	7,410
		11	19	6,175			19	6,175
		12	46	29,050			46	29,050

INDIVIDUAL CASH AWARDS	FAA	13	291	177,287		291	177,287	
		14	301	201,707		301	201,707	
		15	3	3,000		3	3,000	
		AH	11	5,500		11	5,500	
		C	2	1,500		2	1,500	
		D	46	24,750		46	24,750	
		DH	13	3,520		13	3,520	
		DJ	4	1,500		4	1,500	
		DL	1	1,000		1	1,000	
		E	236	128,928		236	128,928	
		EC	3	250		3	250	
		EG	3	250		3	250	
		EH	178	47,265		178	47,265	
		EI	7	2,400		7	2,400	
		EJ	60	27,225		60	27,225	
		EL	55	44,050		55	44,050	
		F	461	267,801		461	267,801	
		FF	7	1,250		7	1,250	
		FG	4	450		4	450	
		FH	195	46,526		195	46,526	
		FI	22	9,050		22	9,050	
		FJ	84	39,652		84	39,652	
		FL	63	57,050		63	57,050	
		G	661	434,124	1	600	662	434,724
		GC	1	250		1	250	
		GF	4	750		4	750	
		GG	1	260		1	260	
		GH	155	44,425		155	44,425	
		GI	23	10,545		23	10,545	
		GJ	74	33,349		74	33,349	
		GK	1	1,000		1	1,000	
		GL	34	31,600		34	31,600	
		H	1,675	996,160	6	7,650	1,681	1,003,810
		HF	1	50		1	50	
		HG	1	250		1	250	
		HH	176	49,054		176	49,054	
HI	24	14,200		24	14,200			
HJ	67	34,080		67	34,080			
HK	6	4,850		6	4,850			
HL	26	26,500		26	26,500			
I	2,139	1,610,731	4	3,600	2,143	1,614,331		

INDIVIDUAL CASH AWARDS	FAA	IF	1	300			1	300
		IH	123	39,320			123	39,320
		II	36	21,300			36	21,300
		IJ	62	33,607			62	33,607
		IK	18	14,200			18	14,200
		IL	25	28,650			25	28,650
		J	2,951	2,795,492	7	13,246	2,958	2,808,738
		JC	1	250			1	250
		JG	2	300			2	300
		JH	182	53,350			182	53,350
		JI	34	21,950			34	21,950
		JJ	107	46,725			107	46,725
		JK	44	36,900			44	36,900
		JL	17	20,300			17	20,300
		K	1,409	1,960,731	3	10,000	1,412	1,970,731
		KC	2	800			2	800
		KF	6	850			6	850
		KG	4	900			4	900
		KH	543	157,752			543	157,752
		KI	59	28,900			59	28,900
		KJ	184	88,390			184	88,390
INDIVIDUAL CASH AWARDS	FAA	KK	91	71,250			91	71,250
		KL	31	51,900			31	51,900
		L	183	353,593	1	11,797	184	365,390
		LC	1	250			1	250
		LD	2	350			2	350
		LF	14	3,375			14	3,375
		LG	8	1,325			8	1,325
		LH	884	269,655	3	3,601	887	273,256
		LI	154	83,461			154	83,461
		LJ	334	157,226			334	157,226
		LK	175	168,221			175	168,221
		LL	52	92,900			52	92,900
		M	12	42,000			12	42,000
	FAA FAA	F	1	250			1	250
		06	3	1,750			3	1,750
		B	1	500			1	500
		C	1	500			1	500
		D	3	2,250			3	2,250
		E	2	800			2	800
		EH	2	550			2	550

			EJ	4	1,700			4	1,700
			F	9	6,450			9	6,450
			FJ	2	700			2	700
			G	11	7,000			11	7,000
			H	6	5,100			6	5,100
			HJ	1	750			1	750
			I	9	6,950			9	6,950
			IJ	1	550			1	550
			J	5	7,100			5	7,100
			K	2	1,250			2	1,250
			L	1	1,000			1	1,000
			LI	1	500			1	500
			LK	1	912			1	912
PERFORMANCE	FAA	PAYMENTS	01			16	337,558	16	337,558
			02			128	1,829,405	128	1,829,405
			03			4	20,259	4	20,259
		FAA	01			3	48,204	3	48,204
			02			15	216,967	15	216,967
			03			13	71,169	13	71,169
		FAA	02			1	15,220	1	15,220
			1A			2	55,966	2	55,966
	GROUP	AWARDS	FI	1	1,359			1	1,359
			H			1	386	1	386
			I			1	722	1	722
			J	4	5,035			4	5,035
			K			2	2,568	2	2,568
			KJ			2	6,628	2	6,628
		FAA	AH	1	1,290			1	1,290
			J			1	1,029	1	1,029
			K			1	1,302	1	1,302
		FAA	01			2	4,841	2	4,841
			02			14	30,233	14	30,233
			JC	1	853			1	853
			K			2	5,836	2	5,836
			L			1	1,279	1	1,279
		FAA	02			1	1,395	1	1,395
			06	2	500	23	16,894	25	17,394
			07	8	5,200	23	18,117	31	23,317
		FAA	08	1	1,000	5	4,232	6	5,232
			09	2	1,250	3	2,550	5	3,800
			10	1	250			1	250

GROUP AWARDS	FAA	11	2	500		2	500	
		12	2	900		2	900	
		13	39	18,300	1	446	40	18,746
		14	62	32,150	1	455	63	32,605
		AC	2	1,698			2	1,698
		AH	47	63,640			47	63,640
		D	16	6,980	11	5,516	27	12,496
		DC	7	4,818			7	4,818
		DG	5	3,942			5	3,942
		DH	10	12,469			10	12,469
		DJ			8	11,175	8	11,175
		DL			6	12,846	6	12,846
		E	15	10,220	5	4,678	20	14,898
		EC	97	67,903			97	67,903
		EG	29	19,542			29	19,542
		EH	232	251,669	6	4,126	238	255,795
		EI	8	11,468	3	3,959	11	15,427
		EJ	3	750	148	183,942	151	184,692
		EL	2	6,365	124	254,959	126	261,324
		F	32	18,458	36	27,922	68	46,380
		FC	104	76,926			104	76,926
		FF	5	4,557			5	4,557
		FG	18	18,126			18	18,126
		FH	211	272,479	15	10,090	226	282,569
		FI	28	41,876	19	24,631	47	66,507
		FJ	2	700	185	259,188	187	259,888
		FL			120	260,765	120	260,765
		G	60	38,921	39	33,115	99	72,036
		GC	98	73,733			98	73,733
		GF	11	7,925			11	7,925
		GG	10	9,296			10	9,296
		GH	234	257,102			234	257,102
		GI	33	55,529	18	25,435	51	80,964
		GJ	10	4,405	167	185,776	177	190,181
		GK			2	7,400	2	7,400
		GL	2	1,250	87	184,766	89	186,016
		H	1,430	1,583,834	933	1,151,396	2,363	2,735,230
		HC	42	36,786			42	36,786
		HF	2	2,164			2	2,164
		HG	5	6,184			5	6,184
		HH	181	287,942	5	4,356	186	292,298

GROUP AWARDS	FAA	HI	41	67,492	16	22,527	57	90,019
		HJ	2	900	170	280,678	172	281,578
		HK			16	41,798	16	41,798
		HL			71	193,010	71	193,010
		I	1,694	2,109,770	856	1,071,610	2,550	3,181,380
		IC	14	13,018			14	13,018
		ID	1	1,037			1	1,037
		IG	5	6,077			5	6,077
		IH	209	369,341			209	369,341
		II	33	66,125	21	38,443	54	104,568
		IJ	6	2,850	160	227,316	166	230,166
		IK			56	156,675	56	156,675
		IL			44	131,670	44	131,670
		J	1,470	1,826,259	1,941	2,250,670	3,411	4,076,929
		JC	67	44,250			67	44,250
		JH	249	307,236			249	307,236
		JI	43	83,690	15	23,918	58	107,608
		JJ	30	11,550	192	348,531	222	360,081
		JK	4	1,850	105	302,403	109	304,253
		JL			31	90,676	31	90,676
GROUP AWARDS	FAA	K	170	217,163	1,962	2,992,660	2,132	3,209,823
		KC	182	115,380			182	115,380
		KF	1	250			1	250
		KG	2	500			2	500
		KH	373	598,380	9	11,980	382	610,360
		KI	65	141,269	31	62,647	96	203,916
		KJ	4	2,000	390	687,875	394	689,875
		KK			197	547,025	197	547,025
		KL			50	161,404	50	161,404
		L	7	4,783	273	500,183	280	504,966
		LC	217	139,259			217	139,259
		LD	4	4,659			4	4,659
		LF	4	700			4	700
		LG	5	750			5	750
		LH	819	1,341,660	1	713	820	1,342,373
		LI	152	342,635	62	123,358	214	465,993
		LJ	28	13,413	711	1,315,210	739	1,328,623
		LK	2	550	362	1,006,689	364	1,007,239
		LL			90	282,859	90	282,859
FAA	FAA	M			39	93,530	39	93,530
		06			2	1,360	2	1,360

		D	1	458		1	458	
		EH	1	1,431		1	1,431	
		EJ			9	7,985	9	7,985
		F	1	900		1	900	
		FH	2	2,936		2	2,936	
		FJ			2	1,604	2	1,604
		G			1	1,539	1	1,539
		GH	4	4,765		4	4,765	
		HJ			1	418	1	418
		I	2	1,499		2	1,499	
		IJ			2	1,040	2	1,040
		J	1	1,313		1	1,313	
		L			1	2,317	1	2,317
		LI	1	2,330		1	2,330	
		LJ	1	250	2	1,870	3	2,120
GROUP AWARDS GROUP AWARDS- OTHER THAN 5 US	FAA	LK			2	3,654	2	3,654
	FAA	I2	1	500		1	500	
		I3	1	500		1	500	
		I4	4	1,750		4	1,750	
		E	13	18,800		13	18,800	
		EC	1	250		1	250	
		EG	2	750		2	750	
		EH	5	2,250		5	2,250	
		EL	3	5,707		3	5,707	
		F	3	5,450		3	5,450	
		FH	13	2,450		13	2,450	
		FJ	1	250		1	250	
		G	5	2,150		5	2,150	
		GH	7	700		7	700	
		GI	1	300		1	300	
		GJ	1	100		1	100	
		GL	2	500		2	500	
		H	14	9,504		14	9,504	
		HH	2	500		2	500	
		HI	3	800		3	800	
		HJ	1	250		1	250	
		I	24	15,597		24	15,597	
		J	52	49,788		52	49,788	
		K	40	33,800		40	33,800	
		KH	68	88,337		68	88,337	

GROUP AWARDS- OTHER THAN 5 US	FAA	L	2	2,000			2	2,000
		LH	9	2,950			9	2,950
		LI	1	350			1	350
		LJ	4	2,000			4	2,000
	FAA	GH	1	100			1	100
			24,576	22,697,763	10,123	18,413,213	34,699	41,110,976

Advisory Committees

Question: Please provide a list of all advisory committees, panels, task forces, and commissions that are funded in fiscal years 2017 and 2018. Indicate those that are mandated by law and those that are discretionary, the funding level of each and the expiration date of the most recent charter. Also list each advisory committee, panel, task force and commission that you propose to operate in fiscal year 2019, the proposed budget for each.

Answer: Please reference the following, "Attachment 4 – Advisory Committees:"

**Advisory Committees
Information as of April 24, 2018**

U.S. Department of Transportation					
FACA Committee Name	Authority	FY 2017	FY 2018	FY 2019	Charter Expiration
Advisory Committee for Aviation Consumer Protection	Statutory	Inactive	\$100,000	\$100,000	12/28/2018
Advisory Committee on Accessible Air Transportation	Discretionary	\$41,961	Inactive	Inactive	Expired
Advisory Committee on Automation in Transportation	Discretionary	\$41,244	\$41,244	\$41,244	12/20/2018
Advisory Committee on Human Trafficking	Statutory	No Statutory Requirement	Pending	Pending	Will expire 2 years after the charter's filing
Advisory Committee on Transportation Equity	Discretionary	\$20,285	Sunset	Sunset	Expired
Advisory Council on Transportation Statistics	Statutory	Inactive	Inactive	Inactive	Per Statute Exempt From Charter Renewal
Aeronautical Charting Forum	Discretionary	\$5,000	\$5,000	\$5,000	No Charter
Air Carrier Training Aviation Rulemaking Committee	Statutory	\$62,000	\$62,000	\$62,000	11/16/2021
Air Traffic Procedures Advisory Council	Discretionary	Inactive	Sunset	Sunset	Expired

Air Traffic Services Committee	Statutory	Inactive	Inactive	Inactive	No Charter
Airport Cooperative Research Program Oversight Committee	Statutory	\$84,000	\$84,000	\$84,000	No Charter
Airspace Access Prioritization Aviation Rulemaking Committee	Discretionary	Not yet established	\$5,000	\$5,000	11/20/2019
Aviation Rulemaking Advisory Committee	Discretionary	\$593,537	\$666,700	\$593,537	9/16/2018
Collaborative Decision Making (CDM) Stakeholders Group (CSG)	Discretionary	\$95,800	\$95,000	\$95,000	No Charter
Commercial Space Transportation Advisory Committee	Discretionary	\$44,399	\$32,180	\$32,180	6/28/2019
Committee on the Marine Transportation System	Statutory	\$561,137	\$471,581	\$483,348	No expiration date on charter
Coordinating Council on Access and Mobility (CCAM)	Statutory	\$979,773	\$1,039,881	\$1,069,889	No Charter
Drone Advisory Committee (DAC)	Discretionary	\$500,000	\$333,333	\$333,333	Charter Date TBD
Emergency Route Working Group	Statutory	\$191,202	\$22,000	Sunset	8/24/2018
Energy Supply Device Aviation Rulemaking Committee	Discretionary	\$6,000	\$2,000	Sunset	1/31/2018
Entry Level Driver Training Advisory Committee	Discretionary	Inactive	Sunset	Sunset	Expired
FAA DoD Tri Lateral IFF	Discretionary	\$5,300	\$5,000	\$5,000	No Charter
Household Goods Consumer Protection Working Group	Statutory	\$170,815	Sunset	Sunset	10/13/2018
Intelligent Transportation Systems Program Advisory Committee	Statutory	\$221,711	Inactive	Inactive	Expired
Lithium Battery Interagency Coordination Group	Discretionary	No Cost to DOT	No Cost to DOT	No Cost to DOT	No expiration date on charter

Management Advisory Council	Statutory	\$3,050	\$18,707	\$17,400	No Charter
Medical Review Board Advisory Committee	Statutory	\$120,053	\$121,750	\$121,750	11/25/2019
Minority Business Resource Center Advisory Committee	Statutory	Inactive	Inactive	Inactive	Inactive
Motor Carrier Safety Advisory Committee	Discretionary	\$330,920	\$348,500	\$348,500	9/29/2019
Motor Carrier Safety Assistance Program Formula Working Group	Statutory	\$146,145	Inactive	Inactive	Inactive
Motorcyclist Advisory Council	Statutory	\$158,000	\$158,000	\$158,000	10/13/2018
National Advisory Committee on Travel and Tourism Infrastructure	Statutory	\$49,745	\$50,000	\$25,000	6/1/2018
National Emergency Medical Services Advisory Council	Statutory	\$243,000	\$264,000	\$264,000	4/21/2019
National Park Services Overflights Advisory Group Aviation Rulemaking Committee	Discretionary	\$7,200	\$4,700	\$4,700	Indefinite
National Freight Advisory Committee	Discretionary	Inactive	Sunset	Sunset	Expired
National Rail Cooperative Research Program Oversight Committee	Statutory	Inactive	Inactive	Inactive	Inactive
Next Generation Air Transportation System Senior Policy Committee	Statutory	Inactive	Inactive	Inactive	Inactive
NextGen Advisory Committee (NAC)	Discretionary	\$375,000	\$270,834	\$270,834	Charter Date TBD
NextGen Executive Board	Discretionary	\$120,000	\$120,000	\$120,000	No Charter
Northeast Corridor Commission	Statutory	\$5,000,000	\$5,000,000	\$5,000,000	No Charter
Northeast Corridor Safety and Security Committee	Statutory	\$32,841	\$33,612	\$33,612	5/12/2019

Part 101 Aviation Rulemaking Committee	Discretionary	\$10,000	\$10,000	Sunset	5/23/2018
Performance-based Operations Aviation Rulemaking Committee (PARC)	Discretionary	\$109,368	\$109,368	\$109,368	6/9/2018
Port Performance Freight Statistics Working Group	Statutory	\$94,254	Inactive	\$94,254	Expired
Post-Accident Report Working Group	Statutory	\$158,366	Inactive	Sunset	Expired
Program Management Committee (PMC)	Discretionary	\$375,000	\$270,834	\$270,834	Charter Date TBD
Railroad Safety Advisory Committee	Discretionary	\$223,807	\$293,844	\$293,844	5/16/2018
Research, Engineering, and Development Advisory Committee	Statutory	\$129,344	\$132,000	\$132,000	Per Statute Exempt From Charter Renewal
RTCA Advisory Committee (<i>Note: soon to be PMC, DAC, and NAC</i>)	Discretionary	See PMC, DAC, and NAC	See PMC, DAC, and NAC	Sunset	5/29/2018
Safety Oversight and Categorization Aviation Rulemaking Committee	Discretionary	Not yet established	\$2,500	\$2,500	1/5/2020
Saint Lawrence Seaway Development Corporation Advisory Board	Statutory	\$2,915	\$4,100	\$4,100	11/4/2018
Spaceport Categorization Aviation Rulemaking Committee	Discretionary	Not yet established	\$5,000	\$5,000	12/5/2019
Streamlined Launch and Reentry Licensing Requirements Aviation Rulemaking Committee	Statutory	Not yet established	\$10,000	\$10,000	3/8/2020
Technical Hazardous Liquid Pipeline Safety Standards Committee	Statutory	\$7,000	\$92,050	\$92,050	10/24/2018
Technical Pipeline Safety Standards Committee	Statutory	\$92,050	\$94,000	\$94,000	10/24/2018
Transit Advisory Committee for Safety	Discretionary	\$94,383	\$114,850	\$114,850	Expired

Transportation Rapid Response Team	Discretionary	No Cost to DOT	No Cost to DOT	No Cost to DOT	No expiration date on charter
U.S. - European Commission High Level Committee for the Memorandum of Cooperation on Civil Aviation Research and Development	Discretionary	\$11,424	\$11,704	\$12,000	No Charter
U.S. Maritime Transportation System National Advisory Committee	Statutory	\$154,147	\$115,844	\$115,844	9/21/2018
U.S. Merchant Marine Academy Advisory Board	Statutory	\$1,500	\$1,500	\$5,000	No expiration date on charter
Unified Carrier Registration Plan Board of Directors	Statutory	No Cost to DOT	No Cost to DOT	No Cost to DOT	No Charter
United States Merchant Marine Academy Board of Visitors	Statutory	\$50,000	\$50,000	\$50,000	10/24/2019
Unmanned Aircraft Systems (UAS) in Controlled Airspace Aviation Rulemaking Committee	Discretionary	\$3,200	\$3,200	\$3,200	6/6/2019
Voluntary Information-Sharing System Working Group	Statutory	\$244,000	\$244,000	\$244,000	11/2/2018
Totals		\$11,970,876	\$10,919,816	\$10,926,171	

Reorganization Plans

Question: Please provide an update on any plans or planning the Department has to reorganize the Department.

Answer: The Department is currently coordinating with OMB to explore potential reorganization proposals that may result in operational efficiencies. This work is ongoing, and the Department intends to brief stakeholders when proposals are finalized.

Department of Transportation
 Fiscal Year 2019 Questions for the Record
 Congressman David P. Joyce
 Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
 House Committee on Appropriations

Joyce #1

US-EU Open Skies Agreement

I appreciate your departments' work to support a new open skies agreement with the UK following Brexit. Air travel between the US and UK supports thousands of jobs here in America and any gap in the existing agreement would hurt American workers. I am very concerned that the new agreement may not have the same labor protections as our current agreement. Article 17 in the US-EU Open Skies agreement was designed to prevent companies from forum shopping for cheap labor around the globe, while still allowing airlines to set up shop in multiple countries. I firmly believe that any new agreement with UK that might allow their airlines to be based or owned outside of the country must have similar protections.

Question: What is the department doing to make these protections a priority through these negotiations?

Answer: The Department has been in discussions with the United Kingdom Department for Transport, working with colleagues from the U.S. Department of State and the U.S. Department of Commerce, regarding the elements of such an agreement. DOT held the first formal round of talks on January 30-31 of this year and will continue to consult with U.S. stakeholders throughout the process to achieve an outcome with the United Kingdom that benefits U.S. interests. Any agreement would be applied only after the U.S.-European Union Air Transport Agreement of 2007, as amended, ceases to apply to the United Kingdom.

The United Kingdom has agreed to base talks on the U.S. Open Skies model text, which has received widespread support as a central element of U.S. international aviation policy. The Department continues to recognize the importance of Open Skies to U.S. interests, including the needs of workers, airports, airlines, shippers, travel and manufacturing industries, and members of the traveling public.

Department of Transportation
Fiscal Year 2019 Questions for the Record
 Congressman John Culberson
 Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
 House Committee on Appropriations

Culberson #1

Texas A&M Maritime Academy Training Ship Needs

Licensed mariners are critical to U.S. national security and economic interests. Texas ranks third among all states for domestic maritime jobs, with Houston ranked second among all U.S. cities for its contribution to the U.S. maritime industry. Furthermore, Texas leads the nation in the total volume of intrastate maritime cargo, handling 74.7 million tons of domestic cargo in 2015.

Texas A&M University at Galveston is home to the Texas A&M Maritime Academy, which one of the six state maritime academies and the only one located in the Gulf of Mexico region. Texas has been without a suitable training ship for over a decade and is the only state maritime academy in this predicament. Last year, Texas had to send 373 cadets to the other state maritime academies and private industry vessels to accommodate their cadets' mandatory at-sea training. This situation is costly, disruptive to training and constantly threatens our cadets' ability to graduate.

This is not just a Texas problem, but rather a problem for the entire Gulf of Mexico. Of the 415 cadets currently enrolled in the Texas A&M Maritime Academy, one-fourth are from the other states in the Gulf, including significant amounts from Florida and Louisiana. After training, these cadets become highly-trained maritime professionals that are critical to the region which powers our nation's domestic energy production. According to the U.S. Energy Information Agency, 45% of total U.S. petroleum refining capacity is located along the Gulf coast.

During the April 12th hearing, you mentioned in an exchange with Representative Clark (D-MA) that the FY2019 President's budget request could be used for a second school ship replacement for the NSMV program, and said the funds could be available for Massachusetts. However, Massachusetts currently has a suitable training ship.

Question: I understand Massachusetts is in the queue for a replacement, but doesn't MARAD have an obligation to find a suitable training vessel for Galveston first? The Texas academy has been without an adequate ship for over a decade and is faced with fewer and fewer cadet billet options. Given the critical juncture, could part of the funds for the NSMV be used to find Texas A&M Maritime Academy a suitable training ship?

Answer: We are pleased that there is a strong interest in replacing the old and inadequate training ships. As you note, our Nation and your region's critical need for trained mariners is a priority, for economic and national security needs. Safe operation of a fleet of training vessels is another primary concern. With consensus from all six State Maritime

Academy Presidents, we have determined that replacing the oldest vessels that provide a training platform for the most students is the best way forward. The two largest and oldest ships, both still in operation well beyond their designed service life, are in NY and MA, supporting the largest programs and the needs of the other SMAs. For the National need, these two ships are the priority for replacement, so that all the SMAs will have sufficient at-sea training capacity available to them.

MARAD has long recognized the need for a training ship at Texas A&M Maritime Academy (TAMMA). MARAD has provided them with four training ships, previously, including the current Training Ship General Rudder. While this vessel is not currently meeting TAMMA's needs due to the growing student body, MARAD continues to advance short term solutions to allow TAMMA to meet the at-sea training requirements for their students. For example, MARAD is fully engaged with TAMMA in using the Massachusetts training ship for their summer 2018 at-sea training requirement. MARAD understands that until all training vessels are replaced over the coming years, there will be difficulty in meeting the sea-time needs. MARAD is committed to working with all the academies, including TAMMA to ensure cadets receive the training they need as efficiently as possible.

Remotely Piloted Aircraft Regulatory Concerns

Remotely Piloted Aircraft (RPA) such as the MQ-9 Reaper have provided unparalleled capabilities to Combatant Commanders around the world for the last two decades. High definition full motion video and synthetic aperture radar from RPA is viewable real-time, allowing for commanders and decision makers to make instant assessments of the combat or affected environment. Additionally, RPA aircrew have unrivaled situational awareness of their environment through hardline internet and telephone connectivity across multiple security levels, satellite communications, air traffic control picture, online chat programs, and the same UHF/VHF radios used by other aircraft. These capabilities are readily available in the continental United States right now to provide RPA support to Domestic Operations (DOMOPs) and continuation training (CT). During a natural disaster, RPA full motion video could be viewed by state officials, crisis action centers, and first responders real time on both their local computer systems and their smart phones worldwide. RPA were used in this fashion this year as the California Air National Guard provided over 700 hours of support to fire crews and first responders in response to one of the worst wildfires in the state's history. RPA used infrared imagery to look through the smoke and identify fire lines not visible to other supporting aircraft. The live video feed was available to first responders and provided real time precision coordinates for fire lines and containment assessment. Bottom line, RPA will be a pivotal and critical air asset to DOMOPs moving forward.

Unfortunately, the greatest hindrance to advancing these capabilities is our inability to treat RPA like any other manned aircraft and instead associate them with "drones", "quad-copters", etc. In combat areas of operation RPA have no limitations when flying with regard to civilian airspace authorities and do not require chase aircraft in order to "see and avoid" other manned aircraft. In the United States, RPA cannot operate outside of restricted or Class A airspace without a chase aircraft. In the Houston area specifically, RPA cannot enter Class B airspace, must have a chase aircraft while in Class D airspace, and no other aircraft can be airborne inside Class D airspace while the MQ-9 is flying. MQ-9s typically and dramatically outperform the chase aircraft assigned to "see and avoid" for them. The fourteen million-dollar MQ-9 is powered by a 900-horsepower turboprop engine and can easily climb at over 1500 ft/min directly into Class A airspace without pressurization requirements. This nearly triples the climb rate of most chase aircraft, requiring the MQ-9 to deliberately underperform and triple its time in uncontrolled airspace while climbing into Class A airspace. Additionally, RPA can receive and respond to the same air traffic control commands given to manned aircraft and execute a 100% predictable flight path during the extremely rare occasion datalinks are lost. With regards to flight safety, MQ-9s fly over 250,000 hours a year, are flown by the same rated pilots flying manned Air Force aircraft, fly with the same Mode 3C transponders as manned aircraft, and have a better Class A/B mishap and aircraft destroyed record over their lifetime than their F-16 or F-22 counterparts (both of which do not require chase aircraft and are have no troubles traversing any civilian airspace category). Bottom line, in order for the MQ-9 to provide its full potential supporting DOMOPs and CT, it must first be recognized as, and treated like, any other multi-million-dollar manned aircraft flying over the continental United States by civilian aviation authorities.

Question: With the unique capabilities military Remotely Piloted Aircraft can provide for support after a natural disaster, and considering they are flown by the same rated pilots flying manned Air Force aircraft, fly with the same Mode 3C transponders as manned aircraft, have the ability to receive and respond to the same air traffic control commands given to manned aircraft, and execute a 100% predictable flight path during the extremely rare occasion datalinks are lost, will the Department commit to looking at recognizing and treating these systems like other manned aircraft flying over the continental United States by civilian aviation authorities?

Answer: Larger, more complex Unmanned Aircraft/Remote Piloted Aircraft systems provide increased operational capabilities to law enforcement, first responders, disaster relief, etc., in times of crisis. In fact, unmanned aircraft that are able to comply with existing rules and requirements are already able to integrate into the national airspace. In the past year, larger remote piloted aircraft flew missions in the aftermath of large-scale disasters such as Hurricanes Harvey and Irma. The FAA can and will continue to consider type-rating certification for large aircraft. Such certification will streamline the operational approval process for large unmanned aircraft system operations and will enable “file and fly,” which means that the operator will only have to file a flight plan as manned aircraft do today - before flying in the national airspace.

Recent Court Ruling Potentially Impacting Approval of Transportation Plans

In February 2018, the DC Circuit ruled against the EPA in the South Coast Air Quality Management District v. EPA case. The environmental groups argued that the EPA did not have the authority to relax compliance measures that are mandatory under the Clean Air Act. The Clean Air Act directs the EPA to set National Ambient Air Quality Standards (NAAQS) for ozone. Areas that do not meet the minimum NAAQS are designated non-attainment areas. The Houston-Galveston region is designated non-attainment for ozone, which required the region to develop and adhere to a State Implementation Plan (SIP). Demonstrating that transportation projects adhere to a SIP is referred to as a “conformity” and is a key step for major projects.

Based on the Court’s decision, the EPA may not be able to approve the conformity determination for the Houston region submitted to them on January 29, 2018 as part of the Regional Transportation Plan. This is because the conformity determination does not take into account the now-active 1997 ozone NAAQS, as would be required under the court ruling. This could cause delays in environmental clearance and letting major projects such as IH45, SH 249, SH 36, and US 290 begin, causing significant disruption for the State.

Question: Will the Department commit to working with the EPA and the State Departments of Transportation to develop guidance on how to process conformity determinations in light of the reinstatement of the 20-year-old standard?

Answer: Yes. The Department is committed to working with the EPA, the State Departments of Transportation, and local transportation agencies to provide guidance on how to respond to the court’s decision. In fact, we issued joint guidance to the State Departments of Transportation and grantees on April 23, 2018. The Department has also been actively working with the EPA and the Department of Justice, including work on a petition seeking rehearing from the D.C. Circuit, which was filed on June 7, 2018. The Houston-Galveston area is not one of the 82 areas identified by the EPA, that are affected by the court’s decision, and therefore, transportation planning and project development actions may continue to proceed in that area.

Airport Improvement Grants Allocation

The FY18 omnibus included an additional \$1 billion in Airport Improvement funds and gives priority consideration to small and rural airports. The bill specifies those as (a) nonprimary airports that are classified as Regional, Local, or Basic airports and not located within a Metropolitan or Micropolitan Statistical Area as defined by the Office of Management and Budget, or (b) primary airports that are classified as Small or Nonhub airports.

Question: How does the Department intend to select non-primary, small hub, and non-hub airports as beneficiaries of the additional \$1 billion in Airport Improvement Program Funds provided by the Committee for FY18?

Answer: The Department of Transportation is currently developing the selection process for the additional \$1 billion in airport grant funding. As required by the FY 2018 appropriations legislation, the projects must meet the requirements under the FAA's authorizing statute (Title 49 USC Chapters 471 and 475). Once the project selection guidance is finalized, airports eligible for priority consideration will be invited to submit grant applications for consideration.

FAA Telecommunications Infrastructure (FTI) Mission Support Network

The Department of Transportation is making great strides in migrating to an agency-wide Enterprise Shared Services IT model, aligning with commercial best practices under OST's Office of the CIO. Once the transformation is complete, DOT's Office of the CIO will manage all IT Shared Services for all the DOT modes, except the FAA, under a Common Operating Environment leveraging public and government cloud resources.

Question: Do you envision incorporating FAA's Mission Support Network (enterprise network) into DOT's transformed IT Shared Service Common Operating Environment? If so, what is your timeline and if not, why?

Answer: The FAA does not currently have plans to incorporate its Mission Support Network into the DOT's IT Shared Services operating environment because of the unique requirements associated with how the Mission Support Network is used to support the FAA's mission. This includes:

- Supporting non-critical aspects of National Airspace System (NAS) operations;
- Providing Session Initiation Protocol (SIP) trunks for Voice over IP (VoIP) traffic within the FAA's Administrative Voice Enterprise;
- Supporting large-scale data replication between FAA data centers;
- Providing access to the commercial data centers hosting the server for FAA e-mail services; and
- Providing access to Cloud computing services obtained through the FAA Cloud Services (FCS) contract.

FAA Telecommunications Infrastructure (FTI) Mission Support Network

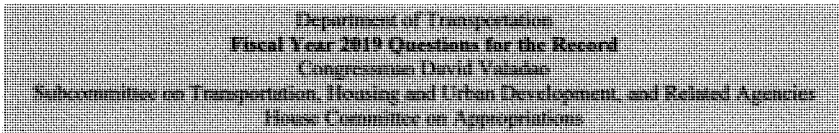
Question: If not, will you consider using standard Federal contract vehicles such as GSA's Network and EIS to allow the FAA to benefit from accelerated savings, limit complexity in contracting, eliminate unnecessary costs associated with customization, as well as benefit from easy benchmarking, operational efficiencies, and secure Business Support Systems (BSS) and Operations Support Systems (OSS) infrastructure compliant with Federal security requirements?

Answer: Yes, now that the FAA is performing the investment analysis and acquisition planning for the FAA Enterprise Network Services Program, FAA has begun an ongoing assessment to leverage the Enterprise Infrastructure Solutions contract recently awarded by the General Services Administration.

FAA Telecommunications Infrastructure (FTI) Mission Support Network

Question: As the FAA embarks on modernization of its communications infrastructure for both the National Air Space Network and the Mission Support Network under a program called FENS (FTI-2), what is the FAA doing to leverage the advances the private sector has made using automation, artificial intelligence, security and software defined networking to reduce the time and cost associated with transition while keeping the flying public safe?

Answer: As part of the FAA's market research for the FAA Enterprise Network Services Program, FAA has engaged extensively with industry stakeholders to better understand advances made by the private sector, including new capabilities that should be available in the next 5-10 years. FAA's industry engagement has included two draft Request for Proposals, joint Government/Industry working groups, an "Industry Day" conference, and vendor-conducted technology demonstrations to assess interoperability with national airspace systems. The FAA's approach to the FAA Enterprise Network Services Program is to focus on the functional and performance requirements and provide industry with the flexibility to propose solutions to meet those requirements. The FAA Enterprise Network Services solicitation will be structured to encourage innovation and avoid unnecessary constraints on prospective offers.



Valadao #1

Infrastructure including Self Help County as Partners

Madam Secretary, I want to start by saying that I strongly support the idea of a major investment in infrastructure and generally support the principles in the President's Infrastructure proposal especially with specific funding going to rural areas. As you know, rural areas depend on federal transportation investment.

However, I would like a bit of clarification on one critical point. The proposal says that local matching funds must come from "new revenue." I would like some additional insight on what DOT considers to be "new revenue."

I represent Tulare County, who has already put a lot of their skin in the game by raising taxes to pay for road and infrastructure improvements. They've completed more than \$1 billion in projects with that revenue, and it is viewed as widely successful. Even though it has been used well, I cannot imagine that we would want to see another separate tax increase just to access the limited amount of federal funds.

Question: You're not requiring local governments like Tulare County to raise new taxes just to participate in the infrastructure plan, correct?

Answer: The Incentives Program is intending to incentivize new additional investment in infrastructure. The Incentives Program includes a "Look-Back" provision to consider past actions to raise revenue. The Rural Program, representing \$50 billion, does not require new revenue, but for the \$10 billion of the \$50 billion that will be performance grants, new revenue will be a factor.

Infrastructure including Self Help County as Partners

Question: Will you consider their self-imposed tax increase for infrastructure improvements as “new revenue?”

Answer: New revenue is funding available for infrastructure beyond what currently exists. Examples are tolls or user fees, availability payments or taxes, value capture, and asset recycling.

Question: Can you please confirm that existing local sales tax are permissible expenditure for the purpose of the President’s infrastructure proposal?

Answer: We understand that some voters and legislators have already made the hard choice about raising revenue to address their infrastructure needs. The Incentives Program of the Infrastructure proposal contains a “Look-Back” provision that gives credit for revenue generated over a three-year period prior to the project application. This is specifically meant to address revenue raised prior to enactment of new legislation. The look-back provision is designed to give credit for those actions.

Pilot Training

I want to applaud your department's work regarding air safety. There has not been a fatal crash on a U.S. commercial passenger airline since 2009 and 2017 was the safest year in U.S. aviation history. A large reason for that safety record is our current minimum qualifications and training requirements for airline pilots. No matter where you live in the U.S., right now you can count on having an experienced, well-trained, safe pilot at the controls.

Question: As the department evaluates ways to increase air service to rural America, can I count on you to maintain our safety regulations everywhere in order to ensure that passengers flying out of Fresno have the same level of safety as those flying out of San Francisco?

Answer: The Department recognizes how critical reliable, safe air service is to small communities. DOT also recognizes the need for high safety standards at all air carriers under the FAA's Part 121 regulations regardless of where they operate, and is focused on pursuing policies that increase the standard of safety for the traveling public.

It is important to note that Essential Air Service program participants include both air carriers operating under Part 121 and commuters operating under Part 135 regulations. Part 121 regulations and Part 135 regulations each include a unique set of safety requirements that, when taken together, establish the minimum requirements that must be met for safe operations under the respective part.

As the Department evaluates ways to increase air service to rural America, the FAA remains committed to ensuring that pilots and airlines continue to meet the established standards so that safety is not compromised.

Vehicle-to-vehicle Communication

I understand that the Department is not planning to pursue a vehicle to vehicle communications rule because it does not want to pick winners and losers among technologies, in this case presumably DSRC and cellular communications.

Question: Given that all manufacturers have to use the same technology to maximize the benefit of the technology, how do you see V2V technology progressing in the future?

Answer: DOT recognizes the rapid pace of innovation and technological development in this area. NHTSA published an NPRM in January 2017 and received nearly 500 comments. NHTSA is in the process of evaluating the public comments to determine next steps. DOT is optimistic about the potential of these technologies to improve highway safety. In addition, the Department is coordinating research on the interoperability of different V2V technologies.

Amtrak

California is served by several trains in Amtrak's National Network. The FY2019 budget proposes to cut funding for Amtrak's National Network by more than half, from almost \$1.2 billion in FY2017 to \$540 million for FY2019.

The budget proposes that the states served by National Network routes should make up the shortfall, but does not suggest how states could divide the costs of these trains, which typically serve many states.

Question: With no proposal for how states could divide these costs, and many state legislatures already adjourned for the year, how do you imagine this could work?

Answer: The President's Budget proposes a significant restructuring to the Amtrak network. In FY 2017, long-distance routes accounted for approximately \$500 million in operating losses for Amtrak. This is because ridership is lower and costs higher than on urban routes – making the per passenger costs much higher. To address these losses, the FY 2019 President's Budget proposes a number of options, including calling for States to assume responsibility for half of the operating costs of Amtrak long distance trains through their jurisdictions.

This cost-sharing proposal would reduce the Federal subsidy that supports these routes and enable States to play a larger role in shaping the delivery of long distance train service. This proposal is one of several ideas in the President's Budget to rationalize the Amtrak system, improve efficiency, and reduce costs.

Transportation of Perishable Goods

The agricultural production of perishable goods is very significant in California's 21st District — particularly the ability to export these goods in a timely fashion through U.S. seaports.

The FY2019 budget request mentions two activities underway by the Bureau of Transportation Statistics (BTS) that are highly relevant to perishable goods producers. The 2017 Commodity Flow Survey, which tracks the outbound movement of all U.S. produced goods by mode of transportation, will for the first time identify goods moving in refrigerated equipment.

The results of the survey are expected in 2018 and will help policymakers evaluate the performance of the nation's freight transportation system, particularly in moving time-sensitive products. Secondly, the budget mentions BTS's ongoing work in collecting U.S. port performance metrics.

Congress called for these metrics after a labor-management dispute at West Coast ports in 2014 led to port slowdowns and the inability of U.S. perishable goods producers to export their products on time. Tracking the movement of perishable goods appears to be a good barometer for assessing the nation's freight system in meeting the needs of U.S. shippers.

Question: What are DOT's views on where improvements can be made and perhaps resources allocated when it comes to the supply chain for perishable goods?

Answer: The Department's Bureau of Transportation Statistics (BTS) does not generally make policy recommendations on transportation improvements and resource allocations. However, BTS' efforts related to the Commodity Flow Survey and port performance metrics prove to be essential contributions to ongoing improvements to the Nation's freight network.

BTS' Commodity Flow Survey data and Trans border data provide foundational data to the Freight Analysis Framework that estimates system-wide freight flow by detailed commodity classification, origin, destination, and mode. BTS' transportation network data contribute significantly to the development of the National Freight Network, which is critical to the future efficient movement of goods.

BTS' comprehensive freight flow estimates also support the development of State freight plans, which are legislatively required in order for States to receive funding from FHWA's National Highway Freight Program. As part of its ongoing mission, BTS will continue to highlight major data gaps critical to identifying areas for transportation improvements.

Department of Transportation
Fiscal Year 2019 Questions for the Record
Congressman Tom Graves
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
House Committee on Appropriations

Graves #1

Speed Limiters

In September 2016, the National Highway Traffic Safety Administration (NHTSA) published for comment a rule that would require the installation of speed limiting devices on heavy trucks.

Question: When can we expect DOT to finalize the heavy truck speed limiter rule?

Answer: This rulemaking is currently listed as part of NHTSA's "Long-Term Actions." Both NHTSA and FMCSA are in the process of evaluating and considering several thoUnited States and public comments from the NPRM to determine next steps.

Department of Transportation
 Fiscal Year 2019 Questions for the Record
 Congressman Mike Quigley
 Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
 House Committee on Appropriations

Quigley #1

RRIF and TIFIA

Madam Secretary, you've made recent statements at the House Transportation and Infrastructure Committee that imply that RRIF and TIFIA loans are considered part of the Federal share of a project. In the past, loans, given that they'd be repaid from local funds, were considered part of the local share. In fact, your 2017 Notice of Funding Opportunity for the INFRA grant program stated: "funds from federal credit programs, including TIFIA and RRIF, will be considered non-federal funding".

Yet, some months later, in the context of another project, these loans are being considered as Federal funding. I am concerned that the Administration's ambiguity on this subject will have a chilling effect on infrastructure loan programs- the very programs that this Administration is relying on to leverage state and local funds for infrastructure and I'd like to get clarity on the matter today.

Question: Madam Secretary, are TIFIA loans, repaid from local revenue, part of the federal or non-federal share of a project?

Answer: For projects using TIFIA as a source of financing, the total Federal assistance, including grants and loans, provided to the project receiving the TIFIA loan cannot exceed 80 percent of the total project costs. However, discretionary grant programs at the Department, which are typically highly competitive, also have their own statutes and evaluation criteria which must be considered depending on the program.

RRIF and TIFIA

Question: Madam Secretary, are RRIF loans, repaid by local revenue, part of the federal or non-federal share of a project?

Answer: There is no provision in the RRIF statute that expressly permits RRIF loans to be used as the non-Federal share of a project. As such, whether the RRIF loan can be used as non-Federal share of a project depends on the statute and discretionary evaluation criteria of the applicable grant program.

Question: Will there be consistent treatment of these loans across the Department's programs?

Answer: The Department endeavors to apply policy consistently where the law allows. With respect to RRIF financing, the Department believes it would be prudent to limit the total Federal assistance, including grants and loans, to a maximum of 80% of the total project costs, as would be required under the TIFIA or INFRA programs. The Department believes this "skin in the game" can in some cases improve overall creditworthiness and ensures that the Department invests in projects that have been prioritized locally.

Hazardous Materials on Planes

Madame Secretary, the FAA finds two packages per day of undeclared hazardous material being transported by plane- both passenger and cargo. Since no one declared that hazmat was in the box, these shipments are only discovered because they start smoking, leaking, or catch fire, sometimes mid-transit.

As O'Hare airport is in my district, I'm particularly concerned about the wellbeing of constituents that live or work in or near the airport and their exposure to this potentially hazardous material.

Question: Will you commit your department, including PHMSA (Fimsa) and FAA, to working quickly to address this problem so that we don't have continued exposure or, god forbid, a fire on a plane in flight?

Answer: The FAA is committed to addressing the risk posed by all undeclared hazardous materials in air transportation. When the FAA identifies reported undeclared hazardous material, it uses a wide range of options available for addressing apparent violations, such as oral or written counseling, administrative action, corrective actions, civil penalty action, or, for deliberate acts, referral for criminal prosecution. The FAA determines the most appropriate corrective action by evaluating, among other things, the safety risk imposed to air transportation and the type and quantity of hazardous material involved. The FAA is not familiar with the data indicating that two undeclared hazardous materials packages per day are found at O'Hare airport and interested in understanding the source of this information or in the overall system.

Further, the FAA is working with air carriers to explore innovative methods for proactively engaging their customers to raise awareness of the proper shipping procedures for lithium batteries and other hazardous materials. On January 8, 2018, the FAA launched its SafeCargo website (https://www.faa.gov/about/initiatives/safe_cargo/), which provides basic information on the risks posed by hazardous materials and the proper methods for shipping hazardous materials by air. The website also offers interactive guides for commonly shipped undeclared hazardous materials (lithium batteries, flammable liquids and aerosols), with the goal of educating all stakeholders, especially e-commerce shippers. As the source of undeclared shipments is the shipper, the FAA supports the Pipeline and Hazardous Materials Safety Administration efforts to engage with all industry representatives to prevent this risk to air transportation.

Hazardous Materials on Planes

Question: Would you support, or even direct, a study to better understand the extent of this problem and best practices to address it?

Answer: The Department's Pipeline and Hazardous Materials Safety Administration has data from reported undeclared shipments that could be compiled and analyzed, with the results made publicly available to those affected industries preparing and offering these shipments into transportation. The most common explanations for undeclared shipments is a shipper's lack of knowledge--a lack of awareness or misunderstanding of the requirements for properly declaring and transporting hazardous material.

Shipments prepared in accordance with the regulatory requirements increases safety in all modes of transportation, including air transportation. The risk created by undeclared shipments of hazardous materials would be best mitigated by addressing the root cause, which is the shipper's lack of knowledge of hazardous material compliance rules. Analysis of the Department's Pipeline and Hazardous Materials Safety Administration data could be useful for developing a plan to influence the knowledge and compliance of affected shippers through a targeted education/awareness campaign.

Tiger Cuts

Secretary Chao, on this committee we all know the value of the TIGER grant program for making crucial transportation infrastructure programs possible all over the country. It seems you understand what TIGER means to communities too- earlier this month, when announcing this year's TIGER grant recipients, you said

"The highly competitive TIGER program recognizes projects that will have a significant impact on a region, metropolitan areas, or our country as a whole"

And

"TIGER grants are direct federal investments in projects that will improve our surface transportation at the national, regional or local level"

So it seems we all understand the value of TIGER.

Question: How do you explain the President's budget, for the second year in a row, completely eliminating the TIGER program, which we all agree provides crucial support for vital construction projects around the country?

Answer: We know how popular TIGER grants are with members of Congress; however, TIGER was neither authorized, designed, nor was historically large enough, to address the Nation's comprehensive infrastructure needs. For example, TIGER has not been used to spur additional State, local and private sector investment, address comprehensive program of projects, nor was it sufficiently focused on rural needs.

Through recent changes made by Congress to increase the required set aside for rural projects, increase the available funding for projects, combined with the Administrative changes to the merit selection criteria to address new forms of revenue, rural outcomes, and the submission of program of projects, the new program, Better Utilizing Investments to Leverage Development (BUILD), now more closely reflects bipartisan national infrastructure goals. Projects originally eligible for TIGER grants will have the opportunity to apply and compete for \$1.5 billion of funding included in the current BUILD solicitation. Based on the Congressional and Administration's changes to the program, the justification for including funding for the BUILD program in the FY 2020 President's Budget is greatly strengthened. Therefore, I can assure you that the Administration will give full and careful consideration on whether to include funding for the BUILD program in the upcoming FY 2020 budget request.

Tolling and Other Attacks on Cities

Secretary Chao, while the Administration's infrastructure principles are light on details in most key areas, it is pretty clear in its embrace of revenue generating infrastructure projects. When you think of generating revenue in this space, toll roads are the first thing that come to mind. As a Chicagoan, I'm very familiar with toll roads. I understand that it makes the most sense to toll roads with the most traffic - that means urban areas where more people live and drive.

Question: By relying heavily on tolls paid by urban residents to fund your infrastructure plan, aren't you, in essence, proposing taxing people that live in cities to help pay for roads and bridges in rural areas without enough people to fund the projects on their own?

Answer: The Infrastructure Initiative includes a robust Federal funding program for infrastructure in both urban and rural areas. Additionally, it is the intent of the Infrastructure Incentives Program to attract rural focused investors by rewarding rural multi-State projects and unlock further financial support through rural performance grants for States that demonstrate performance in many outcomes areas, including leveraging formula distributions with Federal credit programs.

One form of private investment, public-private partnerships, or P3s, are about much more than toll roads. They have also proven successful for projects that are non-tolled or otherwise have insufficient or uncertain project-related revenue streams.

Availability payments are one alternative to support non-tolled or tolled projects. Under this model, the private partner receives scheduled payments from the project sponsor over the period of the contract. The source of these payments can be either taxes or road user charges. Usually the payments are tied to completing construction milestones or for meeting operations and maintenance performance standards.

This type of arrangement can work just as well in rural areas as in urban areas. In recent years, rural P3 projects in Ohio, Indiana, and Pennsylvania have all used availability payments.

Of all the FY 17 TIGER Grant Awardees that were announced by DOT, over 64% are rural projects. By contrast, only 3.6%, or \$17.6 million, of TIGER grants were awarded to mass transit projects.

This administration has requested billions of dollars in cuts for discretionary programs like FTA's Capital Investment Grants program. This includes an FY19 request that was \$1.3 billion, or 56.6%, below the FAST Act Authorized level.

Trolling and Other Attacks on Cities

Question: Urban areas are the economic engines of this country. How can you expect them to continue to prosper when this Administration continues to request cuts of vital Federal resources? Can you explain any way in which this budget does not represent a concerted attack on cities? Because I'm struggling to see how it's not.

Answer: The President's proposal is for additional funds and we want to partner with the States. The Infrastructure proposal provides an additional \$200 billion over the next ten years for increased Federal spending, including funding for merit-based transportation infrastructure projects, and will provide an important capability for the Department to address our nation's urgent transportation infrastructure needs at the State and local level and for both urban and rural areas.

Last week, DOT announced the recipients of \$264.4 million in discretionary grants for buses and bus facilities. This year, DOT more than doubled the number of recipients and reduced the average size of the grants to \$2 million. In fact, there was no grant awarded greater than \$6 million. In my analysis, this change has led to a considerable number of these grants going to rural areas and small cities.

This seems to be yet another instance in a trend of DOT favoring rural areas at the expense of major metropolitan areas – even though according to the latest census, more than 80% of Americans live in urban areas.

Trolling and Other Attacks on Cities

Question: Is this part of a larger trend to favor rural states? Can you please explain the rationale behind the determination of allocation of these funds?

Answer: FTA allocated funding under the Buses and Bus Facilities Grant Program consistent with the evaluation criteria and selection factors identified in its Notice of Funding Opportunity (NOFO). This notice was largely unchanged from previous years. However, to address the needs for investment in bus transit systems across the country, FTA chose to fund a larger number of projects than in previous years.

FTA is aware of substantial needs for bus investment in all areas of the country, including rural areas, small urban areas, and large urban areas. Under FTA's grant programs, by statute, urban areas are defined as areas with populations of 50,000 and above, and large urban areas are those with populations more than 200,000. As of the most recent decennial Census, 71 percent of the U.S. population lives in urbanized areas of 50,000 or more. This excludes "urban clusters" with populations between 2,500 and 49,999, which the statute defines as rural within FTA's programs.

In comparison to previous years, the Program awards in rural areas increased from approximately 10 percent to 21 percent. While this more closely reflects the population of the country, it is still significantly below the 29 percent of the population that lives in areas less than 50,000 in population. Approximately 79 percent of the Program's funding went to urban areas greater than 50,000 in population, a larger share than the share of the population.

PTC Compliance Funding

Metra in Chicago is one of the busiest commuter railroads in the country with 300,000 commuters a day. They have been working hard to implement PTC despite the particular budgetary situation in Illinois.

Question: Madame Secretary, how does the Administration's FY19 budget foresee funding for PTC projects, specifically for public agencies like Metra that don't have large capital resources? In the recent CRISI notice of funding opportunity, commuter railroads were specifically excluded from applying for CRISI funding, including for PTC projects—why was this? Are you willing to make commuter railroads eligible to apply for CRISI grant funding for PTC projects going forward?

Answer: Since 2009, FRA and DOT have awarded \$2.3 billion in grants and loans to support railroad PTC implementation, including \$925 million in grant funding and \$1.35 billion in TIFIA and RRIF loans. Most commuter railroads are eligible to apply as a public agency for Consolidated Rail Infrastructure and Safety Improvement (CRISI) grants for projects to implement positive train control.

However, as the Notice of Funding Opportunity for this grant program published in the Federal Register on February 21, 2018, states, FRA is prohibited in 49 U.S.C. § 24405(f) from providing CRISI grants for commuter rail passenger transportation (as defined in 49 U.S.C. § 24102(3)).

The FY 2018 Omnibus provides \$250 million in grants specifically for Positive Train Control implementation through the Consolidated Rail Infrastructure and Safety Improvement Program, and makes commuter railroads an eligible applicant for this funding. FRA is committed to making this funding available soon and will work expeditiously with grantees to obligate FY18 funds for PTC deployment projects.

INFRA

In Illinois, IDOT along with its CREATE partners, including Cook County, submitted an INFRA application for the 75th Street Corridor Improvement Project.

This project would eliminate the most congested rail chokepoint in the nation and significantly improve freight and passenger rail activity, mobility, safety, and air quality.

The INFRA application's merits meet all of the criteria this Administration is looking for when funding infrastructure projects- the local partners have committed to providing \$308 million in order to leverage the \$160 million of federal funds sought, it would benefit both urban and rural stakeholders, and is truly a nationally significant project, which can be seen through the support for the project not just from local sponsors but also from the DOTs from Iowa, Kansas, Michigan, Minnesota, Missouri, Ohio, and Wisconsin.

Question: How does this Administration's budget foresee funding for large, nationally significant freight projects that have the ability to leverage significant local dollars through programs like TIGER and INFRA?

Answer: Neither TIGER nor INFRA are designed to be large enough to address the Nation's comprehensive infrastructure needs. The Administration's budget does not propose reductions to the authorizations of formula funds from the Highway Trust Fund and the President's proposal does not in any way change the existing matching requirements for the Federal-Aid Highway Program; each State will continue to receive their current Highway Trust Fund dollars. The President's proposal is for additional funds and we want to partner with the States on a more comprehensive basis.

INFRA

Question: Can you comment on the 75th Street Corridor Improvement Project specifically and its prospects or receiving INFRA funding.

Answer: While leveraging non-Federal funding is only one of a handful of selection criteria, we expect that the INFRA awarded projects will demonstrate the high-levels of non-Federal investment that is achievable when incentivizing project sponsors through competition. This project was selected for a proposed award on June 8.

Miscellaneous Questions

Question: Madam Secretary, the recently passed Omnibus Appropriations bill included \$100 million in new funding to conduct research and demonstration projects on autonomous vehicle technologies. Autonomous vehicles must be carefully integrated into our transportation system. As a member of the House Intelligence Committee, I believe that a key consideration for the deployment of these vehicles is cybersecurity protection. The explanatory statement accompanying the Omnibus urges DOT to conduct research that leverages the expertise of the private sector to identify methods and criteria for cybersecurity assurance levels. Can you give us an update on DOT's plans to execute this new research and demonstration grant program?

Answer: The Department is currently in the process of developing the plans and outputs as requested in the explanatory statement in the allotted timeframe. The Department does seek to conduct research on various topics in the integration of AV technologies in our Nation's Transportation System. The Department seeks to publish this plan in the allotted timeframe.

Miscellaneous Questions

Question: How will you work with the private sector to conduct research to ensure that we develop adequate criteria to measure cybersecurity assurance levels as these vehicles are developed and deployed?

Answer: The Department intends to work collaboratively with other private sector, Federal agencies, and partners as appropriate, to develop criteria to measure cybersecurity assurance levels, and is developing a plan on how to ensure cybersecurity assurance is adequately addressed for the safety of edge devices within and supporting transportation systems and infrastructure. The Department seeks to provide its holistic approach for cybersecurity assurance once the plan is full developed.

Miscellaneous Questions

Question: In 2016, the FTA established the Mobility on Demand (MOD) grant program to help spur innovation and infuse technology into our nation's public transit systems. The program revealed that FTA may need new regulatory guidelines or policy changes to allow transit agencies to fully realize the promise of innovations in shared mobility and mobility on demand. Of the eleven grant winners, Transportation Network Companies (TNCs), such as Uber and Lyft, were involved in nine of the projects, which indicates that there's tremendous interest from both the private sector and public transportation authorities for this new service. How can the Department utilize the findings of the MOD grants to reduce antiquated regulations and set in place a modern regulatory regime that enables innovative new technologies to partner with transit agencies in the long term?

Answer: An important goal of the Mobility on Demand (MOD) Sandbox grants is to assess if there are any regulatory barriers that could hinder transit agencies' ability to fully realize the promise of innovations in shared mobility and mobility on demand. In the 2016 MOD Sandbox application process, applicants were asked to identify areas where policy flexibility would be needed for their respective projects. Interestingly, prospective grantees noted they needed flexibility within existing regulations. Then, to help the industry understand what was possible under the current regulatory framework, FTA developed a series of Frequently Asked Questions (FAQs) covering requirements around the Americans with Disabilities Act, drug and alcohol testing, and FTA grant requirements.

Additionally, as the MOD Sandbox projects develop, FTA is driving continuous communication both with grantees and the industry to stay current with key findings and results of mobility innovation activities – such as whether any new regulatory barriers are being identified. If these barriers can only be addressed in statute, we will share this information with Congress. This communication is fostered through a variety of outreach efforts, including industry workshops, FTA-sponsored listening sessions, and an online dialogue. Recent themes from these outreach activities include the need to assess performance metrics and whether FTA should change National Transit Database (NTD) reporting guidelines and policies.

The NTD considerations include how to capture the value of partnerships between public transportation agencies - especially shared-use mobility providers in general, and transportation network companies in particular. Data from the NTD is used in making formula funding allocations, thus effectively capturing all appropriate data is essential to grantees receiving necessary funding. There is current discussion within FTA regarding some potential NTD changes in this regard. Some public transportation agencies have raised the issue that the current interpretation of the definition of “public transportation” precludes the inclusion of “successively shared” services, like bike and car share. As more agencies partner to develop such services, to offer new, more responsive mobility options, they fear not being able to be reimbursed financially for these efforts in their communities.

TUESDAY, APRIL 17, 2018.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—OFFICE OF PUBLIC AND INDIAN HOUSING

WITNESS

DOMINIQUE BLOM, GENERAL DEPUTY ASSISTANT SECRETARY FOR PUBLIC AND INDIAN HOUSING

Mr. DIAZ-BALART. We will call the subcommittee to order now. Good morning.

Today we welcome General Deputy Assistant Secretary for the Office of Public and Indian Housing, Dominique Blom, from the Department of Housing and Urban Development, to really discuss the Fiscal Year 2019 Budget Request for those programs administered by public housing authorities, and obviously our partners in Indian Country.

The core mission of PIH is to provide residents with the dignity of a safe, decent and affordable place to live, and at the same time provide opportunities and incentives for economic self-sufficiency, obviously, and also independence. Fulfilling this promise is one of the most fundamental roles played by the Federal Government and communities across the country.

A role that will consume over 40 percent of HUD's net budgetary resources this fiscal year, and so in light of this, the Subcommittee gathers today to dedicate special attention to those critical elements of the HUD Budget Request.

For the fiscal year 2019, the HUD request is 24.5 billion in new budgetary resources for PIH programs, which is a rather dramatic reduction from fiscal year, the 2018 enacted level.

Now, as I said before, to be fair, the request was formulated before the recent bipartisan budget caps deal, and the passage of the Omni—of the Omnibus.

So, obviously, I am curious to learn about what those numbers may look at, and what you are looking at as well for any potential changes.

It is critical for us to understand how this request can afford two years of rent inflation without, frankly, potentially cutting off support to vulnerable families, who rely on HUD for their housing.

Once again, I want to acknowledge that in the wake of the Caps, of the Caps Deal and the 2018 Omnibus, the administration's budget request has been somewhat overcome by events, and because, again, this was done before those new numbers, but it is a relevant representation of the administration's priorities, that is what the budgets are, and we look at it that way in principle. So, I look forward to hearing from our witness today.

We also understand that the Department is working on a yet-to-be-released legislative proposal to reform how PIH programs work,

and that these reforms impacted, potentially impacted the formulation of the budget request.

Now, as you know, such reforms are outside of our jurisdiction as appropriators, because again, it is authorizing, those are the Authorizing Committee. So, while we look forward to the administration's reform ideas, fiscal year 2019 is less than six months away, and we are moving full steam ahead and, again, we had the responsibility in the Subcommittee to adequate—fund the PIH and its state and local partners, as they currently function.

So, again, we look forward to your testimony. We want to thank you for your service and for being here, and look forward to continue working with you on such a huge issue for the Subcommittee, Full Committee and for the entire Congress and the country.

And now let me recognize my friend and my partner, the Ranking Member, Mr. Price.

Mr. PRICE. Thank you, Mr. Chairman. I would like to join you in welcoming the Acting Assistant Secretary for Public and Indian Housing, Dominique Blom, Ms. Blom, thank you for your good work and for being with us today.

HUD's Office for Public and Indian Housing administers a wide range of housing programs that provide critical lifelines for millions of low-income Americans.

These programs include tenant-based Section 8, traditional public housing, Native American Housing Block Grants, Choice Neighborhood Grants, VASH vouchers for veterans, and several Resident Self-Sufficiency initiatives. And totally they account for more than \$30 billion in annual funding.

These programs serve some of those vulnerable people in our society, the elderly, the disabled, children, veterans, and single parents trying to make ends meet. Unfortunately, studies from HUD and other sources indicate that more and more families are struggling to pay rent.

Calls for housing, transportation, medicine, education, all of them keep increasing. At present only one of four people are eligible for Federal rental assistance can receive it because of funding restraints. At a time when we should be making housing a front-burner issue in this country, and we seem to be falling further behind.

This is not a reality any of us should be comfortable with, in fact, it should force us to ask tough questions about our values and our priorities.

Given the fact that last year's budget request was roundly rejected on a bipartisan and bicameral basis, it is surprising and disappointing to see the administration doubling down in its fiscal 2019 request. The request includes 41.2 billion in funding offset by 10 billion in receipts. The total budget authority provided in the request would be lower than the fiscal 2017 enacted level by approximately \$7 billion or 15 percent.

This request is especially alarming in the context of the recently-enacted 2018 Omnibus, which included a long, overdue 10 percent increase to the HUD budget.

For example, HUD's 2019 request for 18.7 billion for tenant-based Section 8 renewals is more than 800 million below the 2018

enacted level. This request could lead to current voucher holders losing their assistance.

If I am right about this, I hope HUD will concede the fact, and then provide the Subcommittee with revised budget estimates as soon as they possibly can.

The budget request also proposes eliminating the Choice Neighborhoods Initiative, a highly successful program that leverages outside investment to transform and revitalize struggling communities.

We have seen this program and its predecessors, HOPE VI, work to great effect in North Carolina and many other places across the country. And I feel confident in saying there is no other program in the HUD portfolio like it; that has a similar comprehensive impact.

The 2018 Omnibus provided 150 million for Choice Neighborhoods, the most funding in the program's history, and I do want to commend HUD from promptly releasing the 2018 Notice of Funding Availability so soon after the Omnibus Bill was signed into law. We commend you for that.

Returning to the 2019 request, the Department will eliminate the Public Housing Capital Fund, despite a massive maintenance backlog in our deteriorating public housing stock. This decision was viewed alongside the request for 100 million in new RAD subsidies, implies that HUD intends to phase out public housing.

If the intent behind this proposal is to move all public housing to Section 8 funding streams via RAD conversions, then we have a data corresponding increase in funding for Section 8. This is conspicuously absent from the request, so we need further explanation. What is going on here? What is anticipated?

Finally, I would like to once again register my concerns with the Department's so-called rent reforms which would essentially shift HUD program costs onto residents. Raising minimum rents, imposing work requirements, eliminating long-standing rent deductions for medical expenses and other costs. All this could have serious repercussions for the people who rely on housing assistance. And, as the Chairman has said, if such changes are to be considered they are best left to the authorization committees.

Ms. Blom, I look forward to your testimony today, in working with you and my colleagues to ensure that the Office of Public and Indian Housing has the resources necessary to complete your vital mission.

Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Thank you, sir. Ms. Blom, your full written testimony will be included in the record. Again, thanks for being here. And you are recognized.

Ms. BLOM. Good morning. Thank you for having me. Good morning Chairman Diaz-Balart, Ranking Member Price, and Members of the Subcommittee. Thank you for inviting me here today to discuss our work in HUD's Office of Public and Indian Housing.

I am Dominique Blom, the General Deputy Assistant Secretary for PIH.

Our mission has three parts. One is to ensure safe and affordable housing for low-income families; two, to create opportunities for residents' economic self-sufficiency and independence, and three, to

ensure fiscal integrity by our program partners who administer our funds and the residents we collectively serve.

PIH manages a range of programs for low-income families, including the Public House Program, the Housing Choice Voucher Program, and programs that serve the Native Americans, like the Indian Housing Block Grant.

Our programs total more than \$30 billion in the fiscal year 2018, funding accounting for more than half of the Department's budget.

I am a Senior Executive among HUD's career staff have I have served the Department through several administrations in several different capabilities. I am honored to represent PIH here today, as we await the confirmation of our Assistant Secretary Nominee, Hunter Kurtz.

Among the guiding principles that drive PIH programs is providing local communities with the flexibility to best manage their affordable housing resources. My team is also driven by the desire to support HUD-assisted households with housing opportunities and then sending them on a path towards self-sufficiency. And Secretary Carson testified last month to this committee, the 2019 budget includes some difficult choices.

However, we believe that the request ensures that HUD can continue to serve the most vulnerable populations, specifically the elderly, and persons living with disabilities.

Despite millions of dollars in investment over the last 75 years, the remaining one million public housing units across the nation, an estimated capital needs of over 25 billion with that figure growing annually by 3.5 million.

This is a problem that requires a comprehensive and collaborative approach for many partners. The administration is working on transforming public housing by providing public housing authorities with a range of tools to accomplish what years of shrinking funds have failed to do, reposition public housing onto a more stable platform.

One of the ways we are doing this is through the Rental Assistance Demonstration. RAD has enabled PHAs to general an additional \$5.4 billion in private and public investment to construct or rehabilitate hundreds of thousands of units. RAD is a proven approach to recapitalize the nation's at-risk public housing stock.

In fiscal year 2019 we hope to receive funding for RAD, to make this a viable preservation strategy for properties with severe capital needs.

Thank you for lifting the RAD limit to 455,000 units. You are helping PHAs move forward with recapitalization strategies and ultimately provide better housing for thousands of families across the country.

To further help PHA's repositioning their public housing, we have updated our policy on demolitions and dispositions, and we are evaluating the cost-effectiveness of funding certain public housing units, through a subsidy program.

Our goal is to give PHAs greater flexibility to manage their properties, but also ensure that families remain assisted while providing them with greater housing choice.

For Fiscal Year 2019 Funding Request also reflects our focus on putting families on a path towards economic independence. The

Family Self Sufficiency and Jobs Plus programs connect residents to job search, job training, financial education, child care assistance, and many other services.

The programs have changeable results that create real change in residents' lives. The FSS Program, more than half of those who graduate go on to become homeowners. And the Jobs Plus Program has helped place 2,500 residents into part-time and full-time employment.

Building off the success of the HUD Veteran Affairs Supportive Housing Program, we have made great strides in implementing the Tribal HUD-VASH Demonstration Program in partnership with the VA.

As of this month, 320 Native American Veterans have received case management services, and 273 veterans have been housed using the Tribal VASH Program.

Our VASH Programs have provided 144,000 veterans with housing assistance and supportive services since 2008. Fostering long-term stability in preventing future returns to homelessness.

In closing, PIH programs have advanced HUD's mission to provide, safe, fair and affordable housing for American people. PIH is committed to improving the lives of low-income families, by increasing flexibilities for our local housing partners, and increasing incentives and opportunities for self-sufficiency.

I have been in public service at HUD for nearly 25 years, and believe the value of affordable housing for communities, and more importantly for the families that live there.

Thank you for the opportunity to speak with you this morning. And I look forward to answering your questions.

[The information follows:]



Written Testimony of Dominique Blom
General Deputy Assistant Secretary – Office of Public and Indian Housing
U.S. Department of Housing and Urban Development
House Committee on Appropriations
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
April 17, 2018

Chairman Diaz-Balart, Ranking Member Price and members of the subcommittee, thank you for inviting me here today to discuss the work we do in HUD's Office of Public and Indian Housing (PIH). The mission of PIH is to ensure safe, decent, and affordable housing for low-income families, create opportunities for residents' economic self-sufficiency and independence, and protect taxpayers by ensuring fiscal integrity by all program administrators and participants.

PIH administers and manages a range of programs for low-income families, including the Public Housing program, the Housing Choice Voucher program, and programs that serve Native Americans. Combined, PIH programs total more than \$30 billion in annual funding.

I am a senior executive among HUD's career staff. For nearly 25 years, I've served several Administrations in different capacities within PIH. In my previous position as Deputy Assistant Secretary for the Office of Public Housing Investments, I was responsible for managing Public Housing Capital Fund grants, Choice Neighborhood grants, HOPE VI grants and implementing the Moving to Work demonstration.

Among the guiding principles that drive PIH programs is providing sufficient flexibility to local communities to allow them to best manage their affordable housing resources. PIH is also driven by the need to support HUD-assisted households in improving their economic conditions and setting them on a path towards self-sufficiency.

As Secretary Carson testified last month to this subcommittee, the 2019 President's Budget includes some difficult choices. However, we believe this request ensures that HUD can continue to serve our most vulnerable populations, specifically the elderly and persons living with disabilities.

Rental Reform

HUD has spent the past year examining its major rental assistance programs, including the Housing Choice Voucher and Public Housing programs, with the goals of decreasing

administrative burdens, encouraging work and stable family formation, increasing local control and choice, and maximizing public investment. As a result of this work, HUD's 2019 Budget incorporates a forthcoming rental reform legislative package that will propose changes to modernize and streamline existing rental assistance programs.

Features of the plan include greatly simplifying rent calculations; incentivizing work by limiting income recertifications for all households to once every three years; providing public housing authorities (PHAs) and owners the option to choose alternative rent structures that work best for their communities; increasing tenant rent contributions and minimum rents in order to ensure the programs are financially sustainable in future years; ensuring that there are protections in place for elderly and disabled families; and providing hardship exemptions for families unable to pay their rents in certain circumstances.

Future of Public Housing

Over the last 75 years, the Federal government has invested billions of dollars in the development and maintenance of public housing, which serves as a crucial resource for our country's most vulnerable families. Despite this sizable investment, the Nation's approximately one million public housing units have estimated capital needs of more than \$25 billion, with additional capital needs growing at a rate of \$3.5 billion annually.

The Administration is seeking to transform public housing by embracing new strategies and enhancing existing tools that will allow PHAs to accomplish what years of shrinking capital funds have failed to do – reposition their housing onto a more stable financial platform.

Rental Assistance Demonstration

One of the ways we are doing this is through the Rental Assistance Demonstration (RAD), which has enabled PHAs to generate an additional \$5.4 billion in private and public investment to construct or rehabilitate hundreds of thousands of units of affordable housing, a feat that is impossible under current public housing rules. RAD is a proven approach to recapitalize the nation's at-risk public housing stock.

The Department is very pleased Congress has authorized a significant increase in the number of public housing units that can be converted through RAD. PHAs currently on the RAD waiting list will now be able to move forward with their recapitalization strategies, and we believe that in about one year we will have enough demand to reach our new 455,000-unit cap. In Fiscal Year 2019, we hope to receive funding to provide properties with severe capital needs a similar opportunity to recapitalize, preserving additional critical affordable housing resources.

Demolition and Disposition

To help PHAs with their repositioning goals, PIH recently published a notice providing guidance to clarify and update our policy on public housing property demolition and disposition. The benefits of this new flexible policy include providing PHAs more flexibility to respond to local housing needs and leverage State, local, and private resources to improve their affordable

housing stock. A PHA's decision to request HUD approval for demolition or disposition under this notice remains a voluntary, locally driven decision, not one determined by HUD.

Voluntary Conversions

Under current law, HUD may allow PHAs to move onto a Section 8 platform provided that it is more cost effective and makes certain no families are left unassisted. PIH is currently working on a cost test for PHAs to assist in that analysis, as well as a streamlined process that will cut the current regulatory red tape. PIH is also examining our process for releasing the Declarations of Trust on public housing properties. Releasing HUD's Declaration of Trust and providing some Tenant Protection Vouchers, as appropriate, would not only give PHAs greater flexibility over how to best manage their properties, but would also provide continued rental assistance and greater housing choice to residents.

Moving to Work

PIH is also continuing its work to expand programs that provide PHAs with additional administrative flexibilities to best manage their portfolios. In accordance with the 2016 Consolidated Appropriations Act, HUD will add 100 high-performing PHAs to the ranks of other local agencies participating in the Moving to Work demonstration. After soliciting input from the public through document reviews and four listening sessions on how to best structure the expansion, PIH plans to designate the first cohort of these PHAs this year.

Resident Self-Sufficiency

HUD is working to help families in our programs achieve economic self-sufficiency and independence. To help transition program participants towards economic independence, we are requesting \$75 million for the Family Self-Sufficiency (FSS) program and \$10 million for Jobs Plus.

Under the 2018 Consolidated Appropriations Act recently passed by Congress, HUD's FSS program will invest \$75 million to support service coordinators who will serve residents in both public housing and in our Section 8 voucher program. These efforts work and have long-term impacts.

FSS currently serves more than 72,000 households. Of these households, approximately 5,000 may graduate in a given year. More than half of those who graduate from these programs go on to become homeowners and, by definition, all graduating families no longer require temporary cash assistance through other Federal programs.

The \$10 million in Jobs Plus funding will connect public housing residents to job search, job training, financial education or childcare assistance services. The program's first iteration between 1998 and 2003 resulted in a 16 percent increase in average annual earnings that was sustained for up to three years after the program ended. In our current iteration, the program has helped place 2,533 residents into part-time and full-time employment as of the end of 2017, putting thousands more families on a path towards increased self-sufficiency.

HUD is also taking steps to strengthen the Section 3 program. Under the Section 3 program, HUD grantees, including PHAs, are required to provide job opportunities to low-income persons. The Department recently hosted a listening session for small housing authorities to better understand their challenges and successes in implementing Section 3 requirements. HUD plans to issue a proposed rule that better enables PHAs and grantees to utilize the Section 3 program in providing job opportunities to low-income families.

HUD is also working to find additional ways to measure the success of our self-sufficiency efforts – for instance, by developing a method to track the number of residents who exit HUD’s housing assistance programs with positive outcomes.

Tribal HUD-VASH

Building off the success of the HUD-Veterans Affairs Supportive Housing (HUD-VASH) program, we have made great strides in the implementation of the Tribal HUD-VASH demonstration program in partnership with the Department of Veterans Affairs (VA). Tribal VASH provides rental assistance and supportive services to veterans who are Native American and experiencing homelessness, or at risk of homelessness, while living on or near a reservation or other Indian areas. Veterans participating in this program are provided housing assistance through HUD, and supportive services through VA to foster long-term stability and prevent a return to homelessness.

As of this month, 320 Native American veterans were receiving case management services, and of those, 272 veterans have been housed under the Tribal HUD-VASH program. The program is producing tangible results, providing decent housing to Native American veterans and their families who were living in severely inadequate units – for instance, without running water, heat or electricity – or in overcrowded living conditions. The HUD-VASH programs are significantly improving the lives of veterans who have served our country, serving a total of 144,000 veterans since 2008.

Disaster Recovery

The Department and our local partners are continuing efforts to resolve several challenges facing our programs. The devastating natural disasters in 2017, including Hurricanes Harvey, Irma, and Maria, as well as destructive wildfires in California and resulting mudslides, continue to have lasting impacts. HUD recently allocated \$28 billion in long-term disaster recovery funds through the Community Development Block Grant-Disaster Recovery (CDBG-DR) Program. These recovery dollars will go a long way toward rebuilding damaged housing, businesses, and infrastructure. Every office at HUD is working to support recovery efforts and make certain that Federal funds are spent in an effective and efficient manner.

Closing

PIH programs advance HUD's mission to provide safe, fair, and affordable housing for the American people. In doing so, this Administration is committed to improving the lives of low-income families by refocusing our programs and policies so that they provide additional flexibilities to respond to local housing needs and opportunities for increased economic self-sufficiency.

I have been in public service at HUD for nearly 25 years and believe in the value of affordable housing for communities and most importantly, the families that live there.

Thank you for the opportunity to speak with you today and I look forward to answering your questions.

DOMINIQUE BLOM**GENERAL DEPUTY ASSISTANT SECRETARY for PUBLIC and INDIAN HOUSING**

Since July 2017, Dominique Blom has been serving as the General Deputy Assistant Secretary for the Office of Public and Indian Housing (PIH). She is responsible for administering and managing a range of programs for low-income families, including the public housing program, Housing Choice Voucher Program, and programs that serve Native Americans, totaling more than \$30 billion in annual funding. The mission of PIH is to ensure safe, decent, and affordable housing for low-income families; create opportunities for residents' self-sufficiency and economic independence; and ensure fiscal integrity by all program participants.

From 2006 to 2017, Dominique served as the Deputy Assistant Secretary for the Office of Public Housing Investments at HUD. In this capacity, she was responsible for awarding and overseeing the Capital Fund grants, Choice Neighborhood grants, and HOPE VI grants and implementing the Moving to Work demonstration. In addition to working with communities to revitalize distressed neighborhoods, she was responsible for developing policies and regulations governing mixed-finance and mixed-income public housing development, demolitions and dispositions, voluntary and required conversions and community and supportive services. Prior to becoming the Deputy Assistant Secretary in April 2006, she was the Director of the Office of Urban Revitalization, the office within HUD that administers the HOPE VI and mixed-finance programs. In 2010, Dominique was presented with the Meritorious Executive Rank Award in the Senior Executive Service for sustained superior accomplishment in management of programs of the United States Government and for noteworthy achievement of quality and efficiency in public service. Dominique holds a B.A in Anthropology and Latin American Studies from Stanford University.

In her spare time, she likes to cook, train her dog in agility (obstacle course with jumps, tunnels, etc.), run and ride her bike.

Mr. DIAZ-BALART. Thank you, again, for your testimony, for being here, but more importantly, for your service.

Ms. BLOM. Thank you.

Mr. DIAZ-BALART. So, we will begin with the usual, the way we always do it, right, alternating, and depending who got here when, 5-minute rounds. Is that all right, Mr. Price?

PUBLIC HOUSING CUTS

Mr. PRICE. Yes, it is.

Mr. DIAZ-BALART. All right. So, I will begin. The request for public housing slashes funding by more than a half, and the budget also includes \$100 million for Section 8 conversions, and 30 for—\$30 million, I should say, for demolitions. So all this is characterized as a strategic reduction, a strategic reduction to public housing.

And again, as I mentioned before, obviously I get it that all the numbers were before the Omni and before even Bipartisan Budget Deal.

But as soon as you can, if you can explain the rationale behind those kind of proposals, and those rather dramatic reductions in public housing?

Ms. BLOM. Thank you very much for the question. In looking at this first from the big picture, the national budget and looking to see that the President is dedicating funds to national security and defense.

Given that, within the HUD budget, the Secretary is determined that there are priority programs that first needed to be funded, first, ensuring that those who are the most vulnerable, receive protection, so the elderly and the disabled; second, to ensure that families and individuals who are homeless today receive assistance, and for those that are affected by lead-based paint, that we are going more to assist those families.

Within that context, that then means that there are very difficult choices that the Department needed to make, and unfortunately that meant reduced funding for the public housing program.

But I think what we are seeing here is a shift from public housing as we know it, to putting public housing on a more sustainable platform that being the Section 8 Program.

As a result of that, we are asking for additional funding in the fiscal year 2019 budget, \$100 million for the Rental Assistance Demonstration (RAD) to ensure that the RAD Program remains successful and viable.

As a result of RAD we have had over \$5.4 billion of funding dedicated to public housing, making that stable in long-term housing resource for families for years to come.

We also believe that smaller housing authorities will need assistance of demolition funding, that where smaller housing authorities have distressed property, they don't receive enough capital funding, even with prior year's funding, to be able to demolish that severely distressed housing.

So, \$30 million of demolition-only funding, we believe will help particularly small housing authorities reposition their public housing. And, again, the Department is seeking additional funding for tenant-protection vouchers. We believe that this is critical to pro-

vide housing authorities and the residents the ability to reposition public housing, and to provide residents with choices.

Mr. DIAZ-BALART. And I understand again that, you know, you are dealing with different numbers, and so it would be helpful however—are you all planning to do an amendment? Because here is the issue, we are putting these bills together now, we are pulling the bill together now, and so I think it would be helpful for all of us to have, you know, an updated, of what some of your priorities may be, now that we do have different numbers.

Because otherwise, we frankly do it with very delinquent—from the administration which I think is a shame; and so, I think, any idea if you all are looking at doing an amendment?

Ms. BLOM. So, for now, the fiscal year 2019 budget stands on its own, that reflects the President and the Secretary's priorities for the Department of Housing and Urban Development.

PUBLIC HOUSING DEMOLITION

Mr. DIAZ-BALART. You mentioned demolition, and so, you know, the taxpayers have invested for a long, long time on housing stock, right? And any idea how many of those, potentially could be lost, if we don't adequately fund it?

And I know that you have—again, you mentioned you have 30 million for demolition. You mentioned that some of those are for older buildings that are, you know, obviously problematic, but any idea if we could lose stock if we don't adequately fund it? Or, how many more we would have to demolish if we don't potentially, adequately fund them.

Ms. BLOM. Sure. Thank you. The strategy here is that we are reposition public housing. So, overall, there should not be a tremendous loss of affordable housing units in the community. This is the reason why the Department is asking for additional funding, for tenant protections, up to \$140 million that is \$60 million more than what we would need in an average year, because we want to be able to dedicated those resources to housing authorities as a result of demolitions that may be occurring with the \$30 million, as well as other repositioning strategies now that we have provided more flexibility.

We don't want to see a net reduction of affordable housing in communities.

Mr. DIAZ-BALART. Thank you. Mr. Price, you are recognized, sir.

Mr. PRICE. Thank you, Mr. Chairman. Madam Secretary, I want to pursue the same line of questioning, because while I don't doubt that there are overall constraints, self-imposed constraints, I must say, by this administration to low-ball housing in general, and public housing in particular, even granting that, the tradeoffs in this budget proposal, just don't make sense to me, so I want to ask you about them.

TENANT PROTECTIONS

First of all the Tenant Protection Vouchers, I don't understand why that is an answer to any of this. We always have a certain amount of money for Tenant Protection Vouchers, there is a certain turnover there that we have to deal with.

It doesn't seem to me that that request is of sufficient magnitude to deal with the dislocations we would anticipate from other aspects of the budget.

But maybe you can help me out. You are talking about slashing the Public Housing Capital Fund by 68 percent. That is the principal source of funds to preserve housing for more than two million citizens.

Now, we didn't accept this last year, or anything like it, but instead of taking that lesson to heart, the administration is now doubling down, proposing to totally eliminate the capital fund. It appears you are merging the capital fund, and that the operating fund, but then you are also cutting the operating fund by 25 percent from the fiscal 2017 level.

The Omnibus increases the capital fund, so I just don't understand. This is totally unresponsive to the Omnibus, and internally, just in terms of the tradeoffs, it doesn't make sense.

RENTAL ASSISTANCE DEMONSTRATION

Now, what about RAD? What about rental conversions? Well, if you envision RAD conversions as some kind of answer to this, then wouldn't we see a corresponding increase in Section 8 funding for new people who will be served by vouchers? And then what about these housing authorities for whom, for whatever reason RAD isn't the answer?

Please, help me figure this out.

Ms. BLOM. Thank you very much, for the question. When we look at the PIH Budget Request, the principles behind our requests are three-fold. First, that we want to ensure that the residents who are currently receiving Housing Choice Vouchers, can continue remain in their housing.

For the budget request that we put forward, anticipated that there would be no terminations from the program. That is the most important factor when looking at the PIH budget, which then meant that, unfortunately, funding that traditionally has funded the public housing program, was used to ensure that families continue to be housed in the Housing Choice Voucher Program.

The second principle behind the PIH budget; is for economic self sufficiency, this is the reason why the Department continues to seek funding for the Family Self-Sufficiency Program, and the Jobs Plus Program.

And then third, asking for some additional funding for repositioning of public housing. It is the reason why we are asking for the \$100 million of RAD so that despite decreases in the funding request for the capital fund and the operating fund, that 30,000 units of public housing would continue to be repositioned through the rental systems demonstration.

That we continue to ask for increased funding for the tenant protection account, so that housing authorities can reposition their developments through utilizing low-income housing tax credits, and other funding sources.

It is those three principles behind the PIH budget, dedicating funding towards specific ways that housing authorities can reposition, provide assistance to low-income families, and also ensure

that residents who receive Housing Choice Vouchers continue to remain in their homes.

ROSS GRANTS

Mr. PRICE. Well, as to the encouragement of self-sufficiency, it would make more sense if you actually were increasing those accounts, right? But you have referred now twice to the Jobs Plus, you are cutting that by 5 million in this budget.

The Resident Opportunities and Self-Sufficiency Grants, or ROSS grants, you are proposing to totally eliminate. And you are flat-funding the Family Self-Sufficiency Grant. So what kind of answer is that?

I mean, how? It just doesn't add up. That is my point. I don't think the Tenant Protection Grants are increased in anything like the magnitude that they will take to offset these dislocations. And then it is just like everything is being cut. You are transferring these funds, from one account to another supposedly, but then it all ends up being flat-funded or worse.

Ms. BLOM. So, I would have to say that this budget reflects very difficult choices that needed to be made. Ideally—

Mr. PRICE. Excuse me. Choices, who are the winners? Can you tell me that? Choice implies some win some lose. What wins here?

HUD BUDGET INCREASES

Ms. BLOM. So, in the overall HUD Budget, we see increase in homeless assistance programs, we also see increases in the 202 and 811 programs, and also increases for lead prevention. So, those are the main areas where HUD sought increased funding, which unfortunately meant that there was some reductions in the public housing account.

Mr. PRICE. We will explore this further. It strikes me that 202, 811 and I'm very, very eager to see those programs thrive, it doesn't appear that there is a direct pipeline, so to speak, from the people you are cutting. And we want to have it documented that nobody loses their housing here, and that we are talking about a no-net-loss proposition. That needs to be verified.

But the 202 and 811 programs, it seems to me that is largely irrelevant, those programs need to thrive, but it is not going to take care of the people coming out of public housing under these proposals.

Ms. BLOM. So, for the public housing program we are looking to see how housing authorities can receive more flexibility, so that they can reposition their development so that public housing residents are living in safe and decent housing long-term. And that will mean that over the next several years, looking to access additional tax credits for housing authorities, being able to leverage other funds, so that there is still affordable housing for public housing residents.

Mr. PRICE. Well, we are certainly going to need to do that, because even if nobody was going to lose their housing under these proposals, you are talking about 25 percent of the people who need and would be eligible for this kind of support, not getting it.

It is not at all unusual in our communities to have hundreds, thousands of people paying 60, 70 percent of their income in rent. It is a crisis. And we need a budget that addresses it.

Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Thank you, sir. But I just want to make sure that I was clear about, so you did an amendment that was after the deal before the Omni, and so I just look forward to continue working with you on that.

Great leader in the Subcommittee, the gentleman from California, Mr. Valadao.

MOVING TO WORK DEMO

Mr. VALADAO. Thank you, Chairman. Thank you. General Deputy Assistant Secretary. My question: in 2016 Congress authorized and expansion of the Moving to Work demonstration which HUD is currently implementing. There are public housing agencies in my district that are interested in participating in expanded moving toward demonstration.

I understand from your testimony that the Office of Public and Indian Housing Plan to announce the first round of the expansion, the Public Housing Agency at some point this year. Do you have a specific timeline on when the expansion will take place? How many PHAs do you expect to be included in this round? And what is your timeline or the rest of the 100 that were authorized?

Ms. BLOM. Thank you very much, for allowing me the opportunity to let you and the Committee know where we are with our MTW expansion. Thank you very much for authorizing 100 new agencies to be added to the program.

We are currently in the process of updating the notice that governs the expansion program. We call that the operation notice, it is going through the final review at HUD and then it will be published in the Federal Register for public comment again for a 30-day period. At the time that we published that operations notice for public comment again, we will be publishing our—what we call our selections notice. This is the notice that will add the first cohort of MTW agencies to the program. We are anticipating that 30 out of the 100 agencies will be added this way and it will be testing the MTW flexibilities themselves. How do the combined funding of MTW, as well as the statutory, regulatory flexibilities allow smaller agencies to be able to provide enhanced self-sufficiency and housing choices for families.

PHA FLEXIBILITY

Mr. VALADAO. Aside—I am sorry. Aside from moving to work fiscal 2019 HUD Budget request includes a number of proposals that could provide similar flexibility for a small public housing agencies, can you discuss those proposals and how they might relieve administration burdens and promote more flexibility for small and rural public housing agencies?

Ms. BLOM. The Senate has proposed a bill, Senate, 2155, that the Department endorses and supports that will provide smaller agencies with more flexibility. Reduced schedules for HUD inspection of public housing units, as well as reduce inspection at housing authorities need to administer for the Housing Choice Voucher Pro-

gram. But aside from that, the Department is looking to see how can we reduce burdens for small PHAs. We are very eager to be able to finalize the less remaining components of HOTMA which was enacted in 2016 which would provide smaller rules, larger agencies with more flexibility to be able to administer their Housing Choice Voucher Program. So, we continue to look to see how we can ensure that we are reducing burden for small PHAs.

Mr. VALADAO. What is that doing using the current statutory authority to relieve these administrative burdens and promote more flexibility?

HOTMA

Ms. BLOM. So, our main vehicles today are looking at implementation of HOTMA, which I just spoke about. We are also, as part of our regulatory reform, have pulled back several regulations that would affect small and large housing authorities. We are no longer seeking to implement our physical needs assessment. We are no longer putting enhanced requirements for demolitions and dispositions. Those are some of the ways, not just for small agencies, but all agencies that we are hoping to reduce burden.

HUD VASH

Mr. VALADAO. All right, let us switch—change a little bit here, topics. The district I represent continues to experience Veteran homelessness, as do other parts of California and the country as a whole. As a most recently published point in time count for 2017, the counties in which the district is located has 346 Veterans that are homeless. The HUD budget for fiscal 2019, proposes no new funds for the HUD VASH Program which has been used in the district to help homeless Veterans find housing. Can you walk me through the process of how the Department determined to not request new VASH vouchers and I understand parts of the country are underutilizing VASH vouchers. How are you encouraging public housing authorities to quickly utilize these vouchers and help homeless Veterans?

Ms. BLOM. Right. Thank you. The Department cares very much about our homeless Veterans and for that reason, we continue to administer the HUD VASH Program as well as the Tribal HUD VASH Program. With regard to traditional VASH, the Department is not seeking additional funding in fiscal year 2019 because we believe that given the funds that Congress has already appropriated, it is sufficient to be able to address the current need. What we have seen in some jurisdictions is that they have with their current allocation of VASH vouchers been able to serve all of the Veterans that are looking to be housed. Where there is a surplus of vouchers, we are now working with those communities along with the VA to see how can we redistribute those funds, first within that same community to address other homeless Vets who are not eligible under the VA requirements. And to the extent that, that entire community may not need HUD vouchers. We are looking to see how we can distribute those HUD vouchers across the country for higher need communities.

Mr. VALADAO. Thank you, Mr. Chairman, I yield back.

Mr. DIAZ-BALART. The gentlelady from Massachusetts is recognized.

RENT REFORM

Ms. CLARK. Thank you, Mr. Chairman. Thank you for being here with us today. One of the questions I had is the budget justification from HUD submitted to this Committee states that the Department will be proposing a legislative package of comprehensive rental assistance reforms. I believe those were promised in March. It is now the middle of April. I know my office has asked repeatedly to get a copy. And we know that the FY19 budget according to your testimony incorporates these rental reforms, which leads me to believe that you have finalized them if you were able to calculate your budget on them. So, is that correct? Do you have a final reform proposal and can we see it?

Ms. BLOM. Yes. So, thank you very much for the question on our rental reform program. We are finalizing the rental reform program and in the next few weeks, the Department anticipates being able to release that rental reform legislation to the Hill and begin the conversation about rent reform; how we can create a more simplified way to calculate rent; how we can encourage work through tri-annual re-certifications instead of annual re-certifications and how we can treat our residents with dignity. So, we believe that this is the beginning of a conversation with your Committee and authorizers to be able to look to see how we can create a more simplified transparent and more dignified way of calculating rent for all of our HUD assisted renters.

Ms. CLARK. So, how is the rent reform incorporated into your budget proposal if it is not finalized?

Ms. BLOM. So, we did create some estimates that we use as part of our calculation for the amount of funding that we are asking for the Housing Choice Voucher Program. It did not impact the request of funding for the public housing operating fund. So, we did have some estimates for that, but from the time that the budget was released to now, there have been refinements to that. And we look forward to having a discussion with you on that budgetary impact as well as the more important policy discussions that we look to have on rent reform.

Ms. CLARK. And do you have a final date for release at this point. You said a few weeks, more or

Ms. BLOM. Yes. We anticipate in the next couple of weeks, that it will be released and we will be able to further discuss with you and other members the fine points to our rental reform proposal.

Ms. CLARK. Okay. Also, as part of your budget justification, you said that the current rent structure and HUD's rental assistance programs create disincentives to employment and stable family formation. Can you define for me what HUD means by the phrase, "stable family formation"?

Ms. BLOM. Yes, let me provide a little bit of context and then I will answer that question directly. What we see today is part of our rent calculation, is that every time a resident—is it increase in wages or goes from not working to working, there is a 30 percent tax on that residence income. So, likewise, if a person is added to the household, whether that is a parent; whether that is a husband

or a wife, if that additional person is added to the lease, there is automatically a 30 percent increase in the rent that needs to be collected. So, we believe that by having tri-annual re-certifications instead of annual re-certifications that it will allow families who are currently not together on the lease to be able to be together on the lease and that way live together in that home.

Ms. CLARK. So, it is nothing to do with the definition of stable families like, a single mom or a grandparent raising a child, or—

Ms. BLOM. It would be stable family formation, which could be a husband and wife. It could be an individual with another family member joining into the family to be able to help with providing good parenting; parental role models for the children that are living there.

Ms. CLARK. So, you are looking at increasing mandatory minimum rents and increasing tenant rent contributions. How is this going to incentivize stable family formation?

Ms. BLOM. So, I think that component of the rent reform is less about stable family formation and more about ensuring that our assisted housing programs can be viable for the long-term; that we are looking for shared responsibility for the rent and for the cost of public housing—the Housing Choice Voucher Program and the multi-family programs that given budget constraints, that the HUD budget along is not enough to be able to ensure that all those families that are currently housed can remain housed. For this reason, we are asking for a sharing of responsibility and for residents to be paying a little bit more.

Ms. CLARK. All right. My time is expired, thank you, Mr. Chairman.

Mr. DIAZ-BALART. Thank you. Mr. Joyce. Mr. Joyce. I think you can go unless you are—you need a little more time to prepare, we can give that to you, but—

Mr. JOYCE. Oh, no, I am fine.

Mr. DIAZ-BALART. You are always ready, Mr. Joyce. You are always ready.

Mr. JOYCE. I was going to defer, but I appreciate it. Thank you. Thank you very much for being here today and I understand the work HUD is doing to encourage families to achieve economic self-sufficiency and independence. Can you elaborate on the work the Jobs Plus Program has done to support work readiness for fulfill community workforce needs and promote quality job placement?

JOBS PLUS

Ms. BLOM. Yes, so our jobs plus program has been implemented since 2015 starting with fiscal year '14 funds. And each year, we have been able to add more housing authorities into the program. This program allows housing authorities to focus on a particular development and release re-saturate develop with a culture of work, as we call it, since this is where all of the work-able individuals are expected to work where housing authorities and other service providers provide supports to enable individuals to work. So, additional support such as transportation; childcare; if there are any health issues; and ensuring that people become trained and ready to be employed. This has been a successful program. We have seen increases in income as a result of that, as well as more

individuals who are employed. Today, we have over 2,500 individuals that have become employed, either from not employed at all to part-time or to full-time employment over the last several years.

Mr. JOYCE. So I take it because of the success, you have plans to expand this program?

Ms. BLOM. So, as part of the fiscal year 2019 budget, we are not asking for an increase in funding. Instead, we are asking for \$10 million of funding for the Jobs Plus Program, so that we can continue to fund the housing authorities and support residents.

CAPITAL REPORTS

Mr. JOYCE. Speaking of the housing units themselves, I understand that you have estimated capital repair needs in excess of \$25 billion. I have also read the estimates that 10,000 public housing apartments are lost to disrepair. How does your office work with public housing authorities to assess and prioritize repair needs? And how will your budget address capital repair needs of our current public housing infrastructure to ensure housing quality standards are met?

Ms. BLOM. So, housing authorities determine locally what their capital needs are. Housing authorities each year go through a capital funding process where they identify their highest risks work items. Whether that is roofs; whether that is windows; the repairing of brick facades; major systems; and that given the amount of capital funds that they receive each year, plus other ways to leverage resources through the Low Income Housing Tax Credit Program and other local and state funding, they prioritize their needs to be able to make repairs to their public housing.

Mr. JOYCE. Will your budget be able to address those needs going forward or?

Ms. BLOM. What we have seen over the last decade is that there simply has not been enough funding appropriated by Congress to be able to keep up with the need. Back in 2010, a report was issued that showed that there was \$25 billion of capital needs and as we see with annual appropriations, simply, that is not enough to be able to keep up with the capital needs across the nation. I think for that reason, we are looking at a different way to support public housing units long-term and that we believe by moving to a Section 8 Program through RAD and through other ways; through project basing assistance which was permitted through HOTMA that we will be able to put public housing units on a much more stable platform using Section 8.

Mr. JOYCE. I take it that is your plan going forward and on how you are going to replace the stock that is in disrepair by—

Ms. BLOM. Yes, sir.

Mr. JOYCE [continuing]. Going to those methods.

Ms. BLOM. Yes.

Mr. JOYCE. Thank you. No further questions.

Mr. DIAZ-BALART. Thank you, sir. Mr. Aguilar, thanks for your patience.

INDIAN HOUSING BLOCK GRANTS

Mr. AGUILAR. Thank you, Mr. Chairman. Madam Secretary, I wanted to talk a little bit about Indian Housing Block Grants. Sam

Adwell banned a mission Indians as a tribe in my district that has benefitted from the Indian Housing Block Grant Program which provides for a series of activities on reservations that support the community. Funds are used for construction, rehabilitation, acquisition of buildings to create affordability opportunities on tribal lands. The Indian Housing Block Grant Program received an increase in the recently passed omnibus and a change from prior years though. A hundred million of this funding will be awarded via competition. A strategy that we used last during the American Recovery and Investment Act. So, can you talk with me a little bit about how that will work, specifically, I think, first, how that worked during the RO portion, when we last implemented this type of funding?

Ms. BLOM. Yes. Thank you very much for the opportunity to be able to talk about the programs that we serve for Native Americans. The Indian Housing Block Grant's additional funding for a hundred million dollars will be able to make tremendous impact on tribal communities. Thank you very much to this Committee for additional appropriations for that much needed housing that we need on reservations. When we look at the Recovery Act, we saw that tribes were able to utilize those funds for construction of new housing, rehabilitation of housing, construction of health services and community services and infrastructure. We believe as part of the additional hundred million dollars appropriated in fiscal year 2018 that tribal entities will be able to fully utilize those funds for projects that they have in their communities. We will prioritize that funding for construction and rehabilitation for housing units.

As we know, through the Indian Housing Study, there is a tremendous need for housing units. Sixty-eight thousand units of affordable housing is needing on—needed on Indian reservations. We will also prioritize the funding for those tribal entities that have the highest need and the highest capacity.

Mr. AGUILAR. Will any be excluded, will any uses be excluded? You mentioned—I appreciate you walking me through the priority fund—the priority list rehab and construction and those that need it the most, but will any of your uses be excluded from the possibility of use?

Ms. BLOM. We are just at the beginning stages of developing our Notice of Funding Availability for that program, so it has not yet been determined if there will be any types of activities that will be excluded, be we are happy to talk with you further about that to receive your input.

Mr. AGUILAR. I appreciate it. Can you talk to me a little bit about what this means if there is tribes you visited and others kind of on the ground, what this looks like and the change that some of these tribal lands will be benefitted by these resources?

Ms. BLOM. Yes. So, what we have seen as a result, dedicated funding through the Recovery Act and now with this hundred million, that this hundred million dollars will have a tremendous impact on tribal communities. In the past, through the Formula Program, it spread across 567 tribes, which means that particularly for those smaller tribes that they are not able to amass the amount of resources that they need to make a major impact in their community. So, we do believe that the hundred million dollars in dedi-

cated funding through a competition will allow tribes to have impacts on a grander scale than what they are able to do with the formula funding. To be able to do larger construction projects for new homes, to be able to do larger infrastructure projects and to be able to create the community centers and health centers.

Mr. AGUILAR. Great. I think it is a great use and I think that this is something that obviously the Committee wants to be supportive of. We want to make sure that it is done right, as do you. I hope that you get an opportunity to visit some of these rural tribes, as well that need it the most. Because there are access to—whether it is medical professionals and others who provide resources throughout these Native American lands, they are deprived of a lot of things. And so I think that these resources do go a long way. I appreciate the Committee allocating more funds to this category and look forward to working with you, as that notice put out, to make sure that we put it forward in the very best way possible.

Ms. BLOM. Thank you.

Mr. AGUILAR. Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Thank you, sir. Mr. Young. You are recognized, sir.

RURAL COMMUNITIES AND RAD

Mr. YOUNG. Thank you, Mr. Chairman. Welcome. We had Secretary Carson here not too long ago and I raised a question about some of the real needs we have in rural America with housing. And he acknowledged that was a fact and that the—you are all working on trying to address this issue. Can you talk a little bit about how the rental assistance program was working in rural communities, what is being done? Just give me a snapshot of where we are and where we would want to go and how we get there.

Ms. BLOM. Thank you very much for the question on how the Department is surveying rural communities. With regard to the Rental Assistance Demonstration Program, we have seen that that has been successful for smaller housing authorities and those in rural communities. So, we are very pleased by that. We are also looking to see how we can streamline that program to make it easier for smaller housing authorities so it is less burdensome and less costly. We also believe that we need to provide additional strategies for smaller agencies. One way that we are doing this is we are looking at what is called the Voluntary Conversion Program. This is where housing authorities can convert their public housing from traditional public housing to a voucher program. Do a Section 8 Program through the programs if the development needs a cost that it is more cost effective to provide housing through a voucher—

Mr. YOUNG. Are you seeing that want and that need and that trend to go to that platform of Section 8?

Ms. BLOM. We are seeing that. We are seeing that is a much more stable platform. I think we see that through the demand of the Rental Assistance Demonstration that was fully subscribed before Congress lifted the cap to 455,000 units. And we believe in another year that, that new limit will be fully subscribed. We are seeing a tremendous demand for the RAD program, which signals to us that housing authorities believe that the Section 8 Program is much more stable and viable long-term.

Mr. YOUNG. You talk about that in your testimony about streamlining that process to cut the regulatory bread—red tape to—from—to move to that Section 8 platform. That red tape, is that something that can be taken care of at the administrative level or do you need Congress to help you with that or is there a legislative fix on that that you need help with?

Ms. BLOM. With regard to the Rental Assistance Demonstration Program, we believe that we have the tools within our controls, especially given the waiver authority that is part of the Rental Assistance Demonstration to be able to make a more streamlined program for smaller housing authorities. And so we believe we have that ability.

Mr. YOUNG. If you find out that you do not, would you let us know?

Ms. BLOM. Absolutely.

Mr. YOUNG. Okay.

REDUCING OVER-INCOME LIMITS

Ms. BLOM. We are happy to work with you.

Mr. YOUNG. In 2015, the HUD OIG Study found that as many as about over 25,000 families who resided in public housing had income that exceeded the 2014 eligibility limits. As a result of the findings of the report, what are you doing about it? Why is this happening? What steps has HUD taken to reduce the number of over-income families living in public funded housing to allow maybe those on a waiting list to receive those services? What is happening there and what are you doing about it?

Ms. BLOM. Yes. So, thank you very much for the question on how the Department is addressing those families that are over-income. We are currently in the process of developing a Federal Register Notice that will be issued in the next several months that will begin to implement the provisions in HOTMA, which provided a cap on the income that families can receive and still be eligible for public housing and asked for a two-year transition period where those families are over-income. We will then follow that with a regulation that we are hoping to publish by the end of the calendar year that will fully implement those provisions in HOTMA. We do believe that this is a way to be able to transition those higher-income families then to a market-based program and to free up units for other families on the waiting list.

Mr. YOUNG. For those that exceed the eligibility limits, what is—what percentage of that do you think is that?

Ms. BLOM. There is about one percent that we are over the limit, but I will say that most families are just slightly over the limit. There are only very few that are well above the limit who could be affording a market-rate rent.

Mr. YOUNG. Thank you.

Ms. BLOM. Mm-hmm.

Mr. YOUNG. No more questions. Thank you, Mr. Chairman. I yield back.

Mr. DIAZ-BALART. Thank you very much, sir. Earlier this month, the President signed an executive order to—in essence, calling all agencies, right, to strengthen work requirements for folks that are on federal assistance and with different goals, including to invest

in federal programs that are effective at moving people into work-force and out of poverty. So, can you outline for us what HUD and the PHAs, including MT—MTWs—I am having a hard time putting words into phrases this morning; I apologize. What they currently do to incentivize or require recipients to seek employment? And what are you doing—how is that working?

Ms. BLOM. So, the President signed that executive order on April 10th, seven days ago, so the Department is looking at that executive order and seeing how the Department would be able to carry out the tenants that are part of that executive order. One of the themes of that executive order is work and we see that as part of our rental rent reform proposal that will be released in the next several weeks. But I would say that as part of our budget justification, that we are not requiring work, right? We are incentivizing work, but the proposal does not require work. But we have seen through the MTW program that several MTW agencies do have work requirements. We have seen in Atlanta how a work requirement or an educational attainment requirement is a way to incentivize residents to become self-sufficient.

Mr. DIAZ-BALART. So, what happens, though—all right. So, you incentivize somebody to get a job, which is great because work is so empowering, obviously. But then all of a sudden, do you then in essence get kicked off because your income is too high? So, how do you deal with that sort of cliff?

Ms. BLOM. As part of our rent reform proposal, you will see that there are hardship exemptions. So, we do not want as a result of our rent reform to have families be unstable and have the threat of homelessness. That is precisely what we want to guard against. So, you will see as part of our rent reform proposal that there is consideration for hardship exemptions. We are not imposing additional work requirements or increase rents on elderly and disabled, but for those that are work able and have an unforeseen circumstance, there will be hardship exemptions.

Mr. DIAZ-BALART. Right. Those are ones who are struggling, but how about those that are doing well? In other words, they start working, their income goes up, and then all of a sudden, they potentially can get disqualified potentially, right, from benefits, including HUD benefits. And so that is—those are—that kind of cliff of folks that potential could do better, would like to do better, but then all of a sudden, they lose their benefits, including potentially housing when they do better. And those are the issues that we have been kind of grappling with.

Ms. BLOM. We want to ensure that we are incentivizing work, that we are not penalizing individuals as they have increases in income. That is one of the reasons why we are seeking the triannual re-certification, so that as residents earn more that they are able to keep more than what they could under the current system. But we are happy to continue the discussion with you and with other members to be able to see how we can refine the reform proposal so that it works for residents and it works for multi-family and public housing owners, as well as for the government.

SECTION 184

Mr. DIAZ-BALART. I look forward to working with you. Let me just quickly go to—Secretary Carson has focus on the need to increase home ownership and opportunities for home ownership. And I think one of those programs that has encouraged private lending on reservations is the Section 184 Indian Loan Guarantee Program. I was actually able to say that for a change, right? And so as you know, under this program, HUD guarantees loans made by private lenders and therefore, they can charge lower rates. So, if you could briefly tell me how this process has been going and how is it working and do you think it is effective and how does—how can we make sure that it remains being an effective program?

Ms. BLOM. The 184 Program is our cornerstone for home ownership in Native American countries. This has assisted Native Americans, as well as others to be able to live on tribal lands. The 184 Regulation has been in existence for over 20 years and we are in the process now of consulting with Native American tribes and tribal-designated entities to be able to revise those regulations to enhance them and make them more effective for Native Americans and for others. So, we are involved in 11 meetings across the country for tribal consultation. We will then provide a revised regulation specifically to Native Americans for their review before that regulations go for public comment.

Mr. DIAZ-BALART. Great, I am glad to hear that. And Mr. Price.

Mr. PRICE. Thank you, Mr. Chairman. Madam Secretary, I want to return briefly to our earlier discussion about the programs that may somehow absorb some of the transfers out of public housing that would be necessitated by your budget proposals. I express some skepticism that the 202 and 811 programs for the held—house—for the elderly and disabled would be likely places where these tenants would land. But I do want to say that I appreciate your expression of support for those programs. The administration's proposal for 202 is a decrease as you know from the fiscal 2018 enacted in the omnibus. And your proposal for housing for the disabled is a reduction from both 2017 and 2018. So if we are going to put great stock in those programs, we are going to have to have adequate funding.

I am happy to say that the funding provided in the omnibus will make possible for the first time in years some modest new construction in both programs. And I think that will serve our communities well and we look forward to working with you to make sure that it turns out that way, that these increases are realized and in housing and our communities.

RAD

So let me return now to RAD, there has been a lot of discussion of RAD this morning. You obviously put great stock in it and a lot of our housing authorities do as well. The omnibus expanded RAD from 25, 225,000 units to 455,000 units and that's welcome news for many authorities like the Durham Housing Authority in my district. A lot of high capacity PHA'S are able to use this flexibility to recapitalize public housing priorities, provide quality housing for low income residents.

However, as you know, the experience has not been uniformly positive and that's what I want to ask you about. A recent GAO report concluded that HUD does not accurately assess private sector leveraging, in many cases has not. Has not always tracked and monitored the effects of RAD conversions on tenant household and most importantly the report concluded that HUD hadn't fully developed processes to ensure tenant protections and by tenant protections I mean quite simply, no displacement of low income residents as a result of conversion.

So I would like here this morning and then in writing to elaborate an indication of how HUD is going to implement these GAO recommendations and then what steps particularly you're going to take to ensure tenant protections and long term affordability are integrated into each and every RAD deal. And this does relate to my earlier questions about the cuts that you're proposing to public housing, capital and operating funds.

RAD doesn't happen all at once. It takes years. What happens in the meantime? These cuts suggest that in the meantime may be a real problem. And just to help us gauge that, how many units to date have been converted and closed? And what does this suggest about the pace that you've projected as to the kind of timeframe we are talking about here for these conversions.

Ms. BLOM. So a lot of things to talk about. With regard to the Rental Assistance Demonstration and the GAO report that was recently issued, we are, we take the issues and the concerns at GAO seriously. We want to ensure that we are implementing a RAD program that does protect residents and does recapitalize the public housing units. We will continue to work with the GAO to see how we can improve that program and we are happy to provide you in writing how we plan to do that.

Several years ago the department did issue a new notice with regard to ensuring that housing authorities were properly relocating and offering residents the right to return. And as a result of that, I would say over the last year there has been much more consistency and uniformity of ensuring that residents are protected when a development is converting through the Rental Assistance Demonstration.

To date, there have been over 88,000 units of housing that have converted to the Section 8 program. Many of those that have been recapitalized as a result of other investments to those developments. The pace has increased over time and we anticipate it will continue to increase over the next several years.

But I think you are right. It is going to take some time before the, you know, hundreds of thousands of units will be converted to the Section 8 program. This is a voluntary program from housing authorities and it requires many partners and stakeholders to be working together. So I think over the next several years we will continue to see an uptick in the program but it will take many years for housing authorities to recapitalize their developments.

So one of the reasons why we are also looking at other tools now besides RAD. We are looking at providing additional flexibilities to housing authorities with regard to demolitions and dispositions and repositioning those developments through programs other than RAD. We are looking at our voluntary conversion program and sim-

plifying that for smaller housing authorities and we are also looking to see how we can release the declaration of trust for these properties so that housing authorities can then singularly own them without restrictions but again as part of the departments tenant protection request, asking for additional authority to provide tenant protections for those properties that would be released from the declaration of trust.

Mr. PRICE. Thank you. Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Thank you, sir.

Yes, ma'am, you are recognized.

202/811 PROGRAMS

Ms. CLARK. Thank you, Mr. Chairman. In your budget justification it repeatedly says that current elderly and disabled households will not be impacted by the rent reforms and increases in rent. There is such an emphasis on current that I am assuming that future households will be impacted including elderly and the disabled. Is that correct?

Ms. BLOM. Yes, that is correct that the congressional justification does speak to current residents. The department will be releasing the rent reform legislation over the next several weeks and then we are happy to have further conversations with you and others on the types of protections and the types of increases in rent that we are seeking for all assisted residents.

Ms. CLARK. Okay. With the work requirements, I believe I heard you say that the triennial evaluation will apply to the work requirements as well as to the rental income evaluations, is that right?

Ms. BLOM. So we are looking for triennial recertification's on income which will mean that residents would have to provide documentation with regard to their income every three years instead of every year. And so as a result of that, where residents have increases in earnings whether because they are working more, because they are, have received a raise or they went from not working to working. Over that three year period they will not be penalized with having to pay a higher rent even though they are earning more.

RECERTIFICATION

Ms. CLARK. Okay. And that will be a requirement for—the PHA's get to elect to do work requirements under your proposal? Is that right?

Ms. BLOM. Yes.

Ms. CLARK. And so but that will be a requirement for all PHA's who elect to do further work requirements that that be a three year recertification?

Ms. BLOM. We are looking for all housing authorities to have a three year recertification instead of a one year recertification and we believe that this is to the benefit of all PHA's to reduce their burden and—

Ms. CLARK. Yes.

Ms. BLOM [continuing]. Administrative costs as well as that to the residents. In addition to that, housing authorize can elect to establish work requirements.

Ms. CLARK. Okay. But that's great.
 Ms. BLOM. Separate.

MOVING TO WORK

Ms. CLARK. All right. Thank you. I had a question too about the expansion of moving to work and the MTW's and we authorized back in 2016 regional MTW agencies and in fact Cambridge Housing in my district and Boston Housing Authority put together a proposal that was rejected by HUD that said they still needed to evaluate the many legal and programmatic questions this new concept presents.

So here we are two years later. Can you tell me what progress has been made and have you approved any applications for this designation?

Ms. BLOM. So the department has been working on creating the framework for this regionalized concept for MTW agencies and we are planning on issuing a notice on that by the end of the fiscal year. That would then allow existing MTW agencies as well as agencies that will be added to the program to form a regional MTW agency.

So to date we haven't yet approved any PHA's, existing MTW agencies to be working together and former regional housing authority.

Ms. CLARK. Okay. So by the end of the fiscal year you think that you will have those?

Ms. BLOM. Yes. We are planning on issuing a notice by then so that then housing authorities could apply to the department for the regional MTW status.

DOMESTIC VIOLENCE

Ms. CLARK. And I just wanted to touch briefly in my remaining minute on domestic violence and wondering if you could tell me sort out what is the state with HUD and do you need help from us on looking at domestic violence programs, how we respond when a family that's receiving assistance has an incident, family members leave for safety reasons.

Can you talk about that framework? I realize I'm not leaving you any time to do this but if it's too hard to go into now we would love to follow up with you and see if there are parts in the system where we can be helpful.

Ms. BLOM. We would be happy to continue the conversation with you to see how we can address domestic violence in public housing and through our housing choice voucher program. Absolutely.

Ms. CLARK. Okay. Thank you. Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Mr. Aguilar.

SECTION 184

Mr. AGUILAR. Thank you, Mr. Chairman. The chairman got to one of my questions. He was reading my notes which he does occasionally on Section 184. Again I will just put in a plug. We sit so close together. I will just put in a plug that, you know, that is a program that I support, you know, has worked and just from a raw leveraging perspective, I mean, such a small budgetary amount

leveraging hundreds of millions in new housing stock really is something that we need to kind of think through and to think how we can, you know, grow that program to maximize the effectiveness in tribal country. Picking up on Ms. Clark's comment about moving to work, within the 2016 consolidated appropriation I think it mentioned specifically 100 new PHA expansion she was talking about regional, the regional concepts which is interesting and innovative and something we need to support but out of the 100 new is that the piece you are talking about has the June NOFA?

Or I guess my question is out of the 100 that was mentioned specifically within the 2016 appropriations, how many have we designated?

GUIDELINES 100 PHA EXPANSION

Ms. BLOM. We are in the process today of establishing the guidelines and the rules associated with that 100 PHA expansion. Later this spring we will be publishing the notice for public comment that provides for those guidelines but at the same time we want to be able to start adding MTW agencies to the program. So at that same time we will be issuing a notice inviting our first group of agencies to join the program. And then still in fiscal year 2018 we will have a second notice to invite the second group of MTW agencies to join.

So while it has taken us some time to stand up the program, we believe that we are on the cusp of now quickly being able to invite agencies to apply to the program. That is separate from Representative Clark's question with regard to regionalism. Separate from that we will be issuing a notice by the end of the fiscal year to allow existing MTW agencies so really affecting right now those 39 agencies that are part of the program to see how they can create a unified administration of their programs to—in a regional way.

Mr. AGUILAR. Okay. So 39 existing consolidated appropriations added 100 you indicated two tranches basically that those would be let out. Equal, you know, 30/70, 50/50, what is that look like within your timeframe?

Ms. BLOM. The first as we call them, a cohort.

Mr. AGUILAR. Cohort.

Ms. BLOM. We anticipate having about 30 agencies participate in that and then the second cohort would be a smaller group. It will be looking at rent reform and the exact number hasn't been determined yet but I do anticipate it will be smaller than 30. Leaving then two additional cohorts to fill the additional slots available for the 100 PHA expansion.

ADMINISTRATIVE FLEXIBILITIES

Mr. AGUILAR. Okay, got it. Within that context, you've also proposed administrative flexibilities for those additional PHA's. So can you talk to me about what type of flexibility, what type of new flexibility you are looking to propose within that subset?

Ms. BLOM. With our MTW program, we want to provide very similar flexibilities to what the existing 39 agencies have today. Where we have provided less flexibility it's so that we can isolate the effects of that policy issue that we are trying to study. So that is the one incidence where we would not provide as many flexibili-

ties to a certain cohort because it would impede the evaluation of that policy area. With the notice that we published several months ago, we indicated to the public these are the types of flexibilities that the department is going to be offering as part of the MTW expansion.

So it, we are publicly on record of those types of flexibilities. We are making some minor changes to that with the public notice that will be issued in the next few weeks which will again go through another public comment period.

Mr. AGUILAR. Would the PHA's view that change in flexibility as being more helpful or less helpful than the initial cohort I suppose? So you are basically saying that they may not have the types of specific programmatic contexts and framework this next cohort as the existing moving to work functions, correct?

Ms. BLOM. There are only very limited instances where they would not have the same types of flexibilities.

Mr. AGUILAR. Okay.

Ms. BLOM. So one is if they weren't legally permitted in the first place, we're not offering those to the expansion PHA's and then if that type of flexibility would impede the evaluation of that policy area we are not providing for that flexibility. So that was spelled out as part of the initial notice.

Mr. AGUILAR. Okay. Otherwise they would be the same?

Ms. BLOM. Yes.

Mr. AGUILAR. Okay.

Ms. BLOM. More or less.

Mr. AGUILAR. I appreciate it. Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Thank you, sir. Let me throw 2 questions at you, and again thanks for your willingness to stick around.

HUD REFORMS

So based on your experience with previously enacted legislation bills, what potentially is a realistic timeline to implement reforms once Congress enacts them? So I'm not going to hold you, you know, know that for example the actual proposals, some proposals are still under review so I'm not going to hold you to the timelines and things like that but just, you have had a lot of experience so roughly what are some of those timelines once Congress does pass those reforms?

Ms. BLOM. So I will say it really depends. It depends on how complex that legislative changes and those new statutes are. So for instance under the MTW program, Congress provided us with a 7 year implementation for that program and we do believe that we will be able to achieve that.

With regard to the regulations that need to be issued to implement HOTMA it has taken us some time to do that. We implemented those provisions that were self-implementing very quickly through notices. We have also issued other federal registered notices to make other provision applicable. And now we are in the final rule making stage for the additional provisions in HOTMA to be able to provide those flexibilities to housing authorities.

I want to give you my commitment that I am working with the team to ensure that we are implementing those HOTMA provisions

as quickly as possible with the goal of having proposed rules available for public comment by the end of the calendar year.

Mr. DIAZ-BALART. The reason I'm asking this is because there are some reforms that are in essence, you know, cooked into the numbers, in your budget, right. And so obviously we are already in the process up to the 2019 bill so it's highly unlikely that even if Congress were to act super quickly which is a question if we can do that, right, whether we would be able to benefit from those savings now.

So any idea if that were to be the case that we wouldn't be able to benefit from those reforms to save us some money? Any idea how much of a hole potentially would have to be filled in order to just keep delivering the same level of services that we are now?

Ms. BLOM. With regard to the rent reform proposals, the department did anticipate that the implementation of rent reform would happen later in the fiscal year so that not all of the reductions in funding would occur as soon as October 1. But I think you're asking the question how much funding would be required to ensure that residents who receive housing choice vouchers today continue to receive them at the beginning of October 1 and we are happy to provide that figure for you.

ENVISION CENTERS

Mr. DIAZ-BALART. Great. That would be helpful. One of Secretary Carson's main priorities, I have heard him say that, is the envision centers initiative and so I understand that these centers will coordinate services to facilitate self-sufficiency and enable individuals and families to graduate from HUD assisted housing which is a great, great goal and so do you want to, can you briefly explain the concept of the envision centers and how these centers will be implemented?

Ms. BLOM. Sure. Thank you for the opportunity to talk about envision centers. This is something that is very important to Secretary Carson and that we want to establish throughout the country. We received robust feedback from housing authorities and others that are interested in establishing envision centers which would be places where residents, HUD assisted residents as well as others can come for job training and assistance, for health and wellness, for educational services, and where other federal agencies will be able to provide assistance along with HUD assistance.

So we do see this as a way to capitalize on investments that are already occurring in localities and working with the partners and the stakeholders already on the ground to be able to establish these envision centers.

Mr. DIAZ-BALART. Any idea of what kind of funding might be required to actually implement to successfully implement these envision centers?

Ms. BLOM. As part of the Fiscal Year 2019 budget, the administration is seeking 2 million dollars to evaluate the envision centers. But we believe that the funding is already available on the ground with investments that Congress has already provided as well as nonprofit and philanthropic funding that will be able to support the envision centers.

Mr. DIAZ-BALART. That's great. Mr. Price.

Mr. PRICE. Well, thank you Mr. Chairman. Madam Secretary, I want to wrap up also with some questions that you can deal with here orally and then supplement for the record if you wish.

One has to do with the research program accompanying the moving to work initiative and the second has to do with the, our efforts of some duration to provide workforce housing in Indian country.

MOVING TO WORK

The fiscal 2017 omnibus expanded the moving to work demonstration as you know from 39 to 136 agencies. One of the components of this expansion was a rigorous research requirement to evaluate the effectiveness of various aspects of the program. HUD at that point convened a research advisory committee charge with recommending policies for studying areas for further research in other words.

This is a change from how the moving to work demonstration operated in the past and it should provide rigorous evidence of the effectiveness of the policy options in the program. I think Congress has amply shown our commitment to the research by providing robust resources for MTW research in each of the past 2 fiscal years.

So I wonder here this morning if you could provide a brief update on the research program for the moving to work expansion and elaborate on your experience with the research advisory committee and what policy interventions were recommended.

Ms. BLÖM. Thank you very much for the opportunity to talk about the research component and the public process associated with the expansion of MTW.

Thank you very much for the 10 million dollars of funding specifically dedicated to be able to evaluate and research the policies that we will be studying as part of the expansion. The Federal Advisory Committee that the department established had MTW, existing MTW agencies, residents and HUD staff as well as researchers form this committee. That committee provided to the Secretary four recommendations on the cohorts that would be part of the expansion.

So first, to look at the MTW flexibilities themselves and to be able to evaluate that. Second, to look at rent reform. Third, on work requirements and then fourth on landlord incentives.

So the department is taking the advice of the research committee and we will be implementing four cohorts over the next several years with two of those cohorts being initiated still in 2018.

And then with the research funding, we are already working with our policy developed and research team at HUD to be putting together the research framework on how we are going to be evaluating those four policy areas for study.

Mr. PRICE. Thank you and we will see if there are details on any of this that we need to ask you to elaborate further for the record.

SECTION 184

Well, in the time remaining, let me turn to an important topic. This too concerns the fiscal 2017 omnibus. It contained 1.7 million for loan guarantees in the Section 184 loan program. And it was aimed at increasing the supply of housing for skilled and professional workers in Indian country. These loan guarantees would le-

verage more than 400 million dollars in new housing units for skilled workers. That's a big problem. The recruitment of doctors, nurses, teachers, law enforcement officers in Indian country. It's often difficult and the lack of suitable housing is an important part of the problem.

So I just would appreciate us, an update on the status of this program. What HUD is doing to encourage tribes and tribally designated housing entities to participate in the program.

Ms. BLOM. Thank you very much to this committee and for Congress for providing the additional lending authority to specifically target professionals so that they can live on Native American land. So this ensures that teachers and doctors and police are—have homes on triable designated properties.

We have gotten the word out to our TDHE's to ensure that they are aware of this additional authority and also thank you to Congress for providing expansion to our technical assistance resources so that now we can use technical assistance funding to be able to put together guidance to our tribes and TDHE's on this program to ensure that this additional authority is used to support housing for professionals.

Mr. PRICE. What kind of assessment do you have even though it's probably a preliminary as to whether this is working?

Ms. BLOM. I will need to get back to you on who tribes have used the authority to date and in the past that they have this authority but now that it's specifically targeted to it so we will be able to provide you with that data very shortly.

Mr. PRICE. You have the data at present or what would be the timeframe when we would get a preliminary assessment?

Ms. BLOM. Let me check with my team and then we will get back to you on the data that we currently have as and the timetable for that.

Mr. PRICE. Thank you very much. Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Thank you, sir.

Madam Secretary, first let me say that your deep knowledge and experience was evident once again in this hearing so we thank you for your service and for your work for the folks that you are serving.

Ms. BLOM. Thank you.

Mr. DIAZ-BALART. Let me thank you again and your staff, the HUD staff for your answers and for participating in this committee and the staff will be in contact with HUD's budget office regarding questions for the record. Any questions, I'm sure there is going to be other questions.

I would ask you that to please work with OMB to return the information for the record to the subcommittee within 30 days from Friday and that would allow us to publish the transcript of today's hearings and again as we put this 2019 bill together to allow us to have to make informed decisions.

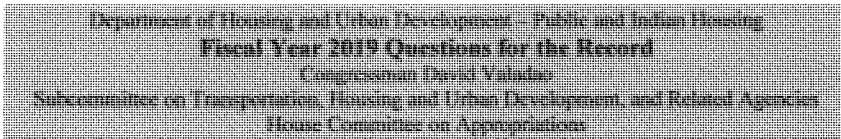
With that, Mr. Price, any further, any final comments? Closing comments?

Mr. PRICE. No, thank you. Thank you, Madam Secretary.

Mr. DIAZ-BALART. Thank you very much. Looking forward to continuing to work with you.

Ms. BLOM. You're welcome. My pleasure.

Mr. DIAZ-BALART. Thank you all. Meeting is adjourned.



Valadao #1

Native American Housing Block Grant

The FY 2018 appropriations law included an additional \$100 million for Native American Housing Block Grants to be awarded competitively to eligible tribes.

Question: Can you talk about how these competitive funds will be awarded and how you expect them to be used?

Answer: PIH's Office on Native American Programs is already hard at work crafting the Notice of Funding Availability (NOFA) with the goal of having it drafted, reviewed, approved and published within six months. Another consideration on timing of publication is the desire to stagger the application window – as well as the workload for applicants – with HUD's other major Indian Housing competition, the Indian Community Development Block Grant (ICDBG). The NAHBG competitive Notice will reflect the congressional directives in the Act - namely that in making awards, HUD will (1) consider need and administrative capacity, and (2) give priority to projects that will spur construction and rehabilitation.

We know from our experience with the ICDBG annual competitions that there are a lot of high-quality affordable housing and infrastructure projects in Indian Country. We also know from the Indian Housing Needs Study (January 2017) that tribal communities needed additional 68,000 affordable units as of 2015 to alleviate overcrowding and replace physically inadequate units. These points tell us there are number of viable and worthy projects in Indian Country and that this funding will be put to excellent use.

Public Housing and the Housing Choice Voucher programs

The budget mentions cost saving proposals in the rental assistance programs.

Question: Can you talk more about those and how quickly they could be implemented to realize savings?

Answer: HUD's Making Affordable Housing Work Act has cost savings proposals that HUD estimates would save the federal government \$1.6 billion in FY 2019, \$1.2 billion of which would be realized in the Public Housing and Housing Choice Voucher programs. These savings represent one-half of a year's savings for Public Housing and two-thirds of a year's savings for Vouchers for FY 2019, assuming HUD receives legislative authority to implement prior to the start of the fiscal year. HUD has begun outlining necessary considerations and tasks to allow for a quick and smooth implementation.

Public Housing and the Housing Choice Voucher programs

Question: Related, the President's budget documents state that the Administration will be releasing a rent reform proposal. Can you talk more about that proposal?

Answer: On April 26th HUD released our *Making Affordable Housing Work Act* that outlines a set of proposals to reform the decades-old rent calculation system to:

1. Promote resident self-sufficiency by encouraging work and stable family formation.
2. Increase local control and choice to empower communities to better serve their residents.
3. Simplify rent calculations and streamline program administration to reduce burden for HUD, its partners, and tenants.
4. Improve the long-term fiscal sustainability of rental assistance programs.

Currently, PHAs and owners participating in HUD's rental assistance programs must navigate a complex set of rules to properly calculate a household's rent contribution. Under these existing rules, tenants are required to surrender vast amounts of personal information and are often charged wildly different rents even though they have similar incomes. PHAs and property owners, many with limited staff, are placed at risk of making improper payments to their tenants, who may themselves be confused by the byzantine rules for tenant rent determinations. In addition, the current rent structure creates counterproductive incentives for assisted families to live together and move toward self-sufficiency. HUD is proposing to dramatically simplify the rent calculation process and improve the incentives it creates.

A key aspect of HUD's proposal is using gross income as a basis for calculating rents rather than the current method of using adjusted incomes. Basing rents on gross income will make rents more predictable, improve transparency, and reduce the amount of intrusion into residents' lives.

Another important reform included in the proposal is to reduce the frequency of income recertifications from the current annual requirement, to triannually. Longer intervals between income recertifications will incentivize work and promote stable family formation.

In addition, both of these proposed changes will significantly simplify administration for all parties involved – PHAs and owners, tenants, and HUD.

HUD's proposal also creates a menu of "choice rents" that PHAs and owners may implement to promote local control, choice, and resident self-sufficiency. HUD will also permit PHAs and owners to develop and implement their own "choice rents", subject to HUD approval.

Please keep in mind that this is just the beginning of the conversation. The Department looks forward to working with Congress and stakeholders to continue the discussion and reform our rent calculation system.

Public Housing and the Housing Choice Voucher programs

Question: Congress directed that HUD fund a rent reform demonstration for which results should soon be forthcoming. How did the findings from the demonstration inform the legislative proposal?

Answer: HUD is working with four MTW PHAs to implement an alternative rent structure documented in *A New Way to Subsidize Housing and Support Work: Launching the Rent Reform Demonstration*. The power of this study is that it provides a scientifically rigorous assessment of a host of changes to how to calculate tenant contributions. The baseline report of this study was released in October 2017.

The rent structure for the demonstration was built with four goals in mind that are similar to the goals of the Making Affordable Housing Work Act: (i) simplify rent structures to reduce PHA administrative cost; (ii) create a stronger financial incentive for families to increase their earned income; (iii) continue to provide a safety net for families who cannot readily increase their earnings; and (iv) minimize increases in per family housing subsidy costs for the PHA.

The rent policies studied in the demonstration are also similar to those proposed in the Making Affordable Housing Work Act. The demonstration's rent structure uses triannual income recertification, without rent increases if a family's income increases between recertifications; calculates rents based on gross income; does not require families to report actual or imputed income from assets of less than \$25,000; establishes minimum rents ranging from \$50 to \$150. In addition, the demonstration includes a streamlined utility payment policy.

One key initial finding of this new rent structure is that the use of gross income, the new asset income policy, and streamlining the utility policy, did save time for PHA staff.

Further, several of the rent reform proposals in the Making Affordable Housing Work Act have been implemented by PHAs using Moving to Work (MTW) flexibilities, with those MTW PHAs reporting positive results, including: changing the basis for the rent calculation from adjusted to gross income; reducing the frequency of income recertifications; adopting different rent structures for work-able renters and for elderly and disabled renters; using what the bill calls "alternative rents", or "choice rents", such as tiered, stepped or other rent structures; and establishing work requirements for work-able tenants.

WEDNESDAY, APRIL 18, 2018.

MEMBERS' DAY HEARING

Mr. DIAZ-BALART. Let us call the subcommittee to order. Good morning, and welcome to this year's Member Day subcommittee hearing.

Today we welcome our distinguished colleague, so far, colleagues to testify on their priorities for the Department of Transportation, Housing and Development, Fiscal Year 2019, obviously under the leadership of our Full Committee Chairman, our Distinguished Chairman, we brought back at his insistence, hearing days, in order to give every member the opportunity to express their priorities and their concerns, and their wishes for this Subcommittee and or the entire Committee. So, obviously we want to remember to be involved in the Appropriation's process, and their views are so important.

So, with that I want to recognize my friend, my partner in this Subcommittee, the gentleman from North Carolina, Mr. Price, for any remarks that he might care to share with us.

Mr. PRICE. Thank you, Mr. Chairman. I join you in welcoming our colleagues, one by one, to talk about their priorities in our area of jurisdiction. This is a good idea to make our hearing platform available to colleagues. And we look forward to hearing from them. Thank you.

Mr. DIAZ-BALART. Thank you. So, we were just talking about, we are starting with a member who understands this process as well as anybody. And so I appreciate your passion, particularly, for Capital Investment Grant Program. And, you know, I want you to know that last week at our DOT Hearing I mentioned, by the way, a little project that I know you have been working just since, I believe, is it the 1890s or the 1990s, right?

Mr. VISCLOSKY. Eighteen.

Mr. DIAZ-BALART. Eighteen, 1790s? Well, we brought that up, sir, to Secretary Chao. And, you know, I know that your project is in the CIG pipeline currently, and we want to make sure that projects, including the one like yours, which has taken way too long, continue to move through the project—through that pipeline.

We are also having a model hearing with the FTA next week, where the FTA Administrator will be testifying, and as I am sure you are already aware we have reached out to your staff extending you an invitation, hopefully to participate. I know you are going to be busy in that time, but if you are available, we would love for you to participate, if possible, in that hearing, to address your concerns with the Acting Administrator.

And so, any comments, Mr. Price?

Mr. PRICE. No. Welcome to our friend. We look forward to his testimony.

Mr. DIAZ-BALART. Thank you. Sir, you are recognized.

WEDNESDAY, APRIL 18, 2018.

WITNESS

HON. PETER VISCLOSKY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA

Mr. VISCLOSKY. Mr. Chairman, first of all, I thank you holding testimony for outside witnesses and other members. I do think it is an excellent idea for the Committee at large. Secondly, as a member of the Committee I understand the time constraints, but felt compelled to take some of your time today, and Mr. Price's, to thank each of you from the bottom of my heart for your help over the last several years on the Capital Investment Grant Program, which has not directly benefitted our district yet, but has benefitted this country, by growing the economy and putting us in a place for fiscal year 2019.

I want to thank all of the members of this Subcommittee, and I want to thank your staff for all of your work. You clearly understand the implications of this program.

I would, in reference to your other remarks, a quote from an article from March 15, 1990, during another Congressional Election, when I was criticized in the Democratic Primary by of my opponents for suggesting that regional planners must develop a tax that is needed to help finance this railroad, knowing we would have to come up with half the money.

That was March of 1990. We have. And I appreciate the fact that this Subcommittee understands the importance of that Capital Investment Grant Program.

I just want to make two points. One, since 1970, the First Congressional District today now has over 73,000 less school-aged children in it, because our young people have not stayed. I am convinced this investment is going to retain and attract young people and grow our economy.

Secondly, in this day of upset, politically, I am pleased to note that two General Assemblies ago, it was then Governor Pence who signed State funding into place for Part 1 of this program. It is Governor Holcomb who has signed the second piece of legislation. Senators Donnelly and Young support this legislation, Ms. Pilarski and I do.

We have four counties involved, two controlled by Democrats, two controlled by Republicans. They have set their differences aside, and agreed, because of the value of this program.

So, from the bottom of my heart to reward that good behavior over these last 30 years, I can't thank you enough. And that concludes my testimony.

Mr. DIAZ-BALART. Thank you, sir. I do want to mention and something that will not surprise you. But this Subcommittee works really closely together. And so, you know, there are some urban members, there are some rural members in the Subcommittee, and we all understand that we have to do what is right for the country, and it hasn't been—we haven't had any partisan, real partisan battles, we work really closely together.

Obviously, a big part of that is I think our Ranking Member who, as you know, one can agree or disagree with him, but he is always a gentleman, always a gentleman. And so we have that added to the tone. And I want to thank the members of the Subcommittee for, again, working in such a collegial way.

So, Mr. Price, any comments, questions?

Mr. PRICE. Excuse me. I didn't realize I was wired here. Thank you.

No. I have no questions. I do want to commend our colleague for his testimony, and also for the spirit in which he has worked on this for so many years, understanding that the transportation alternatives we need to develop, and certainly need to develop in the Greater Chicago area, the area that we are talking about here, that these do require support at all levels of government, and support in both parties, both chambers, that we need all hands on deck.

And he has exemplified that spirit, and I commend him for it. I thank him for his testimony.

Mr. DIAZ-BALART. Thank you. Thank you, sir. Thank you very much. Thank the gentleman from New York, and we appreciate you being here. This is your Committee, and so we want to hear what is on your mind, and how we can be helpful. So you are recognized, sir.

Mr. SUOZZI. Thank you, Mr. Chairman. As you see my name is Suozzi—

Mr. DIAZ-BALART. Suozzi, Suozzi, I apologize. I apologize.

Mr. SUOZZI. Okay. Thank you so much, Mr. Chairman, for taking the time—

Mr. DIAZ-BALART. With a name like Diaz-Balart, I am careful to—

Mr. SUOZZI. I didn't know how to say yours either.

Mr. DIAZ-BALART. Right, absolutely. Well, there are different reasons for that though. Anyway, I apologize. Go ahead, please.

[The information follows:]

Testimony
Congressman Peter J. Visclosky
House Appropriations Committee
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
Fiscal Year 2019 Member Day Hearing
April 18, 2018

I would like to thank Chairman Diaz-Balart, Ranking Member Price, and all of the members of the House Transportation, Housing and Urban Development, and Related Agencies Appropriations Subcommittee for holding today's hearing and providing this opportunity for myself and all members to speak about priorities for your Subcommittee in Fiscal Year 2019.

My priority for your Subcommittee in Fiscal Year 2019 remains my resolute support for the Federal Transit Administration's (FTA) Capital Investment Grant program. This essential program supports transit projects across our country, including the expansion and recapitalization of the South Shore Rail Line in Northwest Indiana.

Your Subcommittee demonstrated its steadfast support for this program in Fiscal Year 2018, and I am grateful for your action. As you are well aware, the budget request last year, in Fiscal Year 2018, represented a cut of about \$800 billion and a request to not fund projects without full-funding grant agreements. I thank you for your determination to push back against this proposal and end up with a Fiscal Year 2018 funding level of \$2.6 billion and with language that protects funding for projects in the pipeline. Because of your good work, communities across our nation can continue to plan and move forward with the FTA for projects that are in the early phases of development.

Unfortunately, as we approach Fiscal Year 2019 legislation, we face the same scenario as we did a year ago. The budget request for Fiscal Year 2019 continues a misguided approach of a significant decrease in the funding request for the Capital Investment Grant program, as well as language again that would eliminate funding for projects without a full-funding grant agreement. Specifically, the Fiscal Year 2019 budget proposal requests \$1 billion for the Capital Investment Grant program, which is \$1.6 billion less than the enacted Fiscal Year 2018 funding level.

Chairman Diaz-Balart, Ranking Member Price, and members of the Subcommittee, I respectfully ask that you again flatly reject the inadequate funding level and inappropriate language restriction proposed in the Fiscal Year 2019 budget request.

The Capital Investment Grant program is an integral component of creating economic growth in communities across our nation. I believe that people today, when considering where they want to live, work, or raise a family, are looking at public transportation options. When businesses are considering where they want to locate, and where they think vibrant new employees and markets exist, they are looking at public transportation options. When individuals and families are considering what they want to do this weekend, they are looking at events and attractions that have close proximity to public transportation options.

The investment to improve and expand the South Shore Rail Line in Northwest Indiana is but one example of the vast benefits that this program provides to communities throughout our nation. We have made great strides in Northwest Indiana because of the bipartisan commitment from local officials, state officials, businesses, and non-profit organizations. And we cannot allow this progress to go for naught.

I believe that through the Capital Investment Grant program we are creating a model in Northwest Indiana for how to maximize the potential of taxpayer dollars and make transformational investments that will grow regional economies. I want people to be able to look at Northwest Indiana and say this is how we garner bipartisan support from all levels of the community and the federal government, and this is how we create a return on public transit investments. This is how we attract new people, new businesses, and new jobs through public transportation infrastructure investments, and this is how we improve the lives of all current residents in a community and for future generations.

This type of transformation does not happen without Congressional support. Therefore, I again thank this Subcommittee for your leadership, for your demonstrated value for the Capital Investment Grant program, and again ask for your continued robust support for this critical program in Fiscal Year 2019.

WEDNESDAY, APRIL 18, 2018.

WITNESS

HON. THOMAS SUOZZI, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. SUOZZI. Thank you, Mr. Chairman. And thank you, Mr. Price, I really appreciate you taking the time to be here as well. And Congressman Young, thank you so much for being here also.

I am here today to talk about an issue that affects many places throughout the country, certainly it affects my district as well, and that is airport noise. I am the Chairman, the Co-Chairman of a group called the Quiet Skies Caucus, Eleanor Holmes Norton also serves on as well. Congressman Quigley and Congressman Lynch are also Vice Chairs of it, coming from major metropolitan areas in Boston and Chicago. But it is a problem throughout the country, over 40 members of the Quiet Skies Caucus; it is a bipartisan group as well.

And it is not my written testimony, but just so you understand, it is a part of NextGen, we have changed the flight patterns throughout the country.

So, in the old days, the flights would come in at this level, and would spread out the noise from airplanes amongst this big group, but under NextGen it has been narrowed like this, so it is faster, it is cheaper, it is safer, but the people that live under the flight path now on this very narrow takeoff and landing patterns are very much affected by constant traffic coming over their homes.

So, NextGen is a new phenomenon that has affected a lot of residents throughout the country that not only live right near the airport, but live anywhere within the flight path for landing or for takeoffs.

I am home to the Third Congressional District along the North Shore of Long Island and Queens, two airports in the region, LaGuardia and JFK, so two of the busiest airports in the country. So I am very familiar with this problem, and the effects that are caused by noise pollution and airplanes. And also another issue I am going to bring up, which is helicopters, and the effect it has on people's lives.

We have been talking with the FAA, and they have given us commitments to study flight patterns, to look at disbursement from the NextGen system. They have said they will do health surveys, they are going to create a central complaint system, they are going to do a better job on community outreach, but it is unclear that they are going to be acting in a timely basis. It is very difficult to get them to move forward on a lot of these different issues.

So we are asking for your help in two ways. I have a specific set of requests related to the entire Quiet Skies Caucus that will affect the entire country that relates to all of my colleagues on the Quiet Skies Caucus. And then I have a second request that is specific to my district, related to helicopter noise. So, one is regarding the whole country with Quiet Skies Caucus, the second is, separately, related to my district specifically.

So, a couple different requests that we are asking for from the Quiet Skies Caucus, we are asking to include funding for the FAA

to study health impacts of airplane flights on residents exposed to a wide range of noise and the air pollution levels.

Second, we are asking the Subcommittee to include report language that directs the FAA to evaluate alternative metrics to the current day/night level, DNL 65. We think it should be lowered to a lower level, such as the use of noise sampling and other methods.

In the old days 65 may have been an acceptable idea when it was disbursed like this, but now the constant level of traffic over these few homes, or these limited number of homes, we need to lower that DNL level.

The DNL was developed over 10 years ago at 65, but again, the world has changed dramatically because of NextGen. DNL, just so you know, expresses an average noise level based on annual aircraft operations for an entire calendar year, and it doesn't really do a good job of capturing the devastating effects of NextGen over our communities.

My second set of requests; is specific to my district in New York 3. Thousands of my constituents in northeast Queens are bombarded daily by helicopter noise, and it gets a lot worse in the summer when people's windows are open, but also with the increased traffic of people traveling from Manhattan, or from other parts of the city of New York, I have got Queens in my district, it is part of the city of New York, but then out to the vacation spots, very wealthy people taking helicopters to go out there.

Well, there was a new route put in place called the North Shore Route back in 2016 through 2020. The problem is, there has been a tremendous byproduct of that route in the constituents that live in Northeastern Queens, and they have been bombarded with constant helicopter noise.

It is a very complicated issue related to the bridges that are in the area, the airplane traffic in the area, but the helicopters, as you know, are not that heavily regulated.

So I am asking the subcommittee to include in the fiscal year 2019 Appropriations Bill language; that would direct the review of regulations around helicopter noise, and assess three different things.

One, the noise impacts of regulations for communities, and communities in locations where aircraft are landing or taking off; two, enforcement of applicable flight standards including in the requirements for helicopters to remain at or below 2,500 feet mean sea level; and three, the availability of new routes to reduce noise impacts, including the institution of all water route over northeastern Queens, the County of New York.

If the helicopters could simply travel over the water for the entire route, it would solve this problem, because no homes are under the water, obviously.

So that would be a solution to this problem, but we are going to need some help from the FAA, and from this committee to direct them to look at that.

So, that is my testimony. And I thank you so much for your time. I am sorry if I went over.

Mr. DIAZ-BALART. No. Actually, thank you so much for being here. Now, I don't know if you are aware, I know you are of that, and again, a lot of the credit goes to Mr. Quigley of our sub-

committee, so on the 2018 bill, we did quite a bit, to start the process, including adding staff to New York, specifically to deal with the noise issue.

And secondly, in the 2018 Bill there is also, we did add that language that you mentioned to study the DNL, and so we will obviously be looking at it when we put together the 2019 bill. It is important that you came to talk to us about this, and we thank you for your input. But this committee has been very sensitive to try to accommodate their members.

Mr. SUOZZI. And Congressman Quigley does a great job on this issue and is really very heavily affected by all these issues as well.

Mr. DIAZ-BALART. Absolutely. Mr. Price.

Mr. PRICE. Just to elaborate for a moment. The helicopter traffic that you are talking about, these helicopters take off all over the place. Is that right?

Mr. SUOZZI. Yes, but they mainly take off from Manhattan. But, yes, they take off from all over the place.

Mr. PRICE. And they are headed to eastern Long Island?

Mr. SUOZZI. Right, up to the vacation spots of the Hamptons.

Mr. PRICE. So, this problem you are identifying is not particular related to LaGuardia, to helicopter traffic at that airport?

Mr. SUOZZI. That is correct, but LaGuardia is very closely situated to where the problem takes place. It is not related to LaGuardia, no.

Mr. PRICE. I see. Well, we will take what you say under advisement. It sounds like a relatively new problem, and one that has intensified.

Mr. SUOZZI. It has actually gone on for years. It is just that we are bringing it to everybody's attention now, and people are really—you know, the challenge with a lot of these issues is, you know, there seems to be an impression that a lot of those people that are complaining are just cranks, and they are just overemphasizing.

It is really clearly obvious based upon, not only the conversations with my colleagues, conversations with my constituents, that NextGen is a major problem that caused—you know, it is a lot of benefit to NextGen, but a major problem for these people that are in the flight paths now, the NextGen flight paths, it is a new phenomenon that are heavily impacting people, and the helicopters is a new phenomenon back from 2016 when they changed this North Shore route and it has affected this one community very negatively.

Mr. PRICE. Thank you. And thank you, Mr. Chairman.

Mr. DIAZ-BALART. Thank you, sir. Thank you, sir. Mr. Correa? How are you, sir? Thanks for joining us, and we look forward to hearing what we can do to help you.

[The information follows:]

Rep. Suozzi Quiet Skies Testimony

- Good Afternoon Chairman Mario Diaz-Balart, Ranking Member David Price and fellow Members of the Subcommittee.
- Thank you for the time to discuss a critical issue to so many of our constituents: unacceptable levels of aircraft noise.
- At the beginning of my first term in Congress, I was elected co-Chair of the Quiet Skies Caucus, along with Congresswoman Eleanor Holmes Norton. We're fortunate to have Congressmen Quigley and Lynch serve as co-Vice Chairs of the caucus.
- I represent New York's Third Congressional district – stretching from northeast Queens along Long Island's north shore, through Nassau County and into Suffolk County.
- LaGuardia and JFK, two of the nation's busiest airports, both rely on flight paths over numerous neighborhoods in and around my district.
- I became Co-Chair of the Congressional Quiet Skies Caucus because my constituents are sick and tired of noise pollution from airplanes and low-flying helicopters at all hours of the day and night.
- It's a fact that noise pollution deteriorates quality of life and negatively affects health. It drives down property values as well.
- The FAA has given us their commitments to study flight patterns, conduct health surveys, create a central complaint system and enhance community outreach.
- Yet, it is unclear when the FAA's work will come to fruition and many of my constituents are frustrated and angry. They're also worried this problem is going to get much worse as local airports expand their capacity.
- I have spoken to my other colleagues on the Caucus; their constituents are literally shouting similar concerns.
- To address these critical issues, The Quiet Skies Caucus asks the Subcommittee to include funding for the FAA to study the health impacts of airplane flights on residents exposed to a wide range of noise and air pollution levels.

- We also ask the Subcommittee to include report language that directs the FAA to evaluate alternative metrics to the current Day Night Level (DNL) 65 standard, such as the use of noise sampling and other methods.
- Why is the DNL important? Because it was developed over 10 years ago and is outdated.
- It expresses an average noise level based on annual aircraft operations for an entire calendar year.
- It does not capture the devastating effects of NextGen over our communities.
- What does it matter if planes are flying at a supposedly acceptable 65 DNL, if they're roaring past every 60 seconds overhead?

My final request of the Subcommittee today is specific to my home district of New York-3.

- Thousands of my constituents in Northeast Queens are being bombarded by helicopter noise daily.
- Helicopter noise pollution is an environmental hazard that negatively impacts the health and well-being of Queens and Long Island residents.
- In July 2016, the FAA ruled to keep a Helicopter route over the North Shore of Long Island active through August of 2020.
- An unacceptable byproduct of this North Shore Route is greater helicopter traffic over Northeast Queens which forces area residents to suffer constant helicopter noise pollution.
- I urge the subcommittee to include in the FY19 appropriations bill language that would direct a review of regulations around helicopter noise and assess:
 - 1) The noise impacts of the regulations for communities, including communities in locations where aircraft are landing or taking off
 - 2) Enforcement of applicable flight standards, including requirements for helicopters to remain at or below 2,500 feet mean sea level
 - 3) Availability of new routes to reduce noise impacts, including the institution of an all water route over northeast Queens County, New York
- Thank you for your attention to this critical issue.

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WEDNESDAY, APRIL 18, 2018.

WITNESS

HON. JOSE LUIS CORREA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. CORREA. Mr. Chairman Diaz-Balart, and Ranking Member Mr. Price, and Congressman Young, thank you very much for the opportunity.

I am here today to talk about our heroes, our warriors, our veterans that come back from fighting all over the world to protect our freedoms. And many come back with invisible wounds that don't seem to heal. I am here to talk homeless veterans. I am here to talk a robust funding for programs that provide assistance for homeless veterans.

As a member of the House Committee and Veterans Affairs, I am asking this Committee, asking you, please, provide 47 million for the Housing and Urban Development Veterans Affairs Supported Program, commonly known as HUD/VASH Program for fiscal year 2019, which is consistent with the 2017 funding levels.

According to the most recent 2017 Annual Homeless Assessment Report issued by HUD, there are about 40,000 homeless veterans throughout the country. And as I said, no veteran that has served our country, none of these heroes who have served our great nation should be left homeless.

As the gatekeepers of taxpayer money, and keeping the promise to make our young men and whole when they come back from serving, it is our responsibility to make sure that we do everything we can to get homeless veterans off the street.

My state, the State of California, is home to the biggest number of veterans in the country. Sadly, we are also home to the greatest number of homeless veterans in the United States, over 11,000.

California is followed by the States of Florida and Texas, who are the second and third highest number of homeless veterans in this nation.

I am going to make my comment short, and say, gentlemen, ladies and gentlemen, I hope you agree with me and provide that funding for homeless veterans, the way they deserve to be treated by this great country.

Mr. DIAZ-BALART. Thank you, Mr. Correa. And this Subcommittee is very, very sensitive to that. And one of the things that we—and by the way, because of the leadership of our Full Committee Chairman, and the Ranking Member as well, we have got a pretty good allocation, as you know for 2018, so we were able to put on top of the \$500 million annually just to keep the folks that we have in there. We did an additional \$40 million in 2018.

We don't have our allocations yet, but just know that this Subcommittee is very, very sensitive. We have been able to I think do some good things. And we thank you for your passion. And just know that we are going to stay in touch with you. Stay in touch with us. We hope to be able to, again, continue to do the good work that we started, no, we didn't start it, but that we were able to add to in 2018.

Mr. Price.

Mr. PRICE. Thank you. And I also want to commend our colleague and assure him that your request has bipartisan, bicameral support as evidenced in the final outcome of the 2017 and 2018 appropriations. The problem of homelessness and of under-resourcing of housing support is a problem that our country must simply come to grips with more adequately and of course this budget that we are reviewing now for 2019 is an important part of that.

But I think there is wide agreement that the veterans' population is a special case, because of the needs of this population, because of the way they have served this country. And so it is appropriate I think that one segment of this housing support be singled out for those veterans.

And it does have widespread support in a way that other housing programs haven't always had, and so we have made headway.

And I would like to know if you have the California figures on veterans' homelessness, and how much headway we have made in reducing that. I know in our state it has been cut in half, in North Carolina.

But it needs to be zero, or as close to zero as we can make it, and so I commend you for your focus on this particular group of people. It is a deserving group of people, and we need to reflect that in our budget. So, thank you for being here.

Mr. CORREA. Thank you, Mr. Chairman Diaz-Balart, and Ranking Member Price. We have an all-volunteer military, these young men and women don't ask, they go and serve the country. And as I said before a lot of them come back with those invisible wounds, still not healed, and many of them end up in our streets, homeless.

In California we have over 11,000 homeless vets. We are working hard. In Orange County, my county, working really hard, but I think partnering with the Federal Government with your assistance would go a long way to helping us as elected officials, keep our promise and commitment to our veterans.

Your words are very positive. I welcome them. I sit, again, on the Veterans Affairs Committee. Let us work together in partnership and make sure we do the right thing for our heroes. Thank you very much for the opportunity.

Mr. DIAZ-BALART. Thank you. Again, I just want to also thank the Ranking Member for those words, which I think really sums up the feeling of the subcommittee. Thank you.

Mr. CORREA. Absolutely, gentleman. It is not a partisan issue. It is an American issue, it is a moral issue. Thank you very much.

Mr. DIAZ-BALART. Thank you very much. Are you ready, sir? I want to make sure that you have a little time to get your thoughts in order. But while you do, I will let you know that, again, we thank you for your participation. We are here to listen to you, and I have had the privilege to work with you in the past, and have been able to get some good things done for the country. So, I appreciate you, one again coming in front of this Subcommittee.

[The information follows:]

Testimony of Congressman J. Luis Correa
In support of level-funding for the HUD-VASH Program
 Wednesday, April 18, 2018 at 10:28 A.M.

Rayburn 2358-A

- Thank you, Chairman Diaz-Balart, Ranking Member Price, and Members of the Subcommittee for allowing me the opportunity to express my strong support towards robust funding for programs that provide assistance to homeless veterans.
- As a Member of the House Committee on Veteran Affairs, I urge this subcommittee to provide \$47 million for the Housing and Urban Development-Veteran Affairs Supportive Housing Program, commonly referred to as the HUD-VASH Program, for Fiscal Year (FY) 2019, which is consistent with FY2017 funding levels.
- According to the most recent 2017 Annual Homeless Assistance Report issued by the Department of Housing and Urban Development (HUD), there were 553,742 people who were homeless across the United States, including an estimated 40,056 veterans.
- No veteran who has served his or her country honorably should be left homeless.
- As gatekeepers of taxpayer money and the promise we make to our young men and women of the military, it is our responsibility that all do well years later even after they return to the United States.
- The State of California alone in FY2017 had the highest number of homeless veterans in the United States – 11,472.
- Following California were the states of Florida and Texas, which are the second and third states with the highest levels of homeless veterans at 2,817 and 2,200 respectively.
- In 2017, my Congressional District had 405 homeless veterans, which is the second largest in the small city and county categories in the Continuums of Care for homelessness in the United States.
- As you know, the HUD-VASH Program is crucial to ensuring that veterans have the support they need to keep a roof over their head, and in some cases, their family's.

- Through public housing authorities, HUD provides rental assistance vouchers for privately owned housing to veterans who are eligible for VA health care services and are experiencing homelessness.
- In many instances, VA case managers connect these veterans with support services such as health care, mental health treatment and substance use counseling to help them in their recovery process and with their ability to maintain housing in the community.
- For instance, Ernie Maas served in the Navy for seven years during and after the Vietnam War. Unfortunately, many years after his service, he injured his back making it difficult to work. He lost his home and for two years, he was homeless and lived underneath a bridge on Four Mile Run in Virginia. HUD-VASH made it possible for him to find a home and was connected to VA health services.
- Another example of the importance of HUD-VASH was for an Oakland veteran by the name of Kevin, who became homeless at the age of 27. For two years, he attended college and lived out of his car. Through the help of the HUD-VASH program and supporting organizations, he was able to secure an apartment and now holds a bachelor's degree.
- Army Sergeant Oneika Loudon was homeless until she learned about the HUD-VASH program. The voucher she received allowed her and her children to find a home to live in. She stated that the program saved her life and her children's lives.
- There are thousands of stories like these that are made possible through this life-saving program.
- In 2015 alone, HUD provided more than 78,000 vouchers to help house veterans across the country.
- In FY2017, my congressional district was awarded close to 220 HUD-VASH vouchers.
- The State of California, and specifically Orange County, has one of the highest property rental prices in the United States, and HUD-VASH vouchers provide our veterans with the support they need to get back on their feet.
- Again, thank you for the opportunity to speak before the subcommittee and for your consideration of my request.

WEDNESDAY, APRIL 18, 2018.

WITNESS

HON. ADRIANO ESPAILLAT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. ESPAILLAT. Thank you, Chairman; and Ranking Member Price, and Chairman Diaz-Balart.

This Subcommittee hearing and the decision that come out are very important to the constituents that I represent in the 13th Congressional District in New York City.

First and foremost, I want to thank you because the Rental Assistance Demonstration Project, RAD, was included this year in the Fiscal Year 2018 Omnibus Legislation. Saving the Lakeview Apartments in East Harlem, one of the last remaining Mitchell-Lama buildings in that area, there is a dire need to maintain and secure affordable housing in that particular section of the city.

So, with your cooperation, Mr. Chairman, Mr. Ranking Member, we were able to save 446 units, apartments for families that live right off of Fifth Avenue. The market rate of those apartments would have driven the rents through the roof, and because of your efforts and your help we were able to keep them affordable, and keep those families there. So I want to thank you.

It has been a long-standing priority of mine, and I want to thank the Chairman and the Ranking Member for their tireless efforts and time working with me since I became a Member of Congress to ensure that Lakeview's affordability remain by providing comparable market rent.

The current area fair market rent cap is 120 percent, and through the legislative language, Lakeview will be able to receive a significant increase in the cap to meet the gap in street rent, to market rent, and keep rent affordable for its current tenants.

The other issue that is very important to me in the district, is public housing. The New York City Housing Authority has 400,000 people in it. It is larger than many cities across the country, and the district has the highest concentration of NYCHA, New York City Housing Authority, units in the entire country.

As I said, New York City is the home to the largest public housing in North America, known as NYCHA, and NYCHA is responsible for 176 public housing apartments that house over, just slightly over 400,000 residents.

NYCHA serves low-income tenants including recipients of Housing Choice Voucher Program, Project-Based Vouchers, and Veterans Affairs Supportive Housing, HUD programs. For NYCHA to effectively service tenants, it requires a commitment to robust funding for public housing, for the Public Housing Operation Fund, or the day-to-day operation of NYCHA, and long-term projects of rehabilitating the units.

So, NYCHA has a lot of challenges. One of those challenges is capital. They have a big deficit, \$17 billion, and some feel that when it is reassessed it can go as high as \$26 billion deficit for capital repairs. That means bollards, roof work, pointing, windows, elevator work.

And so this winter we saw a tremendous crisis—many of us tend to do in the very cold winter months. So, they really need the infu-

sion of capital dollars. They also need the infusion, obviously, of Section 8 vouchers, the rental assistance. And over 123 Section 8 housing vouchers are dually administered by the New York City Housing Authority and also New York City's Housing Agency. The increase to the additional moneys in the fiscal year 2018 omnibus will better accommodate for needs, so, this year's budget was helpful in increasing not only the capital, but also increasing by 40 percent the operational budget and I think 5,000 vouchers for Section 8. So, I hope that we get our fair share of those particular increases in NYCHA. Therefore, with a total of \$30.3 billion allocated for Section 8 and public and Native American housing, I urge the Committee to dedicate at least \$22.8 billion to fully fund all existing vouchers for their Housing Choice Voucher Program, Section 8 Rental Assistance for fiscal year 2019.

As I said earlier, public—the Capital Fund is an important one for New York City housing that is transitioning in leadership right now, as we speak. HUD's most recent capital needs assessment shows a deficit of \$26 billion. So, actually, they have already made the assessment. I said that their deficit was \$17 billion. That is the old deficit; it has ballooned now to \$26 billion in capital repairs. And that is—of course, is roofing, so I am proposing a—I am proposing that the Public Housing Capital Funding be increased to a level of at least \$5 billion in fiscal year 2019. So, that is important. Obviously, we cannot make all these repairs in a short period of time. They will have to be staggered in. So, we feel that a \$5 billion allocation is a good one. We also have the proposals for the community development grants.

In the past calendar year and even now, the utility and flexibility of community development go—block grants cannot be underscored. In New York City alone, community development block grant money has been used to repair over 19,000 households of multi-family buildings. Investing in a single family or multifamily in NYCHA, we have a resilience program has yield dividends in surplus of the investment. So, community development block grants are very important and I want to thank the Committee for allocating \$3.3 billion in fiscal year 2018 and urge the Committee to fund this vitally important program at the maximum amount, if possible, in 2019.

Finally, Mr. Chairman, I have a particular project that I wanted to discuss with you that involves public safety. And you have seen how unfortunately, there have been several terrorist tracks—attacks, one in New York City on the West Side Highway and several across the country and across the world. The use of vehicles to basically run down pedestrians. And so, I am calling on the Committee to consider the funding of bollards. Bollards are structures that will impede vehicles from being used as a terrorist weapon to kill civilians, as it was done in—unfortunately, in the West Side Highway New York City and many places across the world and some other places across the country. We feel that this is a sensible and practical measure that will save peoples' lives and we—I have presented the Stop Act, which will stop the threats on pedestrians that will help fight back on terrorist attacks. So, I will consider—I would love the Committee to consider funding these—this particular project.

With that, I close, Mr. Chairman, and I again, want to thank you for your efforts to help out Lakeview and for your efforts to bring funding to NYCHA. And I think that we have a lot more to do, but I want to continue in a very collegial and bipartisan fashion to work with you to make sure we accomplish that.

Mr. DIAZ-BALART. Let me—

Mr. ESPAILLAT. Thank you so much.

Mr. DIAZ-BALART [continuing]. Let me—again, I would be remiss if I did not mention your just tireless leadership and advocacy. You have been—you—I mean, heck, you had barely gotten sworn in and you were already jumping on us on these issues. And so—and we do listen. We do—

Mr. ESPAILLAT. Okay.

Mr. DIAZ-BALART [continuing]. Listen and so I know that you know that we raised the cap on the program on RAD to 455,000 units and also expanded the use of RAD for the elderly program. And so just know that we do listen to you.

Mr. ESPAILLAT. Thank you.

Mr. DIAZ-BALART. And you mentioned—you were very gracious in thanking us, but frankly, we have to thank you for your leadership. You got some big things done for your constituents and also you mentioned Public Housing Capital, which we did—we were able to put a substantial increase of—an increase of \$750 million, which is substantial and again, full funding of Section 8. So, again, just know that the Subcommittee works very closely together. We have been listening to you and we look forward to continuing working with you.

Mr. ESPAILLAT. Thank you so much. Thank you, Chairman.

Mr. DIAZ-BALART. Mr. Price.

Mr. PRICE. Thank you. I also want to thank you for your advocacy. Everything you said this morning, just now, is relevant to our 2019 deliberations. We have made headway, as the Chairman says, on most of these items in 2017, 2018 by virtue of bipartisan budget agreements. But the adequate funding of public housing repair and maintenance, the support for CDBG, and funding a reasonable number of RAD conversions where those are the chosen path forward for housing authorities, all of those are on our agenda and we thank you for underscoring there for us.

Mr. ESPAILLAT. Thank you so much. Thank you. Thank you, sir.

Mr. DIAZ-BALART. Gentlewoman from Washington is recognized. Thank you again, for being here. Always a pleasure speaking to you.

[The information follows:]

Rep. Adriano Espaillat
New York 13th Congressional District

TESTIMONY

CONGRESSMAN ADRIANO ESPAILLAT (NY-13)

House Committee on Appropriations

Subcommittee on Transportation, Housing and Urban Development, and Related Agencies

April 18, 2018

Thank you, Chairman Diaz-Balart, Ranking Member Price, and members of the esteemed committee. This subcommittee hearing and the decision that come out are very important to the constituents in New York's 13th Congressional District.

Rental Assistance Demonstration:

I am very appreciative of the Chairman and Ranking Member for their inclusion of Rental Assistance Demonstration ("RAD") language in the Fiscal Year 2018 omnibus legislation.

The Lakeview Apartments is one of East Harlem's last remaining Mitchell-Lama buildings. There is a dire need to maintain and secure affordable housing in this section of the city.

It has been a long-standing priority of mine and I thank the Chair and Ranking Member for their tireless effort and time working with me since I became a Member of Congress to ensure Lakeview's affordability by providing comparable market rent. The current area fair market rent cap is 120 percent and through the legislative language, Lakeview will be able to receive a significant increase in the cap to meet the gap in street rent to market rent, and keep rent affordable for its current tenants.

Rep. Adriano Espaillat
New York 13th Congressional District

Public Housing Operating Fund:

New York City is home to the largest Public Housing Authority in North America, known as NYCHA. NYCHA is responsible for over 176,000 public housing apartments serving almost 400,000 authorized residents. NYCHA serves low-income tenants including recipients of the Housing Choice Voucher Program; Project Based Vouchers; and Veterans Affairs Supportive Housing HUD programs. For NYCHA to effectively serve its tenants, it requires a commitment to robust funding from the Public Housing Operating Fund. For the day-to-day operations and long-term projects, rehabilitation, and modernization to take place and progress to be made, I urge this committee to increase funding and allocation of Public Housing Operating Funds to Public Housing Authorities.

I want to thank the committee for appropriating \$4.5 billion dollars in Fiscal Year 2018 to the Public Housing Operating Fund. I urge the committee to support the constructive progress being undertaken by public housing authorities and to increase this funding to \$5 billion dollars in Fiscal Year 2019.

Housing Choice Voucher Program, Section 8 Rental Assistance:

New York's 13th Congressional District, contains the greatest number of public housing units in the whole of New York City. This represents the second highest population density of public housing residents. Just over one-third of all renter households in New York's 13th Congressional District spend more than HALF of their income on housing and associated living utilities. Over 123,000 Section 8 Housing vouchers are dually administered by New York City's Housing Preservation and Development and New York City Housing Authority. The increase in additional

Rep. Adriano Espaillat
New York 13th Congressional District

monies in the Fiscal Year 2018 Omnibus will better accommodate for the growing need of low-income tenants relying on Section 8 Housing.

Therefore, with a total of \$30.3 billion dollars allocated for Section 8 and Public and Native American Housing, I urge the committee to dedicate at least \$22.8 billion dollars to fully fund all existing vouchers for the Housing Choice Voucher Program, Section 8 Rental Assistance in Fiscal Year 2019.

Public Housing Capital Fund:

Public housing is and should be considered critical local, state, and national infrastructure. Year after year, more than 400, 000 New Yorkers have had their homes and lives subject to the tumult of short-term funding bills and has led to the underfunding of public housing operations and capital. The practical effect has placed the long-term viability of the units at risk and resulting in health impacts for residents, including asthma and respiratory illness, which are major public health concerns for public housing residents throughout the nation.

HUD's most recent Capital Needs Assessment showed a deficit of \$26 billion dollars in capital repair needs throughout the whole country and NYCHAs own assessment stands at roughly \$17 billion dollars. Increased funding and investment in the Public Housing Capital Fund is of critical importance in the immediate and long-term remediation of dangerous mold and allergens, remaining lead paint and plumbing, and physical repairs of roofing, ventilation, and heat and water piping. These are issues that have been compounded over years of underfunding and uncertainty in the Federal budgeting process that has left states, cities, and localities in limbo. It is time to take the lead in rebuilding our national infrastructure and that includes public housing.

Rep. Adriano Espaillat
New York 13th Congressional District

I want to thank the committee for rejecting the White House's proposal to cut funding to a zero level and urge the Committee increase Public Housing Capital Funding to a level of at least \$5 billion dollars in Fiscal Year 2019 to restart and re-affirm our commitment to rebuilding our public housing and national infrastructure.

Community Development Block Grants:

In this past calendar year and even now, the utility and flexibility of Community Development Block Grants cannot be underscored. In New York City alone Community Development Block Grant money has been used to repair over 19,000 households of multi-family buildings. Investing in single-family, multi-family, and NYCHAs Rehab and Resilience program has yielded dividends in in surplus of the investment. The additional benefit of deploying Community Development Block Grants funds to aid in natural disaster and other recovery efforts has been seen with the ongoing Hurricane Sandy recovery and habilitation efforts. These efforts and almost immediate ability to divert funds to address immediate needs cannot be understated.

I want to thank the committee for allocating \$3.3 billion dollars in Fiscal Year 2018 and urge to committee to fund this vitally important at the maximum amount possible in Fiscal Year 2019.

Bollards:

As we have seen in events domestic and abroad, pedestrian safety is a paramount concern for my constituents and New York City. One tool that has shown success and widespread support in adoption is the construction of bollards. These are raised concrete or metal posts on a sidewalk adjacent to a roadway with a design goal of slowing or stopping a motor vehicle. Along with my

Rep. Adriano Espaillat
New York 13th Congressional District

colleague Congressman Donovan of New York, we introduced the bipartisan Stopping Threats on Pedestrians (STOP) Act; that with the support of the Department of Transportation will begin greater construction of these reasonable and effective pedestrian safety tools.

I urge the committee to fully support pedestrian safety initiatives including, but not limited to bollards and other measures to better guarantee citizen safety.

Conclusion:

Chairman Diaz-Balart, Ranking Member Price; Thank you so much for the opportunity to offer my concerns and priorities to the Committee. On behalf of my constituents in New York's 13th Congressional District, we appreciate your thoughtfulness and consideration of these concerns and priorities.

WEDNESDAY, APRIL 18, 2018.

WITNESS

HON. PRAMILA JAYAPAL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

Ms. JAYAPAL. Thank you so much, Chairman Diaz-Balart. Turn that on. Thank you so much, Chairman Diaz-Balart for having me here, Ranking Member Price, thank you, Members of the Committee for the tireless work that you have done. I think we saw some very, very good results in the omni and I think I am probably going to mention some of the same issues that my colleague just mentioned, as well, because frankly, coast-to-coast, rural and urban, these are the issues that we are tackling. And so, I want to talk about both housing and transportation.

My District, which is Washington's 7th Congressional District, it includes Seattle. It is not limited to Seattle, but it includes Seattle. Housing affordability is one of the biggest challenges that we face. Seattle's median home value is \$740,000 and home value skyrocketed by 18 percent. I know, it is—believe me, having lived there for so long, it is stunning to see what is happening. Skyrocketed by 18 percent in 2017 alone. Median rent prices—here is another staggering figure—\$2,500. And Seattle is expected to have the highest cost of living increase in the United States this year. And as the cost of living increases, it is our responsibility to ensure that our low and middle-income families can continue to call Seattle home.

Because costs are rising so steeply, we have had an incredible increase in homelessness. And I actually participated in what is called the One Night Count to end homelessness. This year's annual Point-In-Time Count of persons experiencing homeless totaled 11,600 people, homeless individuals living in King County, with 5,485 living unsheltered, 70 percent of whom are in Seattle. And many of these are Veterans, they are members of the LGBT community, and sadly, increasingly members of our young people, our youth.

And I just have to say, we have a lot of highways that run right through Seattle and so when I was out on the One Night Count, to see the staggering disparities between the incredible wealth that we have—we have skyscrapers everywhere, a lot of boom and business everywhere in Seattle—but increasing numbers of tents under the freeways, which is now sort of the only place that these tents can go. Federal Funding goes an incredibly long way to addressing this issue, eradicating homelessness, and expanding access to affordable housing. And so, thank you for the work that you did already in fiscal year 2018 and for 2019, we are urging increases in Section 8, community development block grants, and the McKinney-Vento Homeless Assistance Grants. These are essential for our local governments and non-profits working to end homelessness and expand affordable housing.

The Seattle Housing Authority has a patchwork of funds to ensure that people like Marvin—and I always like to bring stories of my constituents because I think it is easy to think about these things in numbers. But for me, it is based in people and lives. So, people like Marvin can transition from years of addiction and expe-

riencing homelessness in Seattle's most dangerous areas to now his situation, seven years of sobriety, a stable job, and an apartment of his own. Jill, a single mother, aspiring to be a nurse, who gained affordable housing, she is now enrolled at Seattle University's College of Nursing. These Federal Funds that you allocate every year are critical to changing peoples' lives. They allow them to have the stability to get back on their feet and pursue their dreams and education, the workforce, and life.

I want to specifically mention Section 8, which I know my colleague was just mentioning. That has been essential to my District in particular. We did receive \$17.7 million in Section 8 Funding. And for fiscal year 2019, I am hoping that you will appropriate \$22.8 billion for Section 8 and specifically \$20.6 billion for renewals, \$110 million for new vouchers, \$1.9 billion for administrative fees, and \$190 million to renew approximately 14,000 mainstream vouchers.

Mr. Chairman, the dedicated organizations that are working on these issues do stretch the funds as far as they possibly can and I did not plan this. This is—this was not a plant, but it so happens that the executive director of the Low Income Housing Institute happens to be in D.C. today. She is here. LIHI used a combination of funding sources to construct Marian House, which is a mixed use affordable housing apartment building, 49 studio apartments, 20 of which are affordable for homeless youth, 29 of which are for low-wage workers who are just getting their start in the workforce. So, they really do incorporate crucial wrap-around services and that is what the Federal Funding allows us to do.

Our downtown emergency service center uses the McKinny-Vento Homeless Assistance Grants to house some of our most vulnerable populations in both traditional emergency shelters, as well as innovating setting—innovative settings that embrace the Housing First model. Last year, my District received about 14 million in funding for these programs and we are really urging an increase for fiscal year 2019 to 2.8 billion.

I also wanted to briefly mention how important the housing opportunities for Persons With AIDS program is because for people living with HIV and AIDS, they are far more vulnerable to experiencing homelessness and it also reduces the transmission of HIV, improves patient health, and saves cost on emergency and in-patient services. Last year, my District received about \$2 million in HOPWA funding and the need continues. I am urging an increase in fiscal year 2019 funding for that program to \$393 million.

And then I just want to mention a couple of important transportation projects. The first is passenger train safety and the second is around general transportation projects. Regarding passenger rail, as you know, Mr. Chairman, in December of 2017, the Seattle area became the latest community to experience tragedy when the Amtrak Cascades 501 traveling from Seattle to Portland, carried 80 passengers and seven crew members, derailed near Olympia. Three Washingtonians died and nearly a hundred were hospitalized. So, for our communities in the Pacific Northwest, this terrible incident—accident was a stark reminder of how badly we need to invest in passenger rail safety.

The FY 2018 omnibus, I want to thank you, included nearly \$2 billion for Amtrak and my hope is that the national network of passenger rail will be robustly supported with a serious eye towards passenger rail safety. We think it is very important that no new lines come onboard without those controls in place, but we do need to make sure that we increase the funding quickly so that people can put those safety measures into place so that we never have such accidents.

Finally, Mr. Chairman, very pleased that the Subcommittee provided a hundred million in fiscal year 2017 under the Capital Investment Grant Program for a very important program in my District, it is the Sound Transit Lynnwood Link Extension that connects North Seattle to Lynnwood. This is the area—we have Boeing just above the District. All of our housing and much of our employment is being pushed to expand beyond Seattle. If we do not have transportation that connects to the port that helps get goods from Eastern Washington or apples or all of the things that we export from Eastern Washington in, if we do not have clear transit that connects north south, we are going to be in trouble. So, this is a critical project for us.

Sound Transit last month submitted all of the work to the Federal Transit Administration in order to execute the full funding grant agreement this summer. But unfortunately, we have not seen a response from the Department of Transportation to live up to the side of the deal that says the—that, “Yes, we are going to release these dollars.” So, Secretary signature on FFGAs guarantees that our communities do not get left footing the bill for the federal share of these critical projects. This is a project that really took all of the funding sources that we have. We got the state to commit. We do need the federal commitment in order to move this forward. And so, I was very pleased that the Subcommittee included language in the 2018 omnibus that sets a clear deadline for the Department to commit to releasing the funds. And I hope you will help us to continue to push for a very quick release and push the FDA to implement the law and sign those FFGAs so we can get to work on putting those funds to good use and leveraged use, which I think is one of the most important things in the federal dollar.

So, with that, Mr. Chairman, I thank you very much again for all of the work that this Committee has done on these critical issues that, really, for our District in Seattle, remarkably difficult time for us as people struggle with these astronomical rents and housing prices and homelessness. Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Let me just thank the gentlelady for being here, but not only being here because we have had the opportunity to talk—

Ms. JAYAPAL. Yes.

Mr. DIAZ-BALART [continuing]. At other times and—by the way, those numbers are astonishing.

Ms. JAYAPAL. Yeah.

Mr. DIAZ-BALART. They are.

Ms. JAYAPAL. It is—

Mr. DIAZ-BALART. They are hard to almost comprehend, right? And so again, thank you for—as you know, we did have that \$250 million for PTC because, you are absolutely right, there are some

accidents that potentially could have been avoided all together and that is—I do not know if it makes it worse, but it makes it clearly—well, if it is avoidable, we need to avoid it. And so, this Subcommittee has been very committed and also, that \$2.6 billion for transit CIG, which are historic highs. And again, we—this Committee is committed to it. We actually also—on the last issue that you mentioned in the hearing with the Secretary, we actually brought that up.

Ms. JAYAPAL. Oh, great.

Mr. DIAZ-BALART. And so we do have the language, but we also want to make sure that—because they are going to—they do not have a lot of time and so we are going to be on top of that, to make sure that what the Committee has put there and Congress has approved actually takes place. And I think the Secretary was very helpful and very amenable, understanding that they are going to have some challenges because of the timeline. But, Mr. Price, any comments, questions?

Mr. PRICE. Thank you. I want to join in thanking our colleague for really a remarkable survey of the importance of the Subcommittee's work to a city like Seattle. It is striking how many points of contact there are. And I would say your story is not atypical, just speaking about my own District and others I know about. Affordable housing has risen to the top. It should have been at the top all along, but it has certainly risen to the top now of challenges we are facing and it is very, very clear that the way development is going, the way gentrification is going, that the market forces are not going to take care of this on their own. On the contrary, they are going to price many of our fellow citizens out of housing. And you have, of course, documented that, but you have also shown where some of the solutions may lie. So, we thank you for your testimony.

Ms. JAYAPAL. Thank you so much.

Mr. DIAZ-BALART. Thank you. Mr. Graves, gentleman from Louisiana. While he comes up, Mr. Graves is not an appropriator, but I do not think there are many people in Congress that have had more of an impact, particular on the Relief Bill. The hurricane and fires and the supplemental that Mr. Graves, he has been a staunch leader. I appreciate, by the way, thank you for spending all the time with us individually. Your work and your knowledge has been invaluable and I want to thank you. So, again, you have your fingerprints all over the omni, you have your fingerprints all over the relief bill, and so we want to thank you for your leadership.

[The information follows:]

Congresswoman Pramila Jayapal

Transportation, Housing and Urban Development Appropriations Subcommittee Testimony

April 18, 2017

Thank you to Chairman Diaz-Balart, Ranking Member Price and members of the Transportation, Housing and Urban Development Appropriations Subcommittee for hearing my testimony today. I will cover both housing funds and transportation issues.

In my district, Washington's 7th, housing affordability is one of the biggest challenges we face. Seattle's median home value is \$740,700, and home values skyrocketed by 18% in just 2017 alone. Median rent prices are a staggering \$2,500. Seattle is expected to have the highest cost of living increase in the US this year. As the cost of living increases, it is our responsibility to ensure that low and middle-income individuals and families can continue to call Seattle home.

Because costs are rising so steeply, Seattle is experiencing a homelessness crisis. Last year's annual Point-in-Time Count of Persons Experiencing Homelessness totaled 11,600 homeless individuals in King County, with 5,485 people living unsheltered, seventy percent of whom are living in Seattle. Many of these individuals are veterans; many are members of the LGBTQ community; and many are our city's youth.

Federal funding can go a long way toward eradicating homelessness and expanding access to affordable housing. As you review funding levels for FY19, I urge you increase funding for important housing funds including Section 8, Community Development Block Grants and McKinney-Vento Homeless Assistance Grants.

These funds are crucial for local governments and non-profits that are working hard to make sure that everyone has access to safe, stable housing in congressional districts around the country.

The Seattle Housing Authority has used a patchwork of funds to ensure that people like Marvin can transition from years of addiction and experiencing homelessness in Seattle's most dangerous areas to seven years of sobriety, a stable job and an apartment of his own. And they helped Jill—a single mother aspiring to be a nurse—gain affordable housing. She is now enrolled at Seattle University's College of Nursing. These federal funds change people's lives. They allow them to have the stability to get back on their feet and pursue their dreams in education, the workforce and life.

Section 8 is vital to creating success stories like these, and last year my district received \$17.7 million in Section 8 funding. For FY19, I urge you to appropriate \$22.8 billion for Section 8, specifically \$20.6 billion for renewals, \$110 million for new vouchers, \$1.9 billion for administrative fees and \$190 million to renew approximately 14,000 "mainstream" vouchers.

Mr. Chairman, the dedicated organizations working on these issues stretch these funds to help as many people as they can. The Low Income Housing Institute used a combination of funding sources to construct Marion House, which is a mixed-use affordable housing apartment building in Seattle that has 49 studio apartments, 20 of which are affordable apartments for homeless youth and 29 of which are for low-wage workers who are just getting their start in the workforce. They incorporated crucial wrap-around services like onsite supportive services, a food bank and a job training café.

The Downtown Emergency Service Center uses McKinney-Vento Homeless Assistance Grants to house some of Seattle's most vulnerable populations in both traditional emergency shelters and innovative settings that embrace the housing first model. Last year, my district received almost \$14 million in funding for these crucial programs. I urge you to increase funding for FY19 to \$2.8 billion.

I also urge you to increase funding for the Housing Opportunities for Persons with AIDS program, because people living with HIV and AIDS are far more vulnerable to becoming homeless. It can also reduce the transmission of HIV, improve patient health and save costs on emergency and inpatient services. Last year, my district received more than \$2 million in HOPWA funding, and the need continues. I urge you to increase funding for FY19 to \$393 million.

We must continue to make robust investments in affordable housing and programs that will help eradicate homelessness. We cannot backslide.

Mr. Chairman, with respect to Transportation, I want to highlight two important aspects. The first is passenger train safety and the second is ensuring that the Department of Transportation honors its commitments to our nation's communities.

With respect to passenger rail, in December 2017, the Seattle area became the latest community to experience tragedy when Amtrak Cascades 501 travelling from Seattle to Portland, Oregon carrying 80 passengers and seven crew members derailed near Olympia, Washington. Three Washingtonians died and nearly 100 people needed hospital care.

For our communities in the Pacific Northwest, this terrible accident was a stark reminder of the importance in investments in passenger rail safety. The FY 2018 Omnibus included nearly \$2 billion for Amtrak and my hope is that the national network of passenger rail—both state-supported services and long distance—will be robustly supported this year, with a serious eye toward passenger rail safety. As well, the subcommittee's support of over \$250 million in Positive Train Control grants is critical. I urge the subcommittee to use its FY 2019 bill to ensure that deadlines for implementing PTC does not slip.

Finally, Mr. Chairman, I'm very pleased that this subcommittee provided \$100 million in FY 2017 under the Capital Investment Grant (CIG) program for Sound Transit's Lynwood Link Extension connecting north Seattle to Lynwood. Sound Transit submitted last month all the required paperwork to the FTA in order to execute the Full Funding Grant Agreement this summer. However, I am concerned that the Department of Transportation is not living up to its side of the deal. Mr. Chairman, the Secretary's signature on Full Funding Grant Agreements guarantee that our communities don't get left holding the bag for the federal share of these critical projects. That's why I was very pleased that the subcommittee included language in the FY 2018 Omnibus that sets a clear deadline for the department to commit to releasing the funds. I urge you to continue to push the Department of Transportation's Federal Transit Administration to implement the law and sign FFGAs in a timely manner.

Thank you again to Chairman Diaz-Balart, Ranking Member Price and all members of the subcommittee for welcoming me and hearing my testimony on these important funding sources.

WEDNESDAY, APRIL 18, 2018.

WITNESS

HON. GARRET GRAVES, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. GRAVES. Mr. Chairman, Congressman Price, thank you very much for the opportunity to be here today. Garret Graves from South Louisiana.

We have had the opportunity to discuss this a bit, but I think it—I think it is really important to reemphasize. When you take a step back and look, since 1980 we have had somewhere around 220, 230 disasters in this country that have cost over \$1 billion. And, in fact, when you add it all up, including the \$180 billion dollars that we spent on the 2017 disasters, this nation spent about \$1.5 trillion responding to disasters. And an important component in addition to all the FEMA funds is what your Subcommittee does and the community development, block grant, disaster recovery funds.

In the case of Louisiana, we had a little-known storm that actually wreaked havoc in August of 2016. We had a storm that was a 1,000-year storm. The Red Cross at the time and I believe it was the National Flood Insurance Program indicated that at the time it was going to be the 4th most costly flood disaster in U.S. history. This thing was not well-known, it did not get a lot of attention or press, but it, again, it wreaked havoc on many in South Louisiana.

To date, the Subcommittee has provided approximately \$1.7 billion to the State of Louisiana and community development, block grant, disaster recovery funds, and they are being used for a program in Louisiana called Restore Louisiana to provide assistance to homeowners and businessowners that have been adversely affected. Let us keep in mind, Mr. Chairman, with a 1,000 year flood, approximately 80 percent of the homes and businesses that flooded were outside of the flood plain and didn't have flood insurance. I apologize because the graphic shop had some problems this morning, but you get the point here anyway, despite the gap, that one \$1.7 billion is what you provided. The first allocation was about \$430 million in September of 2016, over a year and a half ago. Second allocation in December of 2016, approximately \$1.2 billion and the third allocation, which I believe was May of 2017 that was around 50. But here is the point. So, we're talking of this actually happening over a year and a half ago. You have been very helpful in working with us in providing \$1.7 billion. This chart is from our local newspaper, largest circulation in the state and I believe it was the first week in March. A disaster a year and a half ago, you provided first allocation of funds a year and a half ago. Sixty million dollars has been distributed to homeowners. Again, I want to be clear this is a chart that—a graphic that was done the first week of March. It has been updated since then. I do not know what the current number is. Seventy million dollars is what has been paid to the contractor to administer this program. Mr. Chairman, you and I have talked about this and I know that there are a lot of fingers we can point, at the federal government. The reality is this is inexcusable. It is just unacceptable. These are flood victims and thousands and thousands of these people are still living in gutted

homes; living in tents; living in moldy, unsanitary conditions because they do not have an option. Now, I know this gets outside of your subcommittee's jurisdiction, but to add insult to injury, many of these people are living in trailers. FEMA has come in and said that they are moving the trailers on May 15th. Well, if these people do not have access to the dollars to get back into their homes, what alternative do you have? There is a total disorganized effort here that is revictimizing the survivors of these floods and I think it is unfortunate and I would love to work with you as well as others in ensuring that the victims of Hurricane Harvey, Irma, Maria do not experience these same disasters and we are able to fix this as well.

Mr. DIAZ-BALART. If I may interrupt you and just to let Mr. Price know. We met with him, was it yes—a couple days ago, but we have had multiple meetings with him and he has been—frankly, has been—as bringing this up totally documented and so we committed to him that we are going to try to figure out what is holding it back and—because we do not really know and so, Mr. Price, I look forward to—because I know you are going to be—both of, by the way, as you know, are very sensitive—

Mr. PRICE. Yes.

Mr. DIAZ-BALART [continuing]. Not only because just as Americans, we need to be, but on top of that, we live in states that have had the same kind of, you know, we get hit by storms as well, so, Mr. Price, we will get together and see how we can coordinate to make sure that we get to the bottom of this because this is obviously a major problem, an unacceptable problem that we need to figure out.

Mr. GRAVES. You mentioned—right, you do not want to point fingers, but we do need to figure out what is holding us back. What the problem is because that is clearly unacceptable, and I do not know if you have any comments, Mr. Price.

Mr. PRICE. I agree and we are all in on this disaster relief and the way we need to support one another because the kind of human catastrophe you describe, I do not think that is too strong a word is what this spectrum of assistance is supposed to avoid. And we are not only talking about CDBG here. We are talking about the full range of FEMA support and so, we appreciate your advocacy and we will, of course, continue to work with you.

Mr. GRAVES. Thank you, we have to get to the bottom of it and again, as I said before, I cannot thank you enough for your leadership. You have been exceedingly well informed and frankly, every time I sit down with you and I talk with you, I learn and so just know that we are going to work together. We are going to get to the bottom of it. Well, I certainly do appreciate it and I understand some of this may be outside this subcommittee's jurisdiction potentially, if it is in our—

Mr. PRICE. We will work with our colleagues.

Mr. GRAVES. But we do need to identify these problems because it certainly is going to continue to be problematic to other disaster victims. If I can just quickly, two other things, Mr. Chairman. One, this duplication of benefits issue where folks have applied for a loan through the SBA because they were told to do so. Maybe they were given a loan, maybe they were not. In either case, they are

prohibited from accessing some of the grant funds available from Community Development Block Grant because it is considered a duplication of benefits. I would argue that a grant and a loan are two very different instruments that do not duplicate one another. Those people that were proactive and sought the loan and took the advice of the—of FEMA officials and did what they were told to do are now being penalized they are not being allowed to get access to grants. We did pass a Bill through the House of Representatives on December 21st that addressed this. The Senate has not taken it up to date, but I just wanted to highlight this, is that I do think it is a policy problem and that there is this perception that a grant and a loan are the same thing. Lastly, Mr. Chairman, right now, we have about a hundred billion dollars in the Corps of Engineers that are backlogged, a hundred billion. We are appropriating somewhere around one to \$2 billion a year. You can do the math. Just based on inflation, you will finish that backlog approximately never. And what you have done through the Community Development Block Grant Flood Mitigation Funds, I want to commend you for that. That is a huge deal. I talked when I opened up about \$1.5 trillion in disaster spending. It is unaffordable. We are on a trajectory that is completely unsustainable. You, leaning forward and being proactive with those flood mitigation dollars, that is going to save multiple times the funds in disaster recovery. It allows us to stop this reactive nature of our disaster policy in the United States and begin leaning forward and being proactive. I really want to commend you for doing that. I think it is very important. We may need to address a technical issue with the available of those dollars to advance some core authorized projects that do not have resources available. With that, I just want to thank you very much for an opportunity to be here and look forward to continuing to work with you.

Mr. DIAZ-BALART. Well, thank you. Again, we look—we are going to get you some answers because, not only do you deserve it, but the American people deserve it. And again, I cannot thank you enough for your leadership. Look forward to continue working with you.

Mr. GRAVES. Thank you very much. Appreciate it.

Mr. DIAZ-BALART. Mr. Kildee. How are you, sir?

Mr. KILDEE. I am well, thank you.

Mr. DIAZ-BALART. Thank you for coming before the Subcommittee today.

Mr. KILDEE. Thank you very much.

Mr. DIAZ-BALART. You are recognized, sir.

There you go. If there is a button there on——

Mr. KILDEE. Oh, there we go.

Mr. DIAZ-BALART. Now, we are talking. All right.

Mr. KILDEE. The sound of my own voice. It is music.

[The information follows:]

Written Statement for the Record

Transportation/HUD FY 2019 Member Day Hearing

April 18, 2018

Chairman Diaz-Balart, Ranking Member Price, Last year, the United States taxpayers spent over \$180 billion in disaster recovery. The storms of 2017 were of record magnitude; however, the totality of government intervention and taxpayer dollars for disaster recovery tops \$1.5 trillion since 1980. There have been 230 weather and climate events during this time costing at least \$1 billion each and many costing significantly more. It is clear that disasters and the associated costs are staggering, creating a burden on the fiscal soundness of our nation, as well as endangering the lives and safety of our citizens.

I am here before this Committee today, a year and a half after the catastrophic flooding that hit Louisiana's Capital Region, to speak to the experiences and current state of the Community Development Block Grant program, its role in disasters, and how we can make smart legislative reforms to address the lessons we've learned in Louisiana going forward for future disasters.

Bureaucracy and red tape continue to interfere with recovery. Well intentioned, or not, government regulations have contributed to a delayed and crippling rate of getting CDBG-DR dollars out to the homes and communities where it is needed most. From August 11 – 15, 2016, more than seven trillion gallons of water fell on South Louisiana, now considered a 1,000 year rain event. Over 110,000 households were flooded and entire communities were devastated. In September of 2016, we had our first allocation of CDBG-DR funding in the amount of \$437.8 million, then in December, Louisiana received an additional \$1.243 billion in CDBG dollars. With approximately, \$1.7 billion in total CDBG-DR dollars received for the Louisiana floods of 2016, twenty months after the flood, only \$60.5 million has been disbursed and being put to use for recovery and rebuilding. That is unacceptable. Many of the requirements of receiving this money are duplicative and create delays. One such policy, the National Environmental Policy Act (NEPA), requires individual environmental assessments. These assessments have tremendous costs, create unnecessary delays, and slow down rebuilding. We need to find a common sense approach to balancing the priorities of the community and compliance with environmental regulation.

One of the most significant obstacles to recovery in administering the CDBG-DR funds has been a punitive policy under the Stafford Act. Section 312 requires agencies to prevent a duplication of federal resources on the same project or activity. Duplication of Benefits is a policy, and we believe wrongly interpreted by FEMA, which prohibits anyone receiving an SBA loan from also receiving a grant from the CDBG-DR program. Individuals were instructed to file an application for an SBA loan following the flood; unfortunately, many who did as they were told and are no longer eligible for any of the grant money Louisiana has received. Neighbors, both in similar positions in the aftermath of the flood, are now placed in disparate situations in recovery. One will receive an outright grant and be made whole while the other will be paying back an SBA loan, often on top of a mortgage. This is not right. If the funding has been made available, the state should have the flexibility to disburse as it sees fit. Fortunately, this is an issue that enjoys bipartisan support. Members on both sides of the aisle ensured this critical provision was

included in H.R. 4460, the Transportation and Infrastructure-passed “Disaster Recovery Reform Act” with unanimous bipartisan support. Ultimately, the House included these provisions in our disaster relief package that passed in December. Today, we unfortunately continue to wait for the Senate to address this inequity in disaster policy.

It’s clear that the nation continues to spend and administer great sums of money in responding to disasters. Communities, like those in Texas, Florida, Louisiana, the U.S. Virgin Islands and Puerto Rico, rely on Congress to appropriate funding and for HUD to oversee and administer the CDBG-DR dollars. We recognize how critical these dollars are to recovering communities but we recognize that dollars given to communities must be part of a larger rebuilding, recovery, and resiliency strategy. We must be smart about how we spend the dollars, in removing unnecessary regulation and red tape, and reevaluate the criteria that accompanies HUD administered recovery dollars. We know the significant value of mitigation and resiliency efforts, with cost-benefit analysis in very conservative studies showing a 4:1 savings, and as high as 54:1 for a Mississippi River and Tributaries Project. We need to ensure that recovery is coupled with mitigation efforts, to avoid future loss of life, property, and taxpayer dollars which is why the most recent appropriation of \$28 billion to HUD for mitigation purposes is a step in the right direction.

We look forward to working with you as you appropriate funds for the reforms we enact here in Congress that will make our nation safer, more resilient, and a better steward of taxpayer dollars.

WEDNESDAY, APRIL 18, 2018.

WITNESS

HON. DANIEL KILDEE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Mr. KILDEE. Well, thanks for taking a few minutes. I can do a 1-minute speech. I can do a 20-minute speech easily. Five minutes is a bit of a challenge, but let me do what I can. What I would like to discuss with you is the need for what I think is a much more robust Federal role in the health, both financial and social economic health of America's cities and towns. I think the history of the country, let alone the history of the world shows us that where people live and work in proximity to one another, they are far more creative. They are ingenuous, they are inventive, ideas are commercialized and I think to a great extent in this country, particularly at the federal level, we have taken—essentially abdicated our—what I think is a unique responsibility to support strong cities and towns. To a certain extent, it feels as though in recent years at the federal level, we have been essentially adopting a hippocratic oath fighting essentially to do no harm and I was pleased frankly, in the most recent budget that we saw for the first time in a very long time an increase in two programs that are really two of the remaining programs to support strong cities. The CBDG Program and the Home Program. That was a step in the right direction, but I think it falls, at least from my perspective quite short of what our—the emerging needs in these places. Many cities in this country are facing a kind of fiscal stress that is really difficult for us to get our heads around. My own hometown of Flint, while it could be considered an extreme example, is only just that in its example. It is just an example. The way state governments, in particular, have viewed these places, it is as if cities are the municipal corporations that were formed to provide services to them. And what we know, of course, is that cities are not the municipal entity. Cities are social and economic organisms and so, while many state governments have taken the position as was the case in my hometown, that you can essentially bankrupt a city. You can deal with its obligations; you can get them to a balance sheet level of solvency. Unlike typical corporations, you cannot sell off the parts and disassemble that corporation. There is still a living and breathing community left behind. I believe that the next big institutional failure that we will see in this country is the collapse of the whole subset of American cities. What we saw in my hometown of Flint, with the water crisis, a community that just now, after 4 years of not being able to drink the water is being told that they no longer have to draw every ounce of water from bottles like this. 4 years. Think about the economic and social impact on that community.

If Flint were some sort of an anomaly, if the cause of the water crisis for example was a mistake or a storm or some catastrophic event, rather than what I think is the natural result of disinvestment in older industrial cities particularly cities large and small that have had significant population lulls, high concentrations of poverty and it could be left behind even with the next wave of federal investment absent some specific support for those places, we are going to see more Flint, Michigan's.

Last point I will make and this is in the context of not just conventional support for cities at I think the federal government could play a great role in but the concern about the unintended consequence of what might feel like a really big down payment on investment and community and that is a national infrastructure bill. Certainly not the way the President has framed it. The notion for example that a place like Flint and the state of Michigan could come up with 80 percent of the money to have fixed this water system. If they had 80 percent of the money already, they would have been spending it a long time ago.

But here is my bigger concern. In the 1990's post war growth and expansion was coupled with a huge investment in the interstate highway system which in the net was a big boon for the country. Increased our productivity, our connectivity, helped lots of growth occur. But it also had this unintended consequences of efficiently emptying out many of the places, many of the older communities that were having a tough time making the transition to the next economy.

Here is my worry. Absent a significant essentially martial plan for these distressed communities, and absent a really thoughtful approach, the next wave of significant investment could actually be a repeat of that phenomenon. And I am deeply concerned that unless Congress and the federal government understands that while states have the principle role, we are not absent from this discussion nor is the federal interest absent from the health of these communities and we really need a focused effort.

Otherwise, Flint will not have been the anomaly that many people think it is. It will have been a warning that we failed to heed. So I am hopeful that the modest increase that we have seen recently is a signal that there is an openness and a recognition that we need to do much, much more.

Mr. DIAZ-BALART. All right. Let me thank you for again coming in front of the subcommittee. Just as you know in the 2018 omnibus it was an increase of 10.6 billion dollars. And so there is a lot of talk about infrastructure but this Congress and this subcommittee has done it. This is a real investment into infrastructure and also if you look at HUD, it is a 1.9 billion dollar increase so this was a very generous allocation. We don't know what is going to happen for the 20, you know, for the next year's budget. And we don't have the allocation for this one yet but I will tell you that the full committee chairman and the ranking member have been very generous with the subcommittee and so rest assured that, you know, we are committed to obviously investing in infrastructure.

One final point that I do want to make and I know you are aware of this. We focus so much as we need to, that is what this committee does, the full committee on in essence 30 cents on the dollar and yet we ignore 70 cents on the dollar which is growing exponentially and so one of these days we are going to have to obviously and that is not something that this committee can do, but Congress is going to have to, Congress and the Administration is going to have address the other 70 percent of the spending which is frankly creating some big issues with us and debt and everything else but again that is for another day but we can't just con-

tinue to ignore 70 cents and only focus on the 30 cents which is more and more challenging.

Mr. KILDEE. There is no question. One little stat that I will throw out because I think the Flint experience is one that is instructive. For the lack of about 20 million dollars to completely retrofit the city's lead service lines, the federal government and state government now just in the last 3 years have spent over half a billion dollars to repair the damage done by the failure to market that initial investment. So the point I think that I know you are well aware of is that there is spending and there is spending. And sometimes spending just gets a bad name but spending in the name of preventing massive future costs is a really wise investment that we ought to be considering and I know you do so thank you for that.

Mr. DIAZ-BALART. Thank you. Mr. Price.

Mr. PRICE. Thank you for giving us a broader perspective on our work here. I think sometimes we are focused on preventing harm as a witness said earlier. We have the sense, justified I think, that most if not all HUD accounts have long since been under resourced and the same is less true on the transportation side but there is plenty of underinvestment there as well.

Just in the limited time we have, since you are bringing a broader perspective to this, I wonder if you, you are clearly not advocating simply an incremental approach. As you survey the programs under this subcommittee's jurisdiction, are there some that are more vital than others in to the kind of situation you are describing? In your experience or as you project future needs?

Mr. KILDEE. Well, yes. The issue for me, the interesting part of that question is I think to a great extent I believe there is a need for a specific set of new initiatives around a specific subset of cities. I do support and agree that the programs that this committee has jurisdiction over, particularly when we look at CDBG and home, those are important programs for communities across the spectrum but where I think we have failed is in recognizing that there is a, this subset of cities for whom even marginal increases in those resources are a small offset to what has been dramatic loss of their locally available resources due to regional changes in the economy, the emptying out of those places.

My hometown of Flint is such a good example but there are so many others. But this is a city that once had the highest per capita income in the United States. Highest per capita income in the United States. Not only in my lifetime but in my working career and now is the poorest city in America.

Forty-five percent of the people in Flint live below the poverty line. 58 percent of the children live below the poverty line. So the notion that an incremental approach is helpful is true. But there are something in the neighborhood of 50 cities and towns and I am not talking about just big places but some places of 20 and 30 thousand population even smaller for which modest increases in existent programs not only are only incremental but those communities don't even have the capacity to manage what they are doing. There needs to be some kind of an approach that is far more robust for those specific highly distressed communities.

Mr. PRICE. The capacity to manage what about the capacity to pursue these, this support. Has that been a problem as the—

Mr. KILDEE. Very——

Mr. PRICE. Has the city had the capacity to go after what is available?

Mr. KILDEE. They do not and it is a god point because when we see communities go through this financial collapse, the last programs to be cut are the basic services of a civil society. For example, police and fire. The first programs to be cut are the management capacity like for example in my own home town until very recently there was not a city planner. There was no one in the planning department. Not a person at any desk. So when programs such as the most recently adopted program around opportunity zones come along, absent some simply are missed. They don't have—either—because you have been very generous with your time.

I invite any member to come to my hometown and I am planning another visit soon mainly to point out that it wasn't just this water crisis. The kind of physical austerity that has been imposed on this community, largely because it is left to itself to raise revenue to provide the basics elements of a civil society. The—beyond anything you might comprehend there is a, sometimes in a city of 100,000 people there might be 4 police officers. And this is a city that has high crime. The parks are not mowed. The streets are never maintained. This is my hometown.

My wife and I were visiting another community and we saw a street sweeper and it was as if we were looking at a unicorn. We never see a street sweeper. The kind of austerity that these communities are experiencing is the type of austerity that they have no capacity to climb out of and that is why I think there is a social and economic cost that is born by the entire country which argues for a more robust federal involvement in this specific subset of cities and it is really my argument is that it is not just the programs that are in existence now but there needs to be a recognition that there is this looming institutional failure in a smaller set of cities for which the existing programs are just not really adequate to deal with the problems they are facing.

Mr. PRICE. Thank you. Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Gentleman from Nevada. How are you, sir? Great, thanks for being here.

[The information follows:]

**Testimony to the House Committee on Appropriations
Transportation, HUD & Related Agencies Subcommittee
Rep. Dan Kildee – April 18, 2018**

Thank you Chairman and Ranking Member for the invitation to speak to you all today. I would like to address my remarks on the need for a much more robust federal role, focusing on the life and health of American cities and towns.

It has been my experience that the important role that cities and towns play in a growing economy is not always understood. Cities are where innovation occurs. Cities are unique landforms where people live and work. They are places that are more creative, more inventive, more ingenious. That ingenuity connects and creates incredible, great big ideas.

When I first came to Congress, I hoped that if I worked hard, I could join the choir of voices working on behalf of American cities and towns. But I have been dismayed by the lack of conversations happening amongst other Members of Congress with almost no hearings or legislation to deal with the unique needs of America's cities and towns.

We cannot let this continue be the case.

Right now, there are only a few elements of federal support for America's cities and towns. The HOME Investment Partnerships Program and the Community Development Block Grant (CDBG) are critical. But both are relatively modest investments in cities and towns when you think about how essential cities are to our overall society and the health of the U.S. economy. We need a far more robust agenda for cities and towns, but for the moment, unfortunately, I find myself fighting for a sort of Hippocratic Oath for these places that are clearly so vital to our future: first, do no harm.

We have to protect CDBG and HOME, which are successful and flexible programs that help local communities address local needs, in order to rebuild themselves. I was very pleased to see the increase for both these programs in the recently passed FY18 omnibus bill. Yet these increases – while large in terms of recent funding levels – are still woefully short of what is needed to correct years' worth of disinvestment.

In this political environment, protecting these bipartisan programs is the current fight. But the bigger fight—one that is talked about less—is to push back against this notion of ‘new federalism,’ which started in the 1980s, that disconnects our national interests with the condition of cities. Looking at the data on the health of America’s cities and towns, it is very familiar.

Before coming to Congress, I was in county government for 25 years. I was the county treasurer in my hometown of Flint and I lived through periods of painful decline, largely due to sweeping changes in our economy, but also exacerbated by state and federal policy that left cities and towns to fend for themselves – as if a region or the country can succeed while cities and towns are collapsing. Of course, that logic is folly.

There is a subset of these American cities that are experiencing very serious fiscal stress, the kind of stress that threatens their sustainability and solvency. So far, generally the only coping mechanism state governments have provided to cities has been through a solitary focus on the balance sheet, without any consideration whatsoever regarding the long-term sustainability of the community and the impact on lives of the people living in these cities and towns.

Cities are not municipal corporations – they cannot be disassembled and have their parts sold off like a corporation in bankruptcy. Municipal governments, however, are municipal corporations, formed to provide services and provide for the essential elements of a democratically governed civil society.

While a municipal corporation can be bankrupted, we cannot dissolve the “city” – we cannot make a city or town go away. It is a physical place, and it is a social and economic organism – it is there. It is a collection of people, economic activity and social relationships that will be there, no matter what. You cannot dissolve it – and you cannot treat municipal governmental failure the same way a company can be bankrupted, dissembled, and sold for scrap.

It is important that policymakers and resultant policy – at all levels of government – recognize this fundamental truth about our cities and towns. We need federal policy that supports increased opportunity, promotes growth, and recognizes that

our national interest includes an interest in the future of America's cities and towns.

I have launched an initiative called The Future of America's Cities and Towns, specifically to raise these important questions of federal policy and to create a legislative agenda to revitalize our nation's urban and rural communities.

Among the many issues that should we in Congress should be working on is a true infrastructure investment, one that appropriately weighs up the ability of our communities to provide leveraging funds.

The American Society of Civil Engineers (ASCE) said the US will need to invest \$4.59 trillion by 2025 to improve the nation's infrastructure. A plan that has an 80/20 requirement of local funds compared to federal funds is just not realistic in being able to make a dent in this need. Congress should be looking to "go big" on infrastructure to fill this gap, but it is vital for policy makers to understand the potential unintended consequences of how such investments could impact cities and towns across the country, particularly older industrial communities.

Without a clear plan and resources to revive America's struggling older industrial cities and towns, a massive influx of capital investment, while clearly needed and long overdue, could potentially contribute to the further disparity in a whole subset of American cities and towns that have really struggled with the transition from the old to the new economy. We need a plan for these communities or we may see them fall even further behind, even in a wave of new development.

Many communities have not fully recovered from the last economic crisis. Many have dilapidated housing markets and plenty of blighted buildings. These unique places are already at a disadvantage and currently unable to compete. I believe that Congress has a responsibility to develop and support programs specifically intended to assist these communities with a much-needed market reset. Otherwise, without the proper foundation, we could unintentionally fuel - with a huge capital investment like a national infrastructure plan - another accelerated relocation of wealth and economic activity out of these cities and towns.

I am from Flint, Michigan. I have already lived through such disinvestment because of, in large part, policy decisions. In the 1950s and 1960s, the United

States made incredible investments in the interstate highway system. These were good investments – we all benefit to this day from these investments. The economy grew. Our national security strengthened.

But these investments were not equal in their impact. The tide did not lift all boats. In some places, like the place I grew up in, new interstate highways – coupled, obviously with many other factors - had the unintended consequence of providing an efficient mechanism to empty out my hometown.

So for me, representing Flint, which is like so many communities across the country, we have to get it right this time. The story of my hometown of Flint – a city of 100,000 people that was poisoned by lead-tainted water – is truly heartbreaking. But the truth is, Flint is not an anomaly; it is a warning.

Flint was allowed to fall to a point of insolvency, a condition precipitated in large part to the state and federal governments abandoning it and cities like it. For Flint, that meant a state-appointed emergency manager with a “balance sheet only” approach to governing. And after ordering deep cuts to government operations – eliminating many of the basic elements of a civil society, Flint was unsustainable.

How many other cities are one mistake away from catastrophe? Unless we deal with this question in a much bigger way, in a much broader way, in a much more long-term fashion, there will be more Flints.

I believe my initiative is a good place to start in highlighting these important issues and the role that the federal government must play in supporting our cities and towns. This subcommittee has responsibility over the agency that has the most direct impact on our communities in terms of housing, neighborhood building, redevelopment and strengthening. Our cities and towns can benefit from a refocused federal investment, with the flexibility for them to implement changes as needed on a local level.

This subcommittee can play an important role in this area – I look forward to continuing this conversation in development of a legislative portfolio that accurately reflects the significant needs of our cities and towns.

Thank you.

WEDNESDAY, APRIL 18, 2018.

WITNESS

HON. RUBEN KIHUEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEVADA

Mr. KIHUEN. Thank you. Good morning. Chairman Diaz-Balart, Ranking Member Price and my colleagues on the Subcommittee on Transportation, Housing and Urban Development, thank you so much for this opportunity to testify in front of your committee this morning to talk about some important issues impacting Nevada on transportation infrastructure, especially the I-11 project as well as the need for affordable housing in the state of Nevada.

Mr. Chairman, as you know our nation's infrastructure is crumbling with the American Society of Civil Engineers giving the United States a D plus. To fix this, we need to invest in our nation and rebuild our roads, our bridges, tunnels, ports, and airways.

One such project underway is the I-11 projects which is an interstate highway that will eventually span from Arizona's border with Mexico to Montana's border with Canada. This project will link Las Vegas and Phoenix which are the only two adjacent cities in the nation with populations of more than 1 million people that are not currently linked by an interstate. Once completed, this project will mark the first new infrastructure addition to the 47,856 interstate highway systems since it was deemed complete in 1992.

Not only will I-11 serve as an important link between major metropolitan areas in the southwest, it will also serve as a vital link for rural communities in Nevada's 4th Congressional district which as you know, Mr. Chairman, is the third largest congressional district in the country, covers almost 55,000 square miles. And so it is critical that the I-11 corridor does not and I repeat does not bypass towns in rural Nevada including Mina, Looning, Hawthorne, Walker Lake, Shers and Yerington which would cost these communities the economic boost that would come with the development of I-11.

In particular, Mr. Chairman, I-11 is vital for the Hawthorne Army Depot. In order to meet personnel demands and ensure that our, ensure our national security.

I-11 is a type of infrastructure project our country needs. It will not only improve our nation's crumbling infrastructure and create jobs but it will also make possible a key international trading route that will improve tourism, mobility and economic growth. I-11 is critical for the State of Nevada and I ask that this subcommittee make this major infrastructure project a reality and reject any proposals to toll our nation's highways and bridges.

Mr. Chairman, in addition to the I-11 project, I strongly urge this committee to continue funding the TIGER program, the grant program. These TIGER grants are a valuable funding tool for state and local governments and have provided millions of dollars to the state of Nevada over the years. These grants have been essential in maintaining our existing infrastructure and providing for future needs.

In addition to transportation, one of the most critical issues facing my constituents in the State of Nevada is access to affordable housing and neighborhood stabilization. As many of you know Ne-

vada was the hardest hit state in the country during the housing crises. While the State of Nevada is in a much better place than it was during the recession, the pain from the housing crisis continues to this day.

As my constituents know, Nevada led the nation in foreclosures for more than 5 years during the recession. In 2010 Nevada's mortgage delinquency rate peaked at 10.7 percent, one of the highest in the country. Only last year did this rate come down to the national average of just 1 percent.

As homes are being foreclosed upon and families were being forced out of their homes, many Nevadans were pushed into the rental market. Due to a drastic slowdown in new home construction, more Nevadans were competing for fewer units. In fact, only 10 affordable housing units in Las Vegas are on the market for every 100 low income people seeking a rental. At the same time, HUD rental assistance decreased giving a one, two punch to Nevada families.

The HUD housing choice vouchers play an integral role in helping low income families, the elderly and people with disabilities afford these safe and sanitary housing in the private market. Many of my constituents rely on this program and I urge the committee to fully fund the housing choice vouchers.

Another important program to ensure strong sustainable and inclusive communities is through the community development block grant program which was discussed earlier, Mr. Chairman, which provides communities with the resources and needs to address community development needs. Even though this program has been highly effective in seeking to ensure decent, affordable housing, the Trump Administration has proposed eliminating the CDBG program. For Nevada, this will mean a loss of nearly 20 million dollars in funding. This is why I am asking the committee to fully fund the CDBG program so that the state and local jurisdictions in Nevada and across our nation can thrive.

And finally, Mr. Chairman, I would like to discuss the importance of the Native American Housing Block Grant Program which is critical for these, for those living in Indian country. Native Americans are twice as likely to live in poverty compared to the rest of the country with homes that are overcrowded and in need of repairs. To address these housing needs, the Native American Housing Block Grant Program can be used for housing development and assistance. We owe it to our nation's tribes to provide them with affordable and decent housing which is why I urge the committee to fully fund the Native American Housing Block Grant Program.

Mr. Chairman, ranking member and members of the committee so you can see Nevada has many housing and transportation needs that fall under this committee's jurisdiction. And that is why I am asking you to continue to fund these vital programs that invest in and improve our infrastructure to help working families across the 4th Congressional District and across the country. Thank you for this opportunity to testify in front of your committee.

Mr. DIAZ-BALART. Let me thank the gentlemen for being here and—obviously this subcommittee listens to its member. And we are very grateful to the full committee chairman and the ranking

member. We had a very, very strong allocation for 2018 and so you mentioned a number of issues and let me just say in TIGER for example, we were able to increase that to 1.5 billion dollars which by the way is a billion dollar increase. I think it is a billion dollar increase over frankly the historic high as far as I know. 2.5 billion dollars for new highway grants. That is new money that went to the states. 750 million dollars—755 million dollars for Native Americans for housing which is an issue that I know is of great concern of yours. And 19.6 billion dollars for Section 8 which is full funding.

And so we were grateful to get a, we don't know what our allocation is going to be for the 2019 bill but we are very grateful, are very grateful that not only did we get a very strong allocation and I think this, I am very proud of the work that this subcommittee did in allocating those funds I think wisely and those decisions are made after a lot of work. A lot of hard work. A lot of tough negotiations and so that is why I am always grateful to my ranking member. He and I work as a team and so I think this, again I am very proud of that 2018 omni and let's see what we can do right for the 2019 bill. Mr. Price.

Mr. PRICE. Thank you, Mr. Chairman. I agree with the comments you have made. We, I have no questions but I do want to commend our colleague for advocating for a range of programs that clearly are important to his constituents and important to the country. So we are looking forward as the chairman says to our allocation and to being able to make use of the input you and other members have provided this morning. Thank you.

Mr. DIAZ-BALART. Thank you, Mr. Price, and thank you, sir, and by the way we are going to need help because once we put the bills together we are going to, it requires the votes. And so we are going to need everybody's help to not only get it through committee because this committee will get it through the committee one way or another, right, Mr. Price? We will get it done but we are going to need everyone's help to get it through the floor.

Mr. KIHUEN. Thank you, Mr. Chairman.

Mr. DIAZ-BALART. So thank you for being here today.

Mr. KIHUEN. Thank you, Mr. Chairman. Thank you, ranking member.

Mr. DIAZ-BALART. Mr. Price, I believe that concludes the members who had asked to testify in front of the subcommittee. We appreciate their testimony and as I said earlier everyone's written statement will be included in the record. Mr. Price, any closing remarks?

Mr. PRICE. No, thank you.

Mr. DIAZ-BALART. Thank you, sir. With that the subcommittee is adjourned.

[The information follows:]

Testimony for Rep. Kihuen (NV-04)

Chairman Diaz-Balart, Ranking Member Price, and my colleagues on the Subcommittee on Transportation, Housing and Urban Development, I want to thank you for giving me the opportunity to come before the subcommittee to discuss the importance of transportation infrastructure, especially the Interstate 11 project, as well as the need for affordable housing in Southern Nevada.

Mr. Chairman, our nation's infrastructure is crumbling, with the American Society of Civil Engineer's giving the United States a D+. This is unacceptable. To fix this, we need to invest in our nation and rebuild our roads, bridges, tunnels, ports, and airways.

One such project underway is I-11, which is an interstate highway that will eventually span from Arizona's border with Mexico to Montana's border with Canada. This project will link Las Vegas and Phoenix, which are the only two adjacent cities in the nation with populations of more than one million people that are not currently linked by an interstate. Once completed, this project will mark the first new infrastructure addition to the 47,856-mile Interstate Highway System since it was deemed complete in 1992.

Not only will I-11 serve as an important link between major metropolitan areas in the Southwest, it will also serve as a vital link for rural communities in Nevada's Fourth Congressional District. It is critical that the I-11 corridor does not bypass towns in rural Nevada, including Mina, Luning, Hawthorne, Walker Lake, Schurz, and Yerington which would cost these communities the economic boost that would come with the development of I-11. In particular, I-11 is vital for the Hawthorne Army Depot in order to meet personnel demands and ensure our national security.

I-11 is the type of infrastructure project our country needs. It will not only improve our nation's crumbling infrastructure and create jobs, but will also make possible a key international trading route that will improve tourism, mobility and economic growth. I-11 is critical for the State of Nevada and I ask that this subcommittee make this major infrastructure project a reality and reject any proposals to toll our nation's highways and bridges.

Mr. Chairman, in addition to the I-11 project, I strongly urge this committee to continue funding the TIGER grant program. TIGER grants are a valuable funding tool for state and local governments and have provided millions of dollars to the State of Nevada over the years. These grants have been essential in maintaining our existing infrastructure and providing for future needs.

Mr. Chairman, in addition to transportation, one of the most critical issues facing my constituents in the State of Nevada is access to affordable housing and neighborhood stabilization. As many

of you know, Nevada was the hardest hit state in the country during the housing crisis. While the State of Nevada is in a much better place than it was during the recession, the pain from the housing crisis continues to this day. As my constituents know, Nevada led the nation in foreclosures for more than five years during the recession. In 2010, Nevada's mortgage delinquency rate peaked at 10.7 percent—one of the highest in the country. Only last year did this rate come down to the national average of just 1 percent.

As homes were being foreclosed upon and families were forced out of their homes, many Nevadans were pushed into the rental market. Due to a drastic slowdown in new home construction, more Nevadans were competing for fewer units. In fact, only 10 affordable housing units in Las Vegas are on the market for every 100 low-income people seeking a rental. At the same time, HUD rental assistance decreased, giving a one-two punch to Nevada families.

The HUD Housing Choice Vouchers play an integral role in helping low-income families, the elderly and people with disabilities afford decent, safe and sanitary housing in the private market. Many of my constituents rely on this program and I urge the committee to fully fund Housing Choice Vouchers.

Another important program to ensure strong, sustainable and inclusive communities is through the Community Development Block Grant Program, which provides communities with the resources it needs to address community development needs. Even though this program has been highly effective in seeking to ensure decent affordable housing, the Trump Administration has proposed eliminating the CDBG program. For Nevada, this would mean a loss of nearly \$20 million in funding. That is why I am asking the committee to fully fund the CDBG program so that state and local jurisdictions in Nevada and across our nation can thrive.

Finally, Mr. Chairman, I would like to discuss the importance of the Native American Housing Block Grant program, which is critical for those living in Indian Country.

Native Americans are twice as likely to live in poverty compared to the rest of our country, with homes that are overcrowded and in need of repairs. To address these housing needs, the Native American Housing Block Grant program can be used for housing development and assistance. We owe it to our nation's tribes to provide them with affordable and decent housing, which is why I urge the committee to fully fund the Native American Housing Block Grant program.

Mr. Chairman, Ranking Member, and members of this committee, as you can see, Nevada has many housing and transportation needs that fall under this committee's jurisdiction. That is why I am asking you to continue to fund these vital programs that invest in and improve our infrastructure and help working families across the Fourth Congressional District. Thank you for letting me testify before this committee to ensure that the needs of Nevadans are represented.

WEDNESDAY, APRIL 25, 2018.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—OFFICE OF HOUSING AND FEDERAL HOUSING ADMINISTRATION

WITNESS

DANA WADE, GENERAL DEPUTY ASSISTANT SECRETARY FOR HOUSING

Mr. DIAZ-BALART. Let us call the subcommittee to order. Good morning, everyone. And I apologize. As you know, they called votes and so it kind of threw our schedule off a little bit.

We are pleased to welcome the General Deputy Assistant Secretary for the Office of Housing, Dana Wade, by the way, you are a Floridian, are you not?

Ms. WADE. Yes, I am.

Mr. DIAZ-BALART. North Florida?

Ms. WADE. That is correct.

Mr. DIAZ-BALART. That is correct. Wonderful part of the country. And, again, from Department of Housing and Urban Development. Ms. Wade is here to testify in the fiscal year 2019 budget request for the important and really diverse programs administered by HUD's Office of Housing.

And so the mission of the Office of Housing is to contribute to building and preserving healthy neighborhoods and communities, maintain and expand home ownership, rental housing and healthcare opportunities, and to stabilize credit markets in times of economic disruption.

And to carry out this mission the Office of Housing oversees the Federal Housing Administration which is the largest mortgage insurer in the world, in the planet. As well as regulates the housing industry.

It provides rental assistance to more than 1.6 million families through the project-based rental assistance and housing for the elderly, and the housing for persons with disabilities programs.

I note that this subcommittee, in a non-partisan way, has supported these vital programs, and in the FY-18 Omnibus we provided funds to actually create additional housing, affordable housing units for these vulnerable populations. These programs, I do not have to say, are critical to individual communities across the country, to people, as well as to our national economy as a whole.

The fiscal year 2018 Omnibus provided \$12.7 billion budgetary resources for the Office of Housing, and for fiscal year 2019 the request from HUD is \$12.2 billion which is a reduction of \$436 million from the 2018 enacted level.

Now, as I have stated before, to be fair, the request was formulated prior to the bipartisan budget cap deal, and also prior to the

passage of the negotiated FY 2018 Omnibus. But, obviously, it is critical for us to understand how the proposed level would affect programs under, again, the Office of Housing's portfolio. So, you know, how it would affect potentially vulnerable families who rely on HUD programs.

We also understand the Department's working on a legislative—actually, that is right, has just released a legislative proposal to reform how its rent subsidy programs works, and these reforms impacted the formulation of the request.

So as the members of this committee know, such reforms are outside of our jurisdiction, and, obviously, I look forward to the Administration's reform ideas, and we will look at those with great detail and a lot of interest.

Fiscal year 2019 is less than six months away and, obviously, this subcommittee must write a bill now that adequately funds housing programs as a currently function, and again, because of the people that depend on them.

Ms. Wade, I greatly appreciate your appearance today before us to discuss those issues. Because, obviously, we want to make sure that we meet our nation's affordable housing needs, and ensure our housing policy supports affordability, as well as, obviously, our economy, and more importantly, those that depend on these programs while, crucially, being accountable to the taxpayer.

So with that, let me yield to my friend and partner the ranking member of the subcommittee, Mr. Price.

Mr. PRICE. Thank you, Mr. Chairman. I would like to join you in welcoming Dana Wade, the General Deputy Assistant Secretary for the Office of Housing and the Federal Housing Administration. Ms. Wade, thank you for being here today. We look forward to your testimony.

HUD's Office of Housing administers several critical programs that affect the lives of tens of millions of Americans. For example, the Federal Housing Administration, FHA, is the largest mortgage insurer in the world with more than \$1.3 trillion in its portfolio. FHA policies have an enormous impact on the nation's housing market and the overall economy. We look forward to receiving an update about FHA's ongoing activities during our hearing today.

I am also planning to ask some questions about the Section 202 and Section 811 programs for the elderly and disabled, respectively. These programs provide a measure of independence and dignity to some of society's most vulnerable individuals. In North Carolina and across the country these programs have successfully leveraged the resources and expertise of nonprofit groups and faith organizations to meet local community needs. I was pleased to secure additional funding in the 2018 Omnibus. That is the first new funding or funding for new construction in these programs in years to create nearly 2,000 additional units of 202 and 811 housing. So I look forward to hearing how HUD plans to administer these new resources.

HUD's Office of Housing also oversees the Housing Counseling program. While this account receives a modest appropriation, just \$55 million last year, it does pack a large punch. Research confirms that HUD approved housing counselors create better outcomes for consumers by helping them improve their credit, reduce debt, and

avoid foreclosure. Hundreds of thousands of people benefited from these services last year alone, and I am concerned that HUD has proposed nearly a 20 percent cut to this program in the 2019 request.

Finally, I want to once again register my concerns with the Administration's so called rent reforms. We have not seen a detailed proposal yet, but I understand the Secretary is unveiling it today. From what we do know, these reforms would essentially shift HUD program costs onto residents, raising minimum rents, imposing work requirements, or eliminating long-standing rent deductions for medical expenses and other costs could have serious repercussions for the people who rely on housing assistance. Moreover, if such changes are to be considered they are best left to the authorizing committee.

Ms. Wade, I look forward to your testimony today and working with you to ensure that HUD's Office of Housing and the Federal Housing Administration have the resources necessary to carry out your mission. Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Thank you, sir. If I may, it is great to have somebody here who has been in the process, understands the process, and the fact that you are a Floridian, obviously, adds a lot more to your resume. So your full written testimony will be included in the record, and with that, you are recognized for five minutes. Thank you for being here.

Ms. WADE. Thank you Chair and ranking member, and members of this subcommittee thank you for inviting me here today to discuss our work in the Office of Housing and the Federal Housing Administration. As a former Congressional staffer having worked on both the House Budget Committee, the Senate Appropriations and Banking Committee I have a great respect for the role that Congress has in setting the budget and providing oversight of government spending.

The Office of Housing's programs focus on making housing affordable for individuals and families. For 83 years FHA has provided opportunities for Americans to build equity through home ownership and climb the economic ladder. To meet our objectives we must operate programs that are sustainable for borrowers, renters, and taxpayers.

More than 8 million, mostly first time and low to moderate income homeowners count on FHA. In addition, HUD's multi-family rental properties provide more than 2.5 million affordable rental units. Importantly, taxpayers stand behind everything we do, including FHA's book of business. This is a responsibility that demands prudent management of our programs.

For fiscal year 2019 we requested funding to develop a stable technology and risk management platform to ensure continuity of our operations and to avoid financial losses. FHA's current platform which supports more than \$1.3 trillion in insurance in force is built on a 40 plus year old mainframe system. The risk that outdated technology presents to FHA, and by extension, to taxpayers is significant. FHA's viability depends on financial stability too. This Administration has already taken several actions to safeguard FHA's Mutual Mortgage Insurance Fund, or MMIF, a few which I will highlight today.

One of our first actions was to suspend a premium reduction for FHA single family insurance program. Had the reduction taken effect, the MMIF capital ratio would have fallen below FHA statutory requirement of 2 percent to 1.67 percent.

We also took action last year to improve the fiscal condition of FHA insured reverse mortgages called home equity conversion mortgages, or HECMs. Since fiscal year 2009 FHA insured HECMs have resulted in an estimated cost of \$14.5 billion to the MMIF. We cannot rule out the possibility of future losses. We will continue to protect seniors who currently depend on HECMs to age in place, while also ensuring that FHA's forward program and, ultimately, taxpayers do not have to subsidize the reverse mortgage program.

This Administration has also taken action to reduce risk to taxpayers by restoring long-standing FHA policy on property assessed clean energy, or PACE, obligations. Property encumbered with PACE will no longer be eligible for an FHA insured mortgage. Taxpayers should never have another lien jump in front of FHA mortgage.

In fact, we will remain diligent in protecting the MMIF and borrowers from default risk wherever possible. Although, FHA's core business for forward mortgages has seen positive performance we also see certain trends and indicators of potential defaults. For example, we have seen increases in high debt to income ratios, increases in the use of down payment assistance, and increases in the number of cash out refinances. We have also seen a change in composition in FHA's portfolio. Depository institutions now represent less than 15 percent of lenders, compared to about 45 percent in 2010. Many banks have stayed away from FHA because of perceived legal liability stemming from the government's use of the False Claims Act. Bad actors, let me be clear, bad actors will have no place in our programs, but we do not want to see the False Claims Act used to penalize FHA lenders for minor mistakes.

Secretary Carson and I and our general counsel are committed to reviewing and addressing this issue with the Department of Justice. We are actively involved in discussions on this topic. We are also actively reviewing HUD rules on manufactured housing which is a critical component of affordable housing in the United States. Our goal is to reduce undue burdens while ensuring that HUD promotes affordability, quality, durability, and safety.

And, importantly, I would like to thank this committee for supporting our goals for HUD multi-family housing which is a cornerstone for renters seeking a safe and affordable place to live. Specifically, the fiscal year 2018 Omnibus increases the cap for the Rental Assistance Demonstration, or RAD. This will allow us to continue the much needed recapitalization of our nation's aging housing stock while leveraging private capital and offsetting taxpayer risk. We believe RAD is key to improving the quality of life for low income and very low income renters.

And, finally, I want to also thank this committee for your support of our efforts to respond to the devastating hurricanes, wildfires, and mudslides that occurred this and last year. We immediately stepped up to assist borrowers and renters impacted by the disasters. These efforts continue to be a priority, and I am

grateful and also so thankful to the hard work of my staff in the Office of Housing and at HUD.

Thank you and I am happy to answer any questions that you have today.

[The information follows:]



Written Testimony of Dana Wade
Acting FHA Commissioner and General Deputy Assistant Secretary for FHA
Office of Housing
U.S. Department of Housing and Urban Development
House Committee on Appropriations
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
April 25, 2018

Introduction

Chairman Diaz-Balart, Ranking Member Price, and members of this Subcommittee, thank you for inviting me here today to discuss the President's Fiscal Year (FY) 2019 Budget request for the U.S. Department of Housing and Urban Development's (HUD) Office of Housing and Federal Housing Administration (FHA). As a former Congressional staffer, including working on both the House Budget Committee and the Senate Appropriations Committee, I have great respect for the role Congress has in setting the budget and providing oversight of government spending.

HUD, through the Office of Housing, works to maintain strength and stability in our nation's housing markets. The Office of Housing is the largest office within HUD, and has the following key responsibilities:

- Operating FHA, which is the world's largest mortgage insurer, providing over \$1.3 trillion in mortgage insurance for Single Family, Multifamily, and Healthcare loans;
- Managing HUD's Project-Based Rental Assistance (PBRA) and other rental assistance programs, which provide support for low-income and very low-income households;
- Managing the Housing for the Elderly (Section 202) and Housing for Persons with Disabilities (Section 811) programs, which provide support for some of our nation's most vulnerable populations;
- Supporting recapitalization of the nation's aging affordable housing stock through programs like the Rental Assistance Demonstration (RAD);
- Facilitating housing counseling assistance through HUD's Office of Housing Counseling; and
- Operating HUD's Manufactured Housing Program, which administers federal standards for the design and construction of manufactured homes across the country.

The Office of Housing plays a critical role in fostering affordable housing for individuals and

families who need it the most. In addition, for 83 years, FHA has provided opportunities for Americans to build equity through homeownership and climb the economic ladder of success.

To achieve these objectives, we must operate programs that are sustainable for borrowers, renters, and taxpayers. Over eight million mostly first-time and low-to-moderate income homeowners count on FHA. HUD's Multifamily rental properties provide over 2.5 million affordable rental units, and FHA provides mortgage insurance for over 3,600 hospitals and residential care facilities.

Importantly, taxpayers stand behind everything we do, including FHA's book of business. This is a responsibility that demands prudent management of our programs.

To that end, the priorities reflected in our funding request for FY 2019 include the following:

- Developing a stable risk management and technology platform to ensure continuity of our operations and avoid financial losses;
- Providing more transparency, consistency, and accountability to the American public on FHA's book of business;
- Managing our credit box to ensure that sustainable loans are made to those who have an ability to repay them;
- Maintaining FHA's Multifamily platform to ensure access to safe and affordable rental housing;
- Providing more certainty to lenders and other private sector partners when it comes to FHA's policies, rules, and enforcement;
- Reforming our rental assistance programs to streamline administration, increase local flexibility, improve fiscal sustainability, and encourage resident self-sufficiency while protecting currently-assisted elderly and disabled households from adverse impacts;
- Expanding programs like RAD that allow HUD to recapitalize aging housing stock and improve the quality of life for tenants; and
- Reducing undue regulatory burdens across programs, consistent with the President's Executive Orders.

In addition to these FY 2019 priorities, the Office of Housing has proven that, when times demand it, it plays a vital role supporting American families through both economic downturns and natural disasters.

Disaster Recovery

The devastating natural disasters in 2017, including Hurricanes Harvey, Irma, and Maria, as well as destructive wildfires in California, continue to have lasting impacts. We are grateful to the members of this Subcommittee for your leadership and support as we continue to work to aid the recovery in areas impacted by last year's natural disasters. As most of you know, HUD is the lead federal agency for long-term disaster recovery for housing, which includes administering grant funds to rebuild affected areas and to begin the recovery process.

More specifically, FHA immediately took action to assist families impacted by these events. We

provided a 90-day moratorium for all foreclosures in disaster-impacted areas, which we have since extended. FHA requires loan servicers to make available forbearance of up to a year for impacted borrowers who, through no fault of their own, cannot make payments. We continue to provide access to loan modifications that are designed to reduce monthly payments and keep families in their homes.

Earlier this year, FHA rolled out a new and important tool to help delinquent borrowers cover missed mortgage payments through what is called a Disaster Standalone Partial Claim. This is an option aimed at borrowers who may have below-market interest rates and may not be suited for a loan modification. Through this new option, borrowers can keep their low interest rates and current mortgage terms without facing payment shock and added fees. Additionally, FHA streamlined the process for servicers to offer this and other forms of assistance in disaster-impacted areas, making it easier for borrowers to obtain.

FHA will continue to focus its efforts on providing maximum relief in disaster areas, while also managing its insured portfolio and exposure to losses. Given the billions of dollars of FHA-insured mortgages in disaster-impacted areas, we continue to monitor loan performance and expect increased losses, especially from loans originated in Puerto Rico.

For HUD Multifamily properties in the impacted areas, our staff has worked diligently to conduct onsite assessments for properties that reported moderate and severe damage because of Hurricanes Harvey and Irma. Our team also conducted onsite assessments on all 220 properties in FHA's portfolio in Puerto Rico and the U.S. Virgin Islands (USVI). Currently, all Multifamily properties in Puerto Rico and the USVI have had permanent electrical service through the power grid restored. In addition, HUD has worked to ensure continuity in monthly subsidy payments for properties that receive project-based assistance. We have also provided help to owners in submitting subsidy vouchers manually where there may be disruptions in internet access. We will continue to closely engage with property owners and managers as they develop longer-term recovery plans and to ensure that residents are receiving the assistance they need.

FHA Single Family Program

FHA's dual mission to support homeownership for underserved populations and provide countercyclical support must be balanced with its responsibility to ensure that the portfolio is financially and structurally viable. The Office of Single Family runs the largest and longest-running program at FHA – in fact, it predates HUD itself. FHA's traditional role is to provide mortgage insurance to lenders in order to make credit available to borrowers who may not be served by the conventional market. For FY 2019, the President's Budget estimates a volume of about \$230 billion for forward mortgages, and about \$12 billion for Home Equity Conversion Mortgages (HECMs), or reverse mortgages.

FHA's role in the housing market should be stable, reliable, and targeted. It is an important source of mortgage credit for first-time homebuyers, minority borrowers, and low- to moderate-income families. During FY 2017, more than 82 percent of FHA's Single Family purchase loans were for first-time homebuyers, and 54 percent of all loans were for low-to-moderate income borrowers. In addition, 33 percent of all FHA-insured mortgages served minority homebuyers

during FY 2017.

FHA also has a role to play as a stable, countercyclical source of capital for the housing market during periods of economic distress. That is why we must take steps to ensure its viability for future generations of borrowers, especially during tough economic times. We must make sure FHA is facilitating sustainable loans borrowers can repay, putting in place strong risk management and good underwriting standards, and developing a sound technological platform to operate our programs.

Administrative Expenses and Information Technology Fee

The FY 2019 Budget requests \$150 million in administrative expenses, an increase of \$20 million over the enacted level for FY 2018, to support a range of FHA functions, including loan underwriting, claims processing, and risk monitoring. The requested funding increase will also support the modernization of Single Family information technology (IT) systems.

Updating FHA's legacy IT systems is a critical priority for this administration. To offset the increased appropriation, the FY 2019 Budget requests authority to collect from FHA lenders a fee of up to \$25 per loan. This fee would apply on a prospective basis and expire after four years. The IT investments facilitated by the fee will enable FHA to address operational and financial risks posed by aging systems, become a more reliable resource for lenders and, by extension, better serve borrowers.

Currently, FHA's platform is built on a more than 40-year-old mainframe system that runs an obsolete programming language. The risk that this presents to FHA, and by extension to the American taxpayers, is significant. Not only is FHA's current IT system outdated, it is unreliable. There were 73 outages of FHA's origination systems during 2017, with durations lasting as long as five days.

Furthermore, FHA must have the ability to collect more comprehensive, robust data prior to endorsement, mirroring changes that Fannie Mae and Freddie Mac made over the last decade in response to the housing crisis. Moving to a system that allows FHA to conduct more robust analysis prior to endorsement will allow HUD to more effectively manage risk and provide more certainty to lenders participating in FHA programs.

Another goal as part of IT modernization is to move to a paperless endorsement process. Currently, 400,000 paper binders averaging 300 pieces of paper each are sent to FHA's regional Homeownership Centers each year, totaling 120 million pieces of paper. This costs us millions of dollars in storage, maintenance, and shipping, and presents a burden to the industry – which has been moving towards a paperless process for many years.

FHA simply cannot continue to operate antiquated systems that are highly expensive to maintain, are based on legacy programming languages planned for obsolescence, prevent lenders from accessing critical data, and regularly fail. Our budgetary request to upgrade technology is central to effectively managing risks to the Mutual Mortgage Insurance Fund (MMIF) and to protecting American taxpayers.

Financial Health of the MMIF

In its FY 2017 Annual Report to Congress on the financial status of FHA's Mutual Mortgage Insurance Fund (MMIF), FHA reported a capital ratio of 2.09 percent. While this is above the two percent statutory minimum for the third straight year, it is a decline from the FY 2016 level of 2.35 percent.

Ensuring the long-term financial viability of FHA is a top priority for Secretary Carson. One of the first actions this administration took was to suspend a decision by the previous administration to reduce FHA's Single Family Housing insurance premiums. Had the premium reductions taken effect, the MMIF capital ratio would have fallen below FHA's statutory minimum to 1.76 percent.

We are committed to more transparency of FHA's book of business. Last year's Annual Report to Congress reflected our desire to provide markets and the American public with a bigger window into the composition of our portfolio. We also strive towards more consistency, whether it be in how we report data or how we make policy decisions that markets depend upon. One action we took as part of FHA's annual report was to provide more information on the true, standalone condition of both Single Family forward and reverse mortgages.

Changes to the HECM Program

It was clear in our analysis that FHA's reverse mortgage portfolio, or HECM, continues to drain our capital. Since FY 2009, as measured in the 2017 Annual Report to Congress, FHA-insured HECMs have resulted in a net cost of \$14.5 billion to the MMIF, and we cannot rule out the potential for further losses.

That is why we acted in October of last year to put new reverse mortgage business on an improved fiscal path. These steps included adjusting HECM insurance premiums and Principal Limit Factors. Principal Limit Factors determine the share of home value a homeowner can borrow against.

Historically, HECM is a financially volatile program that will continue to demand a watchful eye. FHA will do what is necessary to stabilize the program and, where possible, reduce what will likely be substantial losses to FHA from the legacy book of insured reverse mortgages. We must protect seniors who depend on HECM to age in place, while also ensuring that FHA's forward program and, ultimately taxpayers, do not have to bail out the HECM program.

Recent Actions and Performance Trends

We are also scrutinizing policies that do not necessarily fit into FHA's core mission and could increase risk for taxpayers.

For example, in December of 2017, FHA issued a Mortgagee Letter making clear that properties encumbered with Property Assessed Clean Energy (PACE) obligations will no longer be eligible

for an FHA-insured mortgage. We took this action because PACE obligations represented a potential increase in losses for the MMIF due to the priority lien status of PACE obligations in the event of default. HUD remains concerned with PACE assessments that are placed on FHA loans *after* endorsement, and we are monitoring this practice to determine if further action is warranted. Taxpayers should never have another lien “jump ahead” of FHA and encumber the collateral that makes FHA insurance viable and affordable.

In addition, HUD continues to closely monitor several other trends in our Single Family insurance portfolio that could potentially increase claims against the MMIF. For example, in September and December of 2017, FHA’s Single Family business saw an uptick in Serious Delinquencies (SDQs) as well as Early Payment Delinquencies (EPDs). While the hurricanes and seasonality were a major factors, some of this increase may be attributable to a decrease in mortgage credit quality. Indeed, lower credit quality is a concern for FHA because it hampers borrowers’ ability to withstand adverse events such as economic downturns and natural disasters.

Furthermore, we continue to see an increase in the proportion of borrowers with debt-to-income (DTI) ratios above 50 percent. In February, the percentage of borrowers with FHA-insured mortgages with DTI ratios above 50 percent increased to 24.6 percent, up from 19.8 percent a year ago. The average DTI ratio for the entire Single Family portfolio increased from 42.7 percent in January to 42.9 percent in February, and up from 41.8 percent during the same time last year.

Two other areas to highlight are the rate of FHA-insured purchase transaction mortgages that have Down Payment Assistance (DPA), and the rise in cash-out refinance transactions. The number of purchase loans with some form of DPA now stands at about 40 percent, with certain categories of DPA carrying added risk. Cash-out refinances as a percentage of total refinances have risen from almost 38 percent in February of 2017 to almost 55 percent in February 2018.

While the credit performance of FHA’s overall forward portfolio has generally been trending favorably, supported by exceptional home price appreciation and strong job growth, we must remain diligent in safeguarding sound credit standards and underwriting for new loans. For these reasons, we are carefully evaluating these trends and indicators of potential defaults to ensure that FHA mortgages are sustainable both for the borrower and the MMIF.

Lender Enforcement

Data has also shown a significant shift in the composition of lenders participating in FHA. Depository institutions now represent less than 15 percent of those originating FHA mortgages. In 2010, the number of bank lenders was closer to 45 percent.

Banks have cited that a reason for their limited participation in FHA is the legal liability associated with enforcement actions stemming from the False Claims Act. They have expressed concerns that minor errors could expose them to severe penalties. Secretary Carson has committed to reviewing and addressing these concerns with the Department of Justice, and both departments are now actively involved in discussions on this topic.

Additionally, FHA is looking at its defect taxonomy, which establishes defect categories and how FHA views the severity of each defect, as well as our own system of enforcement. It is worth noting the conventional mortgage market has made progress in addressing these issues, creating greater confidence to lend using the secondary market outlets available primarily through Fannie Mae and Freddie Mac.

FHA strives to be as clear as possible in its guidance on enforcement matters. We will not tolerate those who defraud borrowers and taxpayers, or make routine, material errors that put a strain on FHA's resources. In doing so, FHA must adhere to the Rule of Law, which means that FHA's view of materiality should be well-defined, transparent, and consistently applied. This will help FHA manage its own risk, too.

But in the case of immaterial errors, or where FHA has other sufficient remedies available, we have administrative processes within HUD that can and should be used for resolving many issues. The end goal is for every good lender who makes responsible loans to feel confident in participating in FHA programs – and, on top of this, for FHA borrowers to have many different access points to FHA-insured mortgage credit.

Multifamily and Healthcare Mortgage Insurance Programs

HUD is also a cornerstone for renters seeking safe and affordable housing. Multifamily programs aim to strengthen the quality and affordability of the nation's housing stock, while encouraging the use of private capital to offset risks to the American taxpayer.

Currently, the nation's aging Public Housing stock will cost over \$26 billion in deferred maintenance. As Secretary Carson has testified, HUD is proposing a new strategy that will encourage Public Housing Authorities (PHAs) to pivot, over the medium-term, from the current financially unsustainable public housing model to other platforms that allow PHAs to function more like every other Multifamily building owner in America. We also believe encouraging states and localities to bring more resources to the table helps PHAs have the flexibility to make decisions at the local level that are best suited for the needs of their communities.

The Rental Assistance Program

The Rental Assistance Demonstration (RAD) is one of the most important tools HUD has to address the backlog of deferred maintenance. We appreciate all the work this Subcommittee has done to authorize and fund RAD. In particular, we are grateful to the provisions in the FY 2018 Omnibus Appropriations Act that both raised the RAD cap to 455,000 units and expanded RAD to include Section 202 Housing for the Elderly. These actions will allow HUD to use this platform to provide better homes and a better quality of life for the low-income and very low-income residents we assist.

RAD allows properties to shift from their current platform to the Section 8 program so that providers may leverage the private market to make capital improvements, enabling the properties to be preserved for long-term affordability. Since its initial launch in 2012, more than 280 PHAs

have worked with HUD through RAD to generate over \$5.4 billion in capital to rehabilitate and recapitalize over 91,000 former public housing units at revenue neutral rent levels.

The program has two components. The first component allows Public Housing properties to convert to long-term Section 8 rental assistance contracts. The second component allows properties currently operating under HUD's Rent Supplement, Rental Assistance Payment (RAP), Moderate Rehabilitation, Moderate Rehabilitation/McKinney Vento Single Room Occupancy (SRO), and, now, Section 202 Property Rental Assistance Contract (PRAC) programs to convert from their varied program structures to project-based assistance with long-term contracts.

RAD public housing conversions are limited by Public Housing funding levels and by statutory caps on the number of units that can be converted. Currently, a converting property's future per-unit rental assistance funding levels are based on its Public Housing funding levels. However, at current funding levels, some properties are unable to feasibly convert. In short, their future rental assistance funding stream would be too small to pay back the cost of rehabilitating the property.

The President's FY 2019 Budget includes \$100 million for the RAD program to cover the incremental subsidy necessary for those properties to feasibly convert. If appropriated, HUD will do everything in its power to ensure these dollars are stretched as far as possible.

The President's FY 2019 Budget also supports eliminating the current 455,000-unit cap on conversions. Eliminating the cap will allow HUD to make RAD conversions available to all PHAs that have the ability to participate – without increasing the Department's expenditures.

Protecting Vulnerable Populations

The FY 2019 Budget reflects HUD's desire to work with PHAs and others to provide and preserve affordable housing for families in need and vulnerable populations. This includes the Budget's request of \$11.1 billion to fully fund Project-Based Rental Assistance (PBRA) contracts, which provide rental subsidies for over 1.2 million low-income and very low-income households. In addition, the Budget requested another \$600 million for the Section 202 Program that supports senior housing, and \$140 million for the Section 811 program that supports housing for persons with disabilities.

HUD is very appreciative of the Committee's work on the Omnibus and your interest in funding new affordable housing opportunities for some of America's most vulnerable populations – our elderly households and those with significant disabilities. As you know, \$10 million was appropriated in FY 2017 for preservation and development of Section 202 senior housing, with another \$105 million appropriated in FY 2018 for development of Section 202 housing, and \$82.6 million appropriated in FY 2018 for development of Section 811 housing. We are currently working on implementing a strategy to direct this funding to where it will be the most impactful, including exploring ways to maximize the number of new units created and preserving as many properties as possible by first using existing programs.

Performance-Based Contract Administration

Project-Based Rental Assistance is administered by Performance-Based Contract Administrators (PBCAs). PBCAs conduct management reviews, facilitate Housing Assistance Payments (HAP), and adjust contract rents, among other duties. We appreciate the language this Subcommittee has provided to ensure that HUD solicits and awards PBCA contracts utilizing full and open competition in accordance with the Competition in Contracting Act and the Federal Acquisition Regulation. I would like to assure you this is our objective.

On March 13, 2018, HUD cancelled the two draft Housing Assistance Payments solicitations, which are commonly referred to as the “PBCA solicitations.” Based on the extensive comments received in response to the draft solicitations, HUD is taking time to perform additional due diligence to ensure all comments and recommendations are considered in developing the final approach to obtaining the services to replace the current PBCA services. Future requirements will be initiated through a new solicitation, which is expected to take several more months to develop.

FHA Mortgage Insurance for Multifamily Housing and Healthcare Facilities

FHA’s mortgage insurance programs for both Multifamily Housing and Healthcare Facilities fall under the General and Special Risk Insurance (GI/SRI) Fund. Like the MMIF for Single Family, the FY 2019 Budget requests no subsidy budget authority for GI/SRI’s mortgage insurance programs. The Budget estimates \$629 million in offsetting negative credit receipts in 2019 from loan guarantees. We monitor the fund balance carefully for GI/SRI, too, and are mindful that taxpayers stand behind each and every dollar in commitment authority.

The GI/SRI mortgage insurance programs allow communities to not only provide quality affordable housing, but also access to assisted living/nursing home facilities and hospitals by supporting the cost of care and the needs of aging and vulnerable populations. FHA mortgage insurance facilitates fixed-rate loans and refinances with long-term amortization, to a greater extent than conventional lending sources. These are designed to reduce borrower costs and boost housing and healthcare opportunities for communities across the country.

Office of Manufactured Housing Programs

HUD also plays an important role in manufactured housing, which is a critical component of affordable housing in the United States. Manufactured housing provides nearly 10 percent of the nation’s Single Family housing stock. An estimated 22 million American households reside in manufactured housing.

HUD, through its Office of Manufactured Housing Programs (MHS), administers the National Manufactured Housing Construction and Safety Standards Act of 1974. MHS is responsible for establishing so-called HUD Code, which are federal standards for the design and construction of manufactured homes to assure quality, durability, safety, and affordability. Currently, 35 states participate in the program under HUD-approved state compliance plans and are reimbursed by HUD for their activities as required by federal regulation. HUD administers a compliance

program for the remaining 15 states.

HUD coordinates with the Manufactured Housing Consensus Committee (MHCC) to recommend revisions to, and interpretations of, the manufactured housing standards and regulations. HUD also develops and implements model standards for installation of manufactured housing, as well as an installation enforcement program. HUD administers installation enforcement programs in 14 states and oversees HUD-approved programs in 36 states. Finally, HUD administers a statutorily required dispute resolution program for manufactured housing homeowners, retailers, installers, and manufacturers in 25 states and approves state dispute resolution programs in 25 states.

Fees are charged to the manufacturers for each transportable section produced to offset the expenses incurred by HUD in carrying out its responsibilities. The FY 2019 Budget proposes to fund the \$12 million cost of authorized activities through these fees.

In accordance with the President's Executive Orders on reducing regulatory burdens, in January 2018, HUD announced a top-to-bottom review of its manufactured housing policies. We invited the public to comment on policies and assess compliance costs of the program against the backdrop of HUD's goal to facilitate affordable housing. The comment period closed on February 26, 2018, and we are currently reviewing the comments. We also plan to work with the MHCC to develop policies that ensure manufactured housing remains an accessible and affordable source of housing for millions of American families.

Office of Housing Counseling

HUD acknowledges the importance of access to independent, unbiased information for potential homeowners and renters who are considering making the big decision to buy or rent. HUD supports and provides oversight for a national network of nonprofit and government housing counseling agencies. Their goal is to work with current and prospective homeowners and renters to help them make responsible housing choices.

The Housing Counseling Assistance Program provides: 1) comprehensive housing counseling services to homebuyers, homeowners, and tenants through grants and counselor training; and 2) training and guidance to housing counselors and staff of government or non-profit entities that participate in HUD's Housing Counseling Program. Housing counseling services include group education and individualized housing counseling on pre-and post-purchase homeownership, budgeting and financial management, reverse mortgage counseling, homelessness prevention, rental counseling, and avoiding discrimination, foreclosure, and eviction.

The objectives of the housing counseling program include overcoming barriers to stable and affordable housing, expanding sustainable homeownership and rental opportunities, preventing foreclosure and eviction, and deterring discrimination, scams, and fraud. The FY 2019 Budget requests \$45 million for this program, the bulk of which funds grants to HUD-approved housing counseling agencies for direct services. To strengthen housing counselor training, HUD plans to continue implementing individual testing and certification for housing counselors. HUD is also analyzing how counseling grants could be directed to better serve those affected by disasters, and

to reduce HECM tax and insurance defaults.

Conclusion

In conclusion, thank you again for the opportunity to detail some of the important work HUD is doing through its Office of Housing. FHA has allowed millions of American families to benefit from homeownership and affordable rental options, while providing vital countercyclical liquidity in the nation's mortgage finance markets.

This Administration recognizes that our ability to fulfill our primary mission of providing sustainable homeownership opportunities can only be accomplished if we are good stewards on behalf of the taxpayers who support FHA's insurance programs. We are committed to that goal and look forward to working with Members of this Subcommittee to accomplish this.

Dana Wade

Dana Wade serves as the Office of Housing's General Deputy Assistant Secretary. In that role, Dana oversees the approximately 2500 employees in the Office of Housing, both in Headquarters and the field. She has lead responsibility for carrying out Housing's mission of providing affordable housing opportunities for moderate and low-income households.

Dana has broad knowledge and experience in financial and housing policy issues, having served as the Deputy Staff Director of the Senate Committee on Banking, Housing and Urban Affairs and as Republican Deputy Staff Director of the Senate Committee on Appropriations. With her background, Dana is well positioned to lead the work of Housing. She has a keen understanding of how banking and housing policy impact the affordability of affordable housing, taxpayer commitments, and by extension our neighborhoods and communities.

Prior to her service in the Senate, Dana was the financial markets budget analyst for Rep. Paul Ryan on the House Budget Committee. She was also a policy adviser to Senator John McCain during the 2008 presidential race and has worked for the U.S. Options Clearing Corporation and Accenture. Dana graduated from Georgetown University with a BA in economics and earned an MBA from the Wharton School at the University of Pennsylvania.

Mr. DIAZ-BALART. Thank you very much for your testimony. I will tell you that a lot of the things that you said were music to my ears. We will proceed in the standard fashion if that is all right with everyone, and so let me start with something that you already talked about regarding the MMIF.

Obviously, just a short few years ago the fund finally reached its statutory capital reserve ratio of 2 percent and six years ago this fund was forced to draw \$1.7 billion from Treasury to cover projected losses on loans it guarantees. And so I know that HUD has taken, you have taken, steps to stabilize that fund to protect both the FHA borrower and the taxpayer, and you mentioned that a little bit in your presentation.

HECM

So my first question has to do with the home equity conversion mortgage which you just mentioned, and I do not have to remind you, since you are a Floridian, that I happen to represent a lot of folks that utilize this.

And so there was an article in 2017, an AARP article, that stated that HECM default rates increased by 646 percent in 2016. There was also another study by Ohio State that stated that the default rates on HECM mortgages increased 10 percent following the housing crisis. So if that would be accurate, if it is accurate it appears the HECM program is, potentially, hurting the very population it is meant to protect. Obviously, it was devised to help seniors stay in their homes, but, obviously, there are a lot of questions. So let me start with this, are those real numbers? Did the HECM default rate increase by 646 percent in 2016? And, if not, what is the default rate and is that improving? What is the real situation here?

Ms. WADE. Well, I want to say, first of all, that number, the 646 is a largely misunderstood number, and we are working to get to the bottom of defaults that would happen while the borrower is still in the home, largely due to failure to pay taxes and insurance. And we would be happy to sit down with you and your staff can go over some of the numbers. But the one thing I want to stress is that HECM does continue to be a financially and operationally challenged program. As I mentioned, the economic value is negative 14.5 billion.

And it is certainly something that when we look at our fiduciary responsibility to maintain a 2 percent capital reserve ratio, we are concerned about HECM, we are closely monitoring it. We did take steps to try to put future loans on a fiscally sustainable path moving forward.

However, we still have a legacy book of business of old loans, and we are seeing some trouble there, and continuing to assess that situation. But, yes, this is definitely an issue and reverse mortgages, in general, that continues to weigh on the Mutual Mortgage Insurance Fund.

Mr. DIAZ-BALART. Clearly, and obviously there is also the issue of, again, there are in some cases, it doesn't seem to be helping those that it is trying to help. And so do we have an idea as to why seniors are defaulting, and again those numbers, and I know look forward to continue this conversation, but there are some that are

clearly defaulting, and do we have an idea as to what the main reasons are behind those defaults?

Ms. WADE. Seniors, I think if it is due to a lack of information of the commitments under the HECM Program or the reverse mortgage program, lack of information on, you know, taxes and insurance obligations, I think there are some solutions. We are looking at housing counseling programs and better leveraging those to provide adequate information to HECM borrowers so that they know what to do if they face a potential default due to taxes and insurance losses.

You know, however, I believe there are some numbers that, at least that I have seen, that do not fully take into account some of the changes that were made a couple of years ago to the HECM program that require financial assessment, and life expectancy set aside, which we believe, had some positive impact on reducing the number of TI defaults.

But it is obviously something we are monitoring very closely. We know, you know, we have a commitment to make sure that the obligations under HECM are as transparent as possible, to the seniors who rely on this program to aging in place.

Mr. DIAZ-BALART. And I appreciate some of those changes, but obviously then the question is, how about the folks that didn't have—before those changes took place, so you have seniors out there, and I represent a number of them that come to see me. That in essence, firmly believe that they didn't get the information that they should have gotten. Are they kind of out of luck, because they were there before these changes took place?

Ms. WADE. No. We would certainly uphold all of our obligations to make sure that we provide transparent information to them, and if it is, you know, by ramping up the use of our housing counseling program, I think it could be an effective tool to help borrowers who are duress who current have HECM loans. But certainly, we will do everything that we can to try to put forward solutions that will allow a positive workout with these types of situations.

Mr. DIAZ-BALART. And I know you are committed to that, and I look forward to working with you.

Ms. WADE. Thank you.

Mr. DIAZ-BALART. Mr. Price.

SECTION 202

Mr. PRICE. All right. Thank you, Mr. Chairman. Let me turn, as promised, to housing for the elderly and housing for the disabled. Section 202 housing for the elderly, it is the only Federal program that specifically addresses the need for affordable elderly housing, 400,000 units produced today, for low-income elderly households, rental housing under the program.

The average annual general income for these households is \$13,300. Demand for the program is high. HUD has been able to provide only to 1 in 3 seniors, for 1 in 3 seniors who are qualified for this assistance.

Despite that, the Trump administration's request is 77 million below the recently-passed Omnibus. It doesn't allow for new construction. By contrast, I am very proud that we increased, in the Omnibus, the number of seniors who can be assisted. We provide

\$105 million for capital advances and project-based rental assistance contracts.

This is the first time since fiscal 2010 that new units will be added. About 1,100 new units we estimate, a good start. So, what are your plans for implementing this new construction funding? What mix of capital advances and PRACs do you anticipate using, or considerations will go into that decision-making? And what is your timeline for issuing another, so funding availability?

Ms. WADE. I understand. Thank you so much for that question, and I think you are absolutely right, Section 202 is a program that is designed for a population that is, you know, among the most vulnerable in the country, low to very low-income seniors. And it is a program that is priority for us. When we were writing our budget for FY 2019, we did not yet have the bipartisan budget deal that raised the discretionary caps, so the baseline that we were working off of was the FY 2017 baseline.

But we are very appreciative to this Committee for supporting Section 202. We, it is a priority for us as well, and certainly for the additional funding, actually two things with 202. You know, allowing 202 to become a part of RAD, that is a tremendous step forward to being able to help as many elderly renters as possible.

And in addition what you had mentioned, the 105 million for capital advances in the recent budget deal, which we really appreciate. We have already started working on it, and I know, as you know, there was 10 million that was provided for FY 2017, that could have been either used for capital advances for new units, or for preservation, and we had already taken steps to kind of strategizing, and put together a plan of how to utilize and most effectively leverage that funding.

So we actually do have some ideas in place that we plan to use to further the goals of the 105 million that is provided in the FY 2018 budget. We would be happy to sit down with you and your staff anytime to discuss this.

Mr. PRICE. Well, we would like to do that. Can you give us now an estimate of when we might see another funding availability?

Ms. WADE. We are looking to do a number of those, and my hope is that some of the NOFAs, or Notice of Funding Availabilities, will be released this year, and probably next year as well.

Mr. PRICE. All right. We would like to nail that down as much as we can, and of course get this money out into our communities.

Ms. WADE. Yes, sir.

SECTION 811

Mr. PRICE. Let me just, in them remaining ask you, essentially, the same question about Section 811. Here, too, the budget request is disappointing but, on the other hand, we have the Fiscal '18 Omnibus to build on. And we did secure 82.6 million in that bill, for new capital advance, and project rental systems awards to create new housing, again, the first time since 2010 that we have been actually adding units.

We also directed HUD to prioritize the creation of new unit configurations that comply with the obligations under the Homestead court decisions. Many states, including mine, have struggled to integrate disabled individuals into community-based settings.

So I hope this funding will help us alleviate that problem, and of course enable communities across the country to create more housing for the disabled.

So, how are you going to implement the new funding for the new construction? How are you planning to comply with the Committee's specific direction about Homestead? And what progress have you made on that question? And is there a timeline?

Ms. WADE. Thank you for that question as well. With regards to Section 811 housing for persons with disabilities, that is also a priority, and it also targets some of our nation's most vulnerable, the low to very low-income persons with disabilities. And we are very appreciative for the 80-plus million for capital advances so that we can utilize that and leverage that to produce additional units of housing.

This is something we will be—we are still in the early stages of planning and strategizing, we obviously want to this moving as quickly as possible.

And, you know, it is another topic that we would be happy to sit down with you. We certainly support compliance with the Homestead decision on integrated housing, and we very much took note of the direction of this Committee to follow that.

Mr. PRICE. All right. That there too, I will take you up on the offer, and look forward to—the Homestead decision and the mix of formats here for housing for the disabled, does create some complexity, but there is a clear need. There is a clear need for the capital advances, and for the projects that that would fund, and there is a clear need of course for giving people who are eligible access to housing in the community.

And so, we look forward to making some headway here for the first time in a long time, some new opportunities to provide this housing. Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Thank you, sir. Mr. Valadao. Thank you, sir.

Mr. VALADAO. Thank you, Mr. Chairman. Thank you for your attendance today, I appreciate the opportunity to listen and ask some questions here.

FHA LENDING

As you know the Federal Housing Administration plays a significant role in providing credit for first-time low to moderate-income and minority homebuyers. However, aggressive application enforcement of the False Claims Act has negatively impacted banks' ability to participate in FHA lending. In October, before the House Financial Services Committee, Secretary Carson was asked about the future of the FHA, and specifically about the government's recent use of the False Claims Act, as a means to extract settlements from mortgage lenders engaged in FHA lending.

I understand from your testimony Secretary Carson is committed to reviewing and addressing these concerns, stemming from the False Claims Act with Department of Justice, and both Departments are now actively involved in discussion on this topic. Can you tell me the status of your work to address this problem?

Ms. WADE. Congressman, I appreciate the question. And, you know, first of all, we do not believe that the False Claims Act should be used to penalize lenders for minor mistakes. And, you

know, the False Claims Act is really, it is a blunt instrument, it should be used as a tool of last resort.

We are in active discussions pursuant to the Secretary, to Secretary Carson's direction, with the Department of Justice, and we are reviewing a couple different things including HUD's definition of materiality. We think materiality should be consistently applied, it should be transparent, it should be well defined.

We are looking at things like our defect taxonomy, which is essentially a ranking of our defects by tier and, you know, discussing kind of how HUD used each tier of defect, and we want to provide as much clarity as possible to lenders so we can really apply the rule of law, and be as transparent as possible with them.

Mr. VALADAO. So, the Agency has earned some praise for changes embedded in this loan defect taxonomy, which alerts lenders to mistakes that could subject them to penalty. What progress has been made towards improving and fully implementing the FHA's defect taxonomy?

Ms. WADE. Yes, it has been implemented in our Lender Review System, you know, but I said, we are taking another look. We want to look at it with a fresh set of eyes, to make sure that we are being as clear and consistent as we possibly can. I think the marketplace depends on certainty.

Mr. VALADAO. Next, we have seen success in credit risk transfer programs at Fannie Mae and Freddie Mac, in de-risking taxpayers, and diversifying their counterparty exposure. Secretary Carson has stated that HUD staff were exploring whether FHA or Ginnie Mae could engage in risk-sharing transactions to similar benefits in terms of reducing taxpayer exposure and risk in the system impacting homeowners. Can you please provide an update on your efforts?

Ms. WADE. That is a great question, and thank you for that too. We do have the authority, and that is right to engage in risk-sharing transactions. And, you know, I think the goal of that would be to reduce the overall taxpayer exposure in the housing markets, which is quite outsized right now.

Our first priority is looking at FHA's own credit box, to make sure that we are making sustainable loans, good loans to borrowers that they can afford to repay. So, that will be a first step, but we are engaged in some pretty early-on discussions on, you know, what risk-sharing would look like, and potentially how could we reduce taxpayer exposure. As you know, FHA guarantees 100 percent of the loan. That is not how it is in other government agencies, such as the VA.

Mr. VALADAO. Would FHA benefit from any expanded legal authority in this regard?

Ms. WADE. We would be happy to come to Congress, after we do a thorough evaluation, and have that discussion with you.

HOUSING COUNSELING

Mr. VALADAO. All right. So, on the housing counseling, HUD's Housing Counseling Assistance Program provides competitive grants to how to approve housing counseling agencies to use for a range of housing counseling services. What are the challenges of providing housing counseling services in more rural areas? How

does HUD attempt to ensure that Housing Counseling funds reach these rural areas?

Ms. WADE. For rural areas, and housing counseling, you are right, there are some special challenges that more densely-packed areas do not face. I think the HUD Housing Counseling Program last year counseled over a million potential home buyers and renters. I have got about 130,000 came from rural areas.

The things that housing counselors do, it does take a little bit of an extra effort, we have a lot of counselors who are willing to drive very far to make sure that borrowers can get the information that they need, you know. With housing counseling it is oftentimes to make the largest financial decisions of their lives. So, we are looking to facilitate housing counseling in rural areas as much as possible.

Mr. VALADAO. Does that witness greater success in rural areas versus urban areas when it comes to impact of housing counseling? If so, how are you working to bridge that gap?

Ms. WADE. You know, I would really have to back and study it to measure the relative effectiveness. But I think you ask a very good question, and I am happy to get back to you on that topic.

[The information follows:]

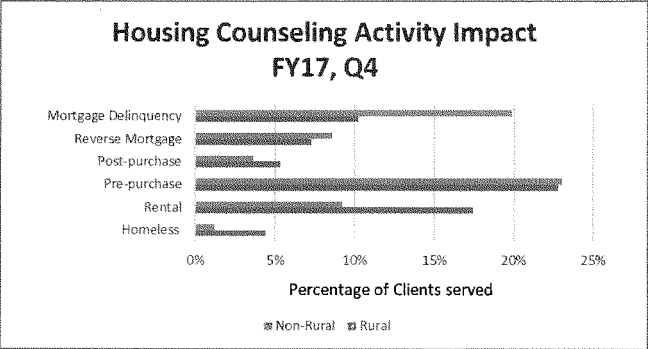
Question:

Is there greater success in rural areas versus urban areas when it comes to the impact of Housing Counseling?

Response:

Housing counseling agencies serving rural communities¹ have made significant impacts. In FY 17, more rural clients received homeless, rental and post purchase counseling services when compared to their non-rural counterparts (See Chart 1).

Chart 1: This illustrates the types of housing counseling services provided by agencies in fiscal year 2017 and the proportion of overall clients served (per service type) by rural and non-rural agencies.

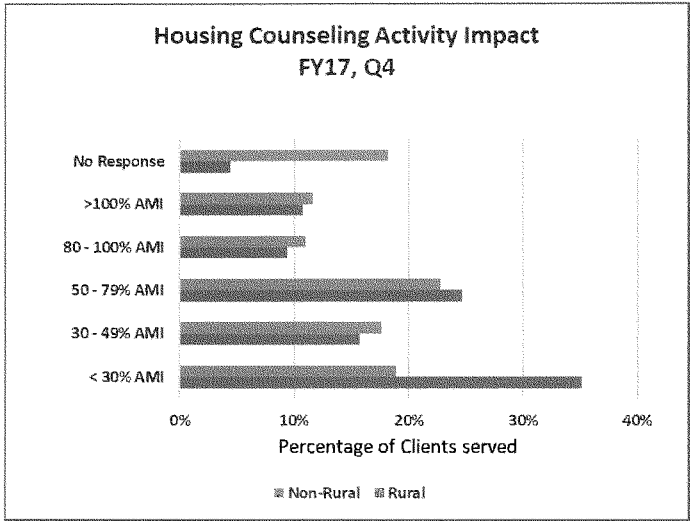


Source: [Housing Counseling HUD 9902 Quarterly Reports](#).

In this same year, housing counseling agencies located in rural areas served a significantly higher proportion of persons below 30% of the area median income (extremely low income). Agencies also served a higher proportion of low income persons (50-79% of the area median income). See Chart 2.

¹ Rural areas are defined by the U.S. Department of Agriculture in 7 CFR 3550.10.

Chart 2: This illustrates the income of housing counseling clients served in fiscal year 2017 and the proportion of overall clients served (in each income category) by rural and non-rural agencies.



Source: [Housing Counseling HUD 9902 Quarterly Reports](#).

Mr. VALADAO. Thank you. And I yield back.

FHA LOAN LIMITS

Mr. DIAZ-BALART. Thank you, sir. Mr. Aguilar.

Mr. AGUILAR. Thank you, Mr. Chairman. Thank you, Ms. Wade. I appreciate you being here. According to HUD's fiscal year FHA Report, and your testimony to us today, more than 33 percent of all FHA borrowers were minority home buyers. The program is critical to creating a path to home ownership for minority homeowners as you know, but these communities also live in high-cost areas that may present challenges accessing these programs.

For example, the district I represent, Southern California, there are cities in which the FHA loan limit is lower than the cities' median home price. These are cities with a high percentage of Latinos living in the city that want to utilize the FHA Loan Program.

Living in a city with a high median home price, above the FHA loan limit means many consumers in the region can't utilize the existing program to buy a home. Because this program is so critical to borrowers I am concerned about some proposals from industry stakeholders to reduce FHA loan limits. Would you support reducing FHA loan limits? And what about those individuals who live in high-cost areas?

Ms. WADE. Congressman, as you know, FHA's loan limits are set by statutes, they are actually set in the National Housing Act as amended by the Housing and Economic Recovery Act, and they are currently set at 115 percent of metropolitan statistical area. Median price of each MSA, which is based on the highest price in the county of the MSA, and we understand that this Committee did include language in the appropriations report, directing us to study the issue of large-lot land size, counties and their impact on loan limits.

We are happy to do this, we are happy to perform that. And I think our Policy Development and Research staff is already hard at work looking at this issue.

Mr. AGUILAR. Yes. But you wouldn't support—so would you support, look, we understand that that is said in the statute, but would you folks submit information to us that would reduce or raise the median income price that would make it more a cost affordable.

Ms. WADE. I think the thing that we would want to do is complete the study first and thoroughly evaluate it using all of the data and the analysis.

Mr. AGUILAR. What types of programs do you think work within minority communities to offer that level of assistance, to offer that ability to place folks in homes?

Ms. WADE. I think you are right. You know, FHA is a very critical program to minority communities and allowing minority communities and families to climb the economic ladder of success. You did cite 33 percent of FHA. Homeowners are minorities, and that is certainly a focus of ours. I think FHA has been a useful tool to allow that, and we are happy to discuss with you other ways to expand the effectiveness in those communities.

Mr. AGUILAR. Sure. Also in your testimony you stated that FHA programs should be targeted, on page three of your testimony. Can

you expand a little bit of what you mean by targeted? Do you support restricting the FHA loan limit program to only first-time home buyers?

Ms. WADE. I think, well, it is currently 82 percent, so it mostly serves, it mostly serves first-time homebuyers, and low to moderate income and minority homebuyers. And I think targeting it, really just means we want, you know, no matter who is a qualified borrower for FHA, we want them to be in a loan that they can afford, that they have a good ability to repay.

And so targeting it, means striking the right balance between, you know, appropriately calibrating our ability to protect the capital fund as well as getting borrowers protecting homeowners from getting into a mortgage that they can't build equity, and cannot afford to maintain.

Mr. AGUILAR. Would you support, you said 82 percent, that is also in your testimony, would you support the program being exclusively for first-time homebuyers?

Ms. WADE. We have not put forward any proposals to do that, I think targeting really just means to trying to run the best programs, and the most sustainable program, and focusing on our mission.

FHA CONDO POLICY

Mr. AGUILAR. Sure. In 2016 Congress passed H.R. 3700, the Housing Opportunity through Modernization Act, and the bill included a provision that is meant to streamline the process for condos, for applying for FHA to participate in the loan program. Proposed rule for the modification of the FHA requirement for condos, was issued September 2016. Can you share with us the timeline for HUD to publish a final rule on the condo policy?

Ms. WADE. Yes. And thank you for that question. We are moving as expeditiously as possible. We have come to almost the final stages of our HUD Review, and we hope this is a rule, and the Condo Rule is a very critical rule for first-time homebuyers. And for that, you know, for the homeowners who we hope to target, that will allow them to have access to FHA Program and non-FHA-approved buildings.

And we think, you know, it is really, this is a really important step forward especially as so many cities and communities face issues with affordability, that we think the Condo Rule is really going to make a positive impact. So, we want to move it forward as quickly as possible. We are doing everything that we can, and we have come to the very final stages of our HUD review in our HUD process.

Mr. AGUILAR. Final stages, so we can look forward to seeing that soon?

Ms. WADE. We are hoping within a couple months, and definitely this year. And by the way, we will brief you on, we are happy to come and brief you on that issue as well.

Mr. AGUILAR. Thank you. I appreciate it. Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Thank you, sir. Mr. Joyce.

MANUFACTURED HOUSING

Mr. JOYCE. Thank you, Mr. Chairman. And welcome, Ms. Wade. Manufactured housing makes up a key segment of the affordable housing industry. Report language from the recent Omnibus directs the Department to reconsider burdensome rules regarding the completion of manufactured homes. How do you intend to develop a solution that ensures the safety of consumers while minimizing cost and burdensome requirements on manufacturers?

Ms. WADE. Thank you for the question. Manufactured housing and HUD's role in manufactured housing is critical, it is a critical priority to us, which is one of the reasons why I instituted a top-to-bottom regulatory review of all manufactured housing rules and policies. And our plan, so that review was completed a couple months ago, we solicited public feedback; we are currently going through all the comments.

We received over 400 comments and about 150 of those were unique. So, people really, in groups and interested parties really did weigh in on this. It is really important to kind of gather the data, and do our due diligence. And what our plan is to present the Manufactured Housing Consensus Committee, which is the independent Federal Advisory Committee with the findings based on the regulatory review, and give them the opportunity to weigh in.

Mr. JOYCE. What guidance should we expect to see or stakeholders, and being issued to the stakeholders on this issue?

Ms. WADE. Well, there are a variety, I think, of policies and rules, in particular, that we are looking at. You know, such as On-site Completion of Construction, and other rules, the Frost-Free Foundation Rules, we mentioned a couple rules, even just the safety and construction standards, which is really what HUD is directed to produce, under the statute, under the guiding statute of 2000.

So, it is a really critical priority that we move forward with all of this, and those will all be priorities, we will, you know, look at all of those, in particular the safety and construction standards. The Federal Advisory Committee is due to meet in a couple months, so we will be able to provide more information to you then.

Mr. JOYCE. In a few months?

Ms. WADE. Yes.

Mr. JOYCE. Okay.

Ms. WADE. But rest assured, this is a top priority for us. We acknowledge the vital role of manufactured housing is and affordable source of housing in this country.

Mr. JOYCE. In the past year, manufactured housing has played an especially important role in the recovery efforts. Obviously with disasters, wildfires, hurricanes and storms. With a continued industry growth what challenges have you seen so far with the program?

Ms. WADE. I think the challenge is, there are couple. We want to make sure that HUD acknowledges the very important role that states play in this program. And the partnership that we have with states, and we want to make sure that we have the best working relationship, and that we are able to accomplish our mandate under the statute which is to put forward rules that promote qual-

ity, durability, affordability and safety. But I think engaging the states is a top priority for us.

Mr. JOYCE. It certainly was of key interest to Governor Kasich, who expressed concern that too many people are dying in manufactured homes over the last year. And so do you believe that the state and local planning agencies are better equipped to oversee on-site completion and/or inspections?

Ms. WADE. I think they are critical partners in everything that HUD does with respect to its activities within the Office of Manufactured Housing.

Mr. JOYCE. Thank you. I yield back, Mr. Chairman.

Mr. DIAZ-BALART. Thank you, sir. Ms. Clark.

Ms. CLARK. Thank you, Mr. Chairman. And thank you Assistant Secretary Wade for being with us today. I truly appreciate it.

I would say that your budget justification is somewhat of a study in contradictions. On the one hand, you have stated that public and private housing development has substantially failed to keep up with growing demand for affordable rental housing. So much so, there are only 38 units available for every 100 extremely low-income people.

You also set forth that specifically with Section 202, our housing for the elderly, your justification states, HUD is only able to provide assisted housing to one in three seniors who qualify.

And, again, in Section 811, for housing for persons with disabilities, your justification states there is an estimated 188,000 non-elderly disabled persons living in nursing homes who could potentially be transitioned at great savings to Section 811 units.

Despite all of this, in your justification, it appears that your only policy proposal is to raise the rents, to put out a new formula that you just rolled out, I guess, officially about a-half-an-hour ago, going up to 35 percent of gross income.

RENT REFORM

Can you explain to me how are you going to use this new rental money, and how specifically, how many new 202 and 811 units are going to be built with that rent increase?

Ms. WADE. Thank you for the question. And, you know, I think first of all, the Rent Reform Proposal is intended to provide as many opportunities for individuals and families to be able to climb the economic ladder as possible, given our budgetary constraints.

You know, going specifically to what you mentioned, the 202 and 811 programs, we did develop our budget prior to the Omnibus Bill, and to the Bipartisan Budget Deal, where the budgetary caps were raised. However, with the increase in funding, and with the additional funding for capital advances for Section 202, and Section 811, we want to do everything we can to spend that money as efficiently and effectively as possible.

And, you know, in particular, with regards to 202, you are right, there is a lot that we can do. I think that the composition in a way that the seniors are living their lives has changed. And there is a lot that we can do to integrate supportive services, in particular through use of the Service Coordinator Grants, and programs like that, so that seniors can live for longer, and more independently.

Ms. CLARK. I guess I am trying to figure out, and I understand we have had some intervening positive news since you wrote this, but you highlighted all the problems, and the proposal was only to raise rents.

Just let me give you one example from my district. Carol, who lives in Cambridge is 76 years old, she has a sizeable deduction for medical expenses, but under the new formula her rent would increase almost over \$3,100 a year, if we went off the gross income, you know. How does that help us with the shortage?

Ms. WADE. I guess to be clear, under the rent reform proposal put forward, there will be no changes in rent for the elderly and the disabled, they will be held harmless as part of this proposal.

Ms. CLARK. Current years?

Ms. WADE. For 14 years, yes, for a number of years. In addition, really, the only component is not raise rent, it is actually, this is a proposal where there is a lot flexibility, a lot of reduction and administrative burden, I think acknowledging the very real budgetary constraint that we face. But in particular, I think, reducing the barriers that a lot of the residents, whether it be public housing assisted residents, or multi-family assisted residents, that they face to kind of working a lot of the disincentives there, including the really burdensome income certification process.

So, another really important component of this proposal that I would like to stress is that, this would require or it would allow income certification every three years, to avoid the disincentive to work, and climbing up the economic ladder.

Ms. CLARK. And I agree with you that triannual certification is a positive, but I think that with the disabled and elderly populations that we are talking about, these rent incomes have to somehow be tied to HUD specific plans, and we can maybe have a discussion more in-depth about exactly how you plan to expand public housing. Because as we look at some of your RAD conversion plans, you know, it is not clear to me what the commitment is to robust public housing that HUD has?

Ms. WADE. I would be happy to have that discussion. And thank you.

Ms. CLARK. Thank you.

Mr. DIAZ-BALART. Thank you very much. Mr. Young.

Mr. YOUNG. Thank you, Mr. Chairman. Colleagues, hello; it is nice for you to be with us today. Thank you. We are going to be losing one of colleagues here on this Committee, Mr. Dent, of Pennsylvania, who has been a great advocate for housing, and specifically for the Housing Counseling Assistance Program.

HOUSING COUNSELING

You talked a little bit about that with my colleague, Mr. Valadao of California. HUD's budget request for FY19 included \$45 million dollars for housing counseling assistance; and this \$10 million less than the fiscal year 2018, the Consolidated Appropriations Act that we just passed.

This is a great program, it provides critical training for consumers every day, at every stage of the housing process, from homelessness, to budgeting from the home, and to teaching skills to prevent foreclosure. How can HUD continue to effectively carry

out the mission of this program, given HUD's requested cut in this funding?

Ms. WADE. I appreciate the question on housing counseling. Housing counseling continues to be a priority for us. I think what we are dealing with is scarce number of dollars, and so that means, we have to use every dollar as efficiently and effectively as possible. We are looking at a lot of different ways, that we can maximize the value of every dollar spent on housing counseling, as I said.

You know, I think it is really important for a lot of renters, first-time homeowners to know that they can turn to a housing counselor for independent and unbiased advice, and it is a huge financial decision that they are making. It is an incredibly valuable program, walks borrowers through things like budgeting and creating their own financial assessment to see if they are ready for home ownership.

And quite frankly, I think, you know, I think a lot of housing counselors don't get enough credit, because they provide a lot of information to borrowers that they wouldn't otherwise receive. And sometimes they answer is, you are not quite ready for home ownership, but let us get you on that path, and maybe it is a few years away. So, you know, we fully support the Housing Counseling Program, and we want to just make sure it is as effective as possible.

IT SECURITY

Mr. YOUNG. Thank you. That is good to hear. Looking at your testimony, and speaking with other agencies and departments, the information technology infrastructure had some challenges in many areas. A lot of it is aged, and not up to date, a lot of different systems trying to talk to one another within an umbrella.

I worry about cyber security, I worry about the proprietary information that people have who may—you may help Americans out there with housing, and maybe some other personal information. Their financial information, that is within those systems.

I worry about identity theft and fraud, and I wonder, are you worried about hackers? How are you making sure that this proprietary information, financial information of those that you are seeking to help is actually being protected?

Ms. WADE. I think we should always be very vigilant in doing everything we can to protect borrowers when it comes to personally identifiable information. And I believe this is one of the reasons why FHA so desperately needs IT funding. Because right now, we have 400,000 paper-based case files, these are the files of the borrowers.

And they are at our homeownership centers across the country with sometimes 300 pages in each case file, so that is, if you add it up it is a 120 million pieces of paper every year. I think moving to a paperless and secure environment where, you know, it would have to be our goal if we were to be able to upgrade our technology that we would put in place the absolute best systems for protecting personally identifiable information that would meet or exceed their private sector standards.

Again, it is something you always have to be vigilant about. I believe the risk is very great though, due to our Legacy systems, and

I think an upgrade will allow us to do a better job, quite frankly, in protecting this kind of information.

Mr. YOUNG. Good. Because there is an industry out there of bad people, very nefarious folks out there around the world trying to steal people's identify, and a lot of times they start with the most vulnerable who are going through economic ladder, and seeking assistance, I mean the help they need sometimes from the Federal Government.

FHA FEE PROPOSAL

The administration's budget includes a new administrative fee on FHA mortgage lenders, the proposal would charge \$25 per FHA-backed loan to generate \$20 million for IT improvements. I understand the FHA IT systems we talk about, they are four years old, the registration system I think experienced about 75 outages maybe in 2017 from what we understand. A similar fee has been proposed for a number of years, in the past the industry has strongly objected to this proposal.

Did you coordinate with or reach out the industry this year regarding the fee, and do you believe you have addressed their concerns?

Ms. WADE. I think it is always very important to get the feedback of not only the industry that will help us implement something, but also Congress. And we wanted to certainly work with you and interested parties. I believe, and so you are right there, there has been an IT fee requested in the past, and from what I understand the concerns with that it was not well defined enough.

I think a portion of it was used for salaries and expenses. I don't think there was a time limit on it, and I think it is very, very important that we are good stewards of whatever funding we would be lucky enough to receive for IT. I believe it is our job to manage this, and to create a roadmap, and to provide as much as specificity on what exactly our needs are, and what we would do with that funding. I think that is likely what would get the industry more comfortable with it.

Mr. YOUNG. Yes. I would be interested to know what you would do with that funding, and if it would increase the cost for borrowers seeking FHA guaranteed loans.

Ms. WADE. Well, we would do this. The whole point I think of making an investment in IT at FHA would be for the purpose of serving our borrowers. I think borrowers actually, you know, face a lot of headaches when an FHA system goes down, when there is an outage, and it can last up five days. That is a delay, you know, in them getting a loan. So I think, the system would really have to be designed with borrowers in mind.

Mr. YOUNG. Thank you for being here today. I yield back.

Mr. DIAZ-BALART. The time you don't have?

Mr. YOUNG. I take that back.

Mr. DIAZ-BALART. But you used it very wisely, I may say. Madam Secretary, let me go back to the MMI, and so as you know the prior administration reversed HUD policy, it was in July 2016, and began allowing FHA mortgage and properties, mortgage and properties with PACE loans. And so last year the new administration

returned to HUD's original policy, which then makes that policy consistent with the Federal Housing Finance Agency's policy.

PACE LOANS

The FHFA prohibits, for example, Fannie Mae and Freddie Mac from producing or refinancing a mortgage with an existing first-lien PACE loan. So, now I understand, right, is that now FHA loans are not to be in the second-lien position period.

Ms. WADE. Mm-hmm.

Mr. DIAZ-BALART. So, let me ask you, why did HUD return to the original and consistent policy on PACE. I would like to kind of understand what your thinking is. I actually was very vocal in supporting the new administration doing that, but I just want to see if I can understand your take on that.

Ms. WADE. Thank you. Thank you for your support. The real issue and the fundamental issue is that no other lien or assessment should ever be allowed to jump in front of FHA Mortgage Insurance, especially for property improvement. I think that is a pretty grave concern for us. We also think that it violates the tenants of the National Housing Act which states clearly, there shall be no other lien coming before FHA. It puts the taxpayer at risk.

Mr. DIAZ-BALART. That is the statute?

Ms. WADE. It is in the statute.

Mr. DIAZ-BALART. Right. So, potentially, actually, and I hadn't thought of this, but potentially to even, again, lawful—against statute?

Ms. WADE. We are evaluating the legality. Yes.

Mr. DIAZ-BALART. That is interesting. That is interesting. And so let me also then, again, as I said, the MMI, does a second lien position potentially create greater risk to the MMI Fund, and again, or potentially, with the taxpayers?

Ms. WADE. Yes. It does.

Mr. DIAZ-BALART. Is that something that was looked at?

Ms. WADE. Absolutely, and in fact the number one concern was risk to taxpayers. In the event of a default, you know, if there was another lien that was going to be paid off before FHA that is really a problem for FHA. And in fact, I think the entire foundation of the FHA Program would be put at risk if we allowed that sort of thing to happen.

Mr. DIAZ-BALART. Let me also then, throw something else, which is obviously in a traditional sense. Right, lenders they will determine risk associated with the loan and charge interest rates corresponding to that risk. And so, a loan that is in a second-lien position typically has a higher interest rate, right, than a loan in the first-lien position.

And so, would you be concerned, or is one of the things that you all looked at whether, for example, FHA loans, sooner or later, and again, with the change that the last administration did, could potentially even increase the cost of homeownership, to the very populations that we are trying to serve, like those vulnerable populations, potentially by increasing interest rates? Or is that not something that was looked, and is that inaccurate? Would that be an inaccurate thing for me to say, that that could happen?

Ms. WADE. I think that is a great point, and in fact I believe if it is a borrowers that is already, say, cost-burdened with a PACE lien or an assessment. You know, adding that to an FHA mortgage insurance, that just kind of increases their payment burden, so that would definitely be an area of concern for us.

Mr. DIAZ-BALART. And again, I have nothing against, obviously, folks doing that in their home that is great. As a matter of fact, in our house we did it, because my controls all that. But the concern would be, again, potentially risk to the taxpayer, to the MMI Fund, and potentially increasing rates, right?

Ms. WADE. You are exactly right.

Mr. DIAZ-BALART. So that would be accurate? In other words, I am not saying that is not potentially accurate. And those are some of the considerations that you all looked at?

Ms. WADE. Yes, we definitely looked at the overall risk and how that would burden the borrower.

Mr. DIAZ-BALART. But we didn't do anything through PACE loan, so just so we are clear, very clear about not doing that, but anyways. Mr. Price.

HOUSING COUNSELING

Mr. PRICE. Thank you, Mr. Chairman. Let me briefly revisit the matter of counseling assistance. It has come up many times today. You have been I think uniformly positive in your comments about the guidance that this provides to consumers, and the positive results we get from serious engagement an counseling assistance.

So, it does raise the question, why the administration is cutting the program, when it is providing clearly needed services, and having success? So, let me ask you exactly what it implies, what the request implies. The lower funding level, you say in the request will allow HUD to provide these services to about 950,000 consumers. How many consumers are you able to provide services to now, at the Fiscal '18 enacted level of 55 million?

Ms. WADE. You were right. 950,000 is the level of our consumers in our Fiscal Year 2019 Budget Request. And I think really represents a tough choice for us. You know, it is a slight decrease compared to the status quo. It is a tough choice, it also is something, you know, we have been directed really to use. Use the funding as efficiently and effectively as possible.

You know, one example is, the average age of an FHA borrower is about 36 to 38. These are very, I would say, technologically savvy, and Internet savvy borrowers, and I think as the younger subset of the population becomes interested in homeownership, there are things that we can do from an educational perspective that provide a lot more of this information online.

We are investigating that, you know, obviously that is not the solution for everyone, but I think the important thing is we just have to spend every dollar that we receive very wisely.

Mr. PRICE. Okay. The question is how many can you serve at the fiscal '18 level? In other words, 950,000 is a reduction from what?

Ms. WADE. From about a million.

Mr. PRICE. From about a million, all right. You are conducting research and I applaud you for that, to ensure that the Housing Counseling Program remains effective. Can you provide an update

about your follow-up research to HUD's 2017 baseline study about the impact upon buyer education?

Ms. WADE. I will have to look at it. I believe that is still in process. But as soon as it is completed, we would be happy to you and to this Committee and provide that update with more specificity.

[The information follows:]

Question:

Is there an update about follow up research to HUD's 2017 baseline study about the impact upon buyer education (in the Housing Counseling program)?

Response:

- 1) "There have been two published reports from the First-Time Homebuyer Education and Counseling Demonstration. The Early Insights Report, <https://www.huduser.gov/portal/sites/default/files/pdf/First-Time-Home-Buyers.pdf>, presented preliminary 12-month findings on a sub sample of early study enrollees. The second publication was the baseline report, <https://www.huduser.gov/portal/portal/sites/default/files/pdf/First-Time-Homebuyer-BaselineReport.pdf>, that described the demonstration design and presented baseline characteristics of the full sample of study participants." (For the second question, PD&R confirms that the latest paper, which is an analysis of the participation rates in the demonstration, is in clearance so they can't refer to it.)

Mr. PRICE. All right. It is clearly relevant, has the potential to be relevant to these discussions that we are having about funding levels, and program utilization.

RENT REFORM

All right, let us return to rent reform. We now know that the Secretary is going to propose to set the family monthly rent contribution, at about \$150 per month, which is three times higher than the current minimum.

He is going to eliminate certain deductions when determining a tenant's rent, such as medical and childcare costs. Proposals are going to include work requirements, this is going to affect 4.5 million families. Let me just remind us, 90 percent of public housing households are either elderly or had disabilities, they worked or had recently worked, or were subject to work requirements through another program.

So, that is 90 percent.

It is not clear whom this impacts, and also what the point is of this requirement, and particular making huge claims about how much money this is going to save here, and how many more people can be served if these requirements were to be imposed. These look like vulnerable populations to me, and it is one thing to say we are not going to affect current tenants, what about future tenants? They are not going to be any less vulnerable.

The same, well, think about the 202 population, the Section 8 population—I mean the 811 population, the average 202 household, \$13,300 in income. For the disabled population two-thirds of these people that we are talking about have developmental disabilities or chronic mental illness.

Where is this going to come from? But let me just ask you one very specific question, and anything you want to say in general about it, I will welcome. But how much consultation have you really done in putting this together with other agencies who administer other forms of assistance, or job training, requirements?

Do these reforms fit with other requirements? For example, the SNAP benefits, has anybody really figured that out? I know the administration always talks about not being overly burdened with regulations but, you know, these folks have requirements from other branches of government from other programs. Are we making sure that they are not overly burdened? Have you coordinated with other agencies in formulating these proposals?

Ms. WADE. I think you bring up a very important point. And I appreciate that; that it is incredibly important because there is so much overlap between different and different agencies, to coordinate with other agencies. You know, we had coordinated. I think we can do more, I think especially now that we put forth a proposal. And it really is a proposal that we are open to discussing it with Congress. We want to make sure that you have as much information, and this is really something that begins the dialogue.

And, you know, we feel the same way about consulting with other agencies, we would be happy to take whatever feedback would help us, you know, put together the best possible proposal to serve. And most people, you know, will also point out, on the el-

derly and disabled, the proposal does hold elderly and disabled populations harmless.

You know, that does affect 202 and 811 as well as project-based rental systems. About 47 percent of those in PBRA are elderly, 17 percent are disabled.

Mr. PRICE. Future tenants as well present tenants?

Ms. WADE. In the future there will—there will be changes in the future. You are correct?

Mr. PRICE. That was my question, why would you expect those populations to be any more affluent or any less vulnerable?

Ms. WADE. I think that the issue that we are presented with is that we have limited resources and we are just trying to use them as effectively and efficiently as possible.

Mr. PRICE. Well, I know my time has expired, but I must say, of course we all want—we all want to serve more people, we all want to make the most of limited resources, but if in the name of that, we are squeezing, just mercilessly squeezing the populations we are already serving, and just making it impossible to make ends meet, that doesn't look like much of an achievement.

And I do think that thinking about these other benefits and these other programs; it looks like that should take place at the front end that kind of consultation. Not just put these proposals out there, and then cleaning it up. Why don't we have a well-worked out proposal to begin with, and one that is coordinated across government?

Ms. WADE. What we propose is a framework, and again it is something that we are open to discussing. It certainly is a statement of priorities. But, you know, we are happy to make sure we can do everything we can to maximize our consultation with you and other agencies.

Mr. PRICE. Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Thank you, sir. We have been joined by Charlie Dent, and it sounds like you are working on these days, right? It sounds like you have got a whole appropriations subcommittee to put together. But thank you for—your name was invoked a little while ago, and again, your leadership on all issues, but particularly on the housing, will be greatly missed, greatly missed.

Mr. DENT. Thank you. Thank you, Mr. Chairman, and Ranking Member for your strong leadership on all these issues related to housing and transportation. It is much appreciated.

HOUSING COUNSELING

And just a couple things; I know that my colleague, I think Mr. Young, might have already touched on the Housing Counseling Program. But I wanted to briefly ask about one other aspect of your testimony on this particular issue. In your testimony you briefly mentioned that you intend to focus on serving those affected by disasters. Can you tell me a little bit more about how you will be planning on doing that?

Ms. WADE. Yes. In fact, this is one particular aspect of the Housing Counseling Program that I am very proud of. The Network of Housing Counselor supported by HUD stepped up immediately, and said, what can we do to help the disaster, and they have been a critical link in providing homeowners impacted by disaster, in-

cluding those who were unsure about their financial future, with as much information to get them back on their feet as possible.

Helping to explain some of the programs that HUD has, and the Office of Housing has to help them. So, I am very proud of the work that the Housing Counselors have done. In particular, we are looking at, potentially, providing an additional tranche of funding that has already been appropriated specifically for these purposes. And we would be happy to come in and brief you on this issue with greater detail.

FHA FEE PROPOSAL

Mr. DENT. Thank you. My second question deals with HUD's budget requested an FHA be provided, the authority to collect \$25, a \$25-fee per loan from FHA lenders. The fund would be used to upgrade FHA's IT system, to protect against outages and security risks.

In this Committee we have heard a great deal about the need to upgrade this infrastructure, and the risk of continuing down the current path, while I am encouraged to see the administration taking steps to address this outdated infrastructure it is certainly important, that the plan in place to effectively implement these particular IT solutions. How are you and your Agency preparing to potentially use this funding proposed in your budget, and from what we have heard on the issue in the past, solving HUD's and FHA's IT problems will require more than just dedicating additional funding?

Ms. WADE. That is exactly right. We have to provide details. You know, and I think we have to provide a specific roadmap so that you can feel confident that you are funding something that is going to succeed. And you know, it is critically important, it is a top priority for us to have the necessary funding to upgrade FHA's IT systems.

You know, as I mentioned, yeah, IT, FHA is a \$1.3 trillion platform that is running off a 40-plus-year-old mainframe system. It is beginning to break. We are sort of at the breaking point. In fact, we have already seen some fractures. There were about 73 outages last year alone. You know, our homeownership centers deal with something around 120 million pieces of paper a year.

So, it is a critical, it is a critical need that we have to address, and in particular, you know, I think it will be us putting together what will really help it succeed, it is us putting together the details, and making sure that we are providing as much information as possible.

You know, I think the first step on this road, would certainly be to move towards a more paperless environment. Away from the physical hardcopy of the case binder, the case file for the homebuyer. I think that would create a lot of positive benefits including more certainty on the front end, at origination.

You know, Fannie and Freddie have invested a lot of money in technology over the past decade, and Fannie Mae, in particular, can do something called Day 1 Certainty with Reps and Warranties. We are not able to do this, and this does affect our ability to do quality control. Most of that happens on the back end, and I think that is a pretty big risk for taxpayers.

Mr. DENT. Thank you. Mr. Chairman, I have no further questions.

Mr. DIAZ-BALART. Thank you, Mr. Dent. Actually, Mr. Dent just reminded me of another issue I wanted to toss your way, when you were talking about disastrous emergency. But this deals with the fact that HUD has the authority to issue these foreclosure moratoriums right after a disaster. And the policy requires lenders to stop or delay the initiation of a foreclosure proceeding for 90 days.

DISASTERS/FORECLOSURES

And so, obviously, as you know, a lot of the country was hit hard this last session, season, hurricane season in particular. Do you have an idea of the status of foreclosure moratorium HUD has issued in response to Hurricanes Irma, Maria and Harvey? Any idea what those would be?

And also just, look, has this been an effective tool, to allow borrowers the time they may need after a disaster to get back on their feet?

Ms. WADE. Mr. Chairman, thank you for that question. We did automatically provide a 90-day foreclosure moratorium, dealing with those impacted by Hurricanes Irma, Maria and Harvey—

Mr. DIAZ-BALART. I know that at least in case of the Florida you extended it, right?

Ms. WADE. That is right.

Mr. DIAZ-BALART. Right.

Ms. WADE. And we did extend it for another 90 days, and that has since expired, and I think the way that I view a foreclosure moratorium it is successful in the sense that it allows, it allows borrowers some breathing room to get back on their feet, when they are faced with a devastating storm. You know, like Hurricane Irma, there were a lot of borrowers who just needed that time to recover, and honestly it gives them also more time, so that they can kind of talk to the servicer, figure out what their options are.

Under FHA we provide a lot of options for borrowers who are impacted by disasters. We provide up to a year and we require servicers to provide up to a year of forbearance. We have a special disaster loan modification that is tailored for disaster-impacted borrowers.

We also rolled out a new tool that I think will be particularly useful in places like Florida, in places like Texas, which is allowing a partial payment of claim for disaster-impacted borrowers. There is really a second loan that allows them to roll their missed payments or their arrearages into a second loan that sits on top of the FHA mortgage. And I think, you know, we are hoping that this will really be useful, and this will allow borrowers to become current.

Mr. DIAZ-BALART. That is great. That is great. Mr. Price, any further questions, comments?

Mr. PRICE. No further questions. Thank you. I appreciate the testimony and look forward to working with you on the bill.

Ms. WADE. Thank you.

Mr. DIAZ-BALART. Let me thank you again, for your testimony. By the way, when I was looking through your bio, it has a line that says that, you know, you have a keen understanding of how banking and housing policy impact the affordability of affordable hous-

ing, and also the taxpayer commitments, and by extension our neighborhoods and community as well.

I will tell you it is refreshing to be able to speak to somebody who does get it, and understands the impact of all of these decisions that are made all the time. So, I just wanted you to know that I am very grateful that you are doing this.

There may be some other questions, and so I would—some of them will probably be submitted later.

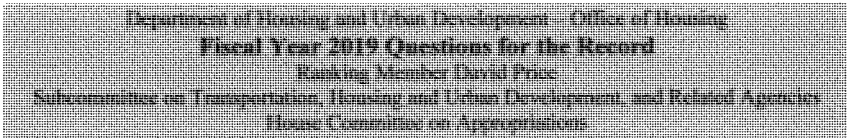
I would ask you, please, if you could work with OMB to return information for the record to the Subcommittee within 30 days from Friday. That again will allow us to publish the transcripts of today's hearings, and as we put together our bill to make informed decisions. And obviously I look forward to continue working with you, as we put the bill together.

Again, Mr. Price, thank you. No parting thoughts, words of wisdom?

Mr. PRICE. Thank you, Mr. Chairman.

Mr. DIAZ-BALART. Thank you. Thank you very much.

Ms. WADE. Thank you.



Price #1

Housing for the Elderly

Question: Please provide the mix of capital advances and PRAC's HUD will be using and what considerations go into that decision-making?

Answer: HUD plans to make awards competitively based on a Notice of Funding Availability. Each project's capital advance need varies significantly based on the number of units, whether the applicant proposes a mixed-finance project, the applicant's leveraging of private financing, and the per unit construction costs. The mix of capital advance awards and PRACs will depend on the various proposals submitted and how the applications score against the criteria set forth in the NOFA. HUD aims to fund properties that advance housing for the elderly as a platform for living independently and aging in place, with an eye to the connection between housing and residents' health and wellness. HUD will expect these properties to be at the forefront of design and best practice in supportive housing for low-income elderly persons in order to promote the long-term health, shelter and social needs of low- and very-low income elderly persons and prevent or delay entrance into nursing homes.

Housing for the Elderly

Question: Please provide the timeline for issuing a notice of funding availability.

Answer: HUD was provided \$10 million in the 2017 Appropriations Act for either capital advances for new Section 202 Supportive Housing or Senior Preservation Rental Assistance Contracts (SPRACs). HUD has allocated \$5 million for SPRACs, leaving \$5 million for new capital advance awards. The 2018 Appropriations Act provided HUD an additional \$105 million for new capital advance awards. The 2017 appropriation allowed HUD to conduct necessary research and prepare draft materials for issuing a NOFA for new capital advance awards. HUD is using a two-NOFA approach to award the total amount designated for new capital advance awards.

The first NOFA will be published later this fiscal year, making available the \$5 million designated from the 2017 appropriation as well as a portion of the 2018 appropriated funds. The second, similar, NOFA for the balance 2018 funds will be published once the application period for the first NOFA ends. HUD anticipates publishing on Grants.gov notifications that both NOFAs will be available, with projected application deadlines, so that applicants will be aware of both funding opportunities. HUD tentatively anticipates that both of these notifications will be published in June 2018.

This two-NOFA approach will allow HUD to award a portion of the funds quickly so that sponsors may begin construction on projects that are ready to proceed (first NOFA), while also allowing sponsors to apply for projects which require additional time to plan (second NOFA).

Housing for the Disabled

Question: Please provide the details on how you will implement the funding for new construction and your timeline.

Answer: HUD is currently considering how best to structure a Notice of Funding that will build upon the foundational principles of the pre-2012 program while implementing program changes directed by the Melville Act, continue the utilization of effective attributes from the PRA program, encourage effective partnerships between service providers and multifamily housing properties, and align the program with the HHS home and community-based settings rules that support persons with disabilities. The Department is planning to hold a stakeholder convening in the fall of 2018 to solicit input from the disability advocacy community, housing development organizations, and service providers. NOFA publication is tentatively planned for early Spring 2019 with awards in Fall 2019.

Housing for the Disabled

Question: Please provide information on how are you planning to comply with the Committee's specific direction about Olmstead.

Answer: The Department continues to support states and housing providers in their efforts to comply with the Olmstead mandate for individuals transitioning from institutional or congregate settings to integrated, community-based settings. The upcoming NOFA will include factors that prioritize the creation of new unit configurations that help localities comply with their obligations under Olmstead.

Federal Housing Administration

Question: Please provide the cost of IT enhancements that are needed throughout FHA.

Answer: The requested FHA Single Family IT Fee of \$20 million per year over four years would generate \$80 million to modernize critical FHA systems, improving risk management and data integrity. The funding would allow for an update to the systems for FHA origination, underwriting, servicing, asset management, and counterparty management activities. The updated systems would allow FHA to align with approved lenders by complying with modern mortgage industry standards and would help protect the Mutual Mortgage Insurance Fund by providing front-end risk assessment prior to endorsement. In addition, it would allow FHA to decrease its maintenance costs over time, supporting a shift to modern programming languages and systems management.

FHA Single Family also has several short-term needs that will allow the Department to update urgent IT security needs, resolve audit findings and implement critical policies.

FHA Single Family Information Technology Priorities:

Project	Capability to be Realized	Cost Estimate	Time to Build
FHA Insurance Originations Network of Applications (FIONA)	FIONA implementation will increase FHA's efficiency, reduce costs, improve data analytics and risk management, strengthen the security of sensitive PII and keep FHA in sync with the larger mortgage industry.	\$43 Million	3 years
Single Family Asset Management Roadmap	Single Family Asset Management IT Modernization will enable improvements in Real Estate Owned (REO) disposition and the overall claims management process.	\$26.7 million	3 years
FHA Lender Activities System Migration, Mortgagee Review Board Integration & Enforcement Automation	Automate the enforcement business processes and integrate the activities of the Mortgagee Review Board into a consolidated lender oversight technical infrastructure.	\$7.3 Million	1 year

FHA Single Family Short-Term Information Technology Needs

Project	Capability to be Realized	Cost Estimate	Time to Build
FHA Condominium Policy Update Systems Modifications for Compliance	Modifications to specific systems (e.g., CHUMS) to comply with changes once the FHA Condominium Policy Updates go into effect.	\$1.8 Million	1 Year
FHA System Interface with Treasury's Do Not Pay System	The creation of an interface between FHA's Origination System and Treasury's Do Not Pay system. This will provide lenders and Housing with the data to determine eligibility for borrowers who are delinquent on child support payments subject to Federal offset. This interface will be in addition to the existing CAIVRS interface which will remain in place.	\$500,000	1 Year
Update FHA Origination Systems for HUD IT Security Policy Compliance	Updates and enhancements to existing FHA IT systems to ensure security compliance. This allows FHA to resolve an outstanding audit finding. This will also upgrade CAIVRS system to collect, log, and generate audit logs, which will satisfy the security audit finding.	\$1.4 Million	1 Year
Reverse Mortgage System Enhancements	Enhancements to the Reverse Mortgage System will allow FHA to improve the management of HECM portfolio.	\$1.5 Million	1 Year

Federal Housing Administration

Question: What are the biggest impediments to upgrading FHA's IT infrastructure?

Answer: The biggest impediment to upgrading FHA's IT infrastructure is the lack of funding, and this is why the 2019 Budget proposed a new fee to fund IT improvements. The existing systems are expensive to maintain and based on obsolete programming languages. The cost to maintain the existing systems can be significantly decreased by modernizing these systems, which will save taxpayer money and improve risk management of FHA's portfolio.

Department of Housing and Urban Development - Office of Housing
Fiscal Year 2019 Questions for the Record
Full Committee Chairman Rodney Frelinghuysen
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
House Committee on Appropriations

Frelinghuysen #1

Section 811

Commissioner Wade, the Subcommittee has heard from a number of states participating in the Section 811 Project-Based Rental Assistance (PRA) program. These states have been working hard to identify tenants and lease up units. Unfortunately, in some cases they need a waiver from leveraging commitments in order to place tenants in high cost markets. The Subcommittee is being told that the Multifamily Office at HUD has been slow to review these waiver requests in a timely fashion.

Question: Can you please update the Subcommittee on progress in reviewing and approving waiver requests from states under the 811 PRA program?

Answer: Waiver requests are reviewed on a case-by-case basis. The Department has received requests from California, New Mexico, and Wisconsin, which have been reviewed and are currently in the final stages of evaluation.

Department of Housing and Urban Development – Office of Housing
Fiscal Year 2019 Questions for the Record
 Congressman David Valadao
 Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
 House Committee on Appropriations

Valadao #1

Federal Housing Administration (FHA)

The Federal Housing Administration (FHA) is requesting temporary authority to charge lenders a fee of up to \$25 per insured loan to help pay for information technology improvements.

Question: There has been a lot of discussion of the need to upgrade FHA's information technology systems. What is the total estimated cost of making needed technology upgrades at FHA?

Answer: The requested FHA Single Family IT Fee of \$20 million per year over four years would generate \$80 million to modernize critical FHA systems, improving risk management and data integrity. The funding would allow for an update to the systems for FHA origination, underwriting, servicing, asset management, and counterparty management activities. The updated systems would allow FHA to align with approved lenders by complying with modern mortgage industry standards and would help protect the Mutual Mortgage Insurance Fund by providing front-end risk assessment prior to endorsement. In addition, it would allow FHA to decrease its maintenance costs over time, supporting a shift to modern programming languages and systems management.

FHA Single Family also has several short-term needs that will allow the Department to update urgent IT security needs, resolve audit findings and implement critical policies.

FHA Single Family Information Technology Priorities:

Project	Capability to be Realized	Cost Estimate	Time to Build
FHA Insurance Originations Network of Applications (FIONA)	FIONA implementation will increase FHA's efficiency, reduce costs, improve data analytics and risk management, strengthen the security of sensitive PII and keep FHA in sync with the larger mortgage industry.	\$43 Million	3 years
Single Family Asset Management Roadmap	Single Family Asset Management IT Modernization will enable improvements in Real Estate Owned (REO) disposition and the overall claims management process.	\$26.7 million	3 years

FHA Lender Activities System Migration, Mortgagee Review Board Integration & Enforcement Automation	Automate the enforcement business processes and integrate the activities of the Mortgagee Review Board into a consolidated lender oversight technical infrastructure.	\$7.3 Million	1 year

FHA Single Family Short-Term Information Technology Needs

Project	Capability to be Realized	Cost Estimate	Time to Build
FHA Condominium Policy Update Systems Modifications for Compliance	Modifications to specific systems (e.g., CHUMS) to comply with changes once the FHA Condominium Policy Updates go into effect.	\$1.8 Million	1 Year
FHA System Interface with Treasury's Do Not Pay System	The creation of an interface between FHA's Origination System and Treasury's Do Not Pay system. This will provide lenders and Housing with the data to determine eligibility for borrowers who are delinquent on child support payments subject to Federal offset. This interface will be in addition to the existing CAIVRS interface which will remain in place.	\$500,000	1 Year
Update FHA Origination Systems for HUD IT Security Policy Compliance	Updates and enhancements to existing FHA IT systems to ensure security compliance. This allows FHA to resolve an outstanding audit finding. This will also upgrade CAIVRS system to collect, log, and generate audit logs, which will satisfy the security audit finding.	\$1.4 Million	1 Year
Reverse Mortgage System Enhancements	Enhancements to the Reverse Mortgage System will allow FHA to improve the management of HECM portfolio.	\$1.5 Million	1 Year

Federal Housing Administration (FHA)

Question: How far would the funds generated from the proposed information technology fee go towards addressing FHA's technology needs?

Answer: The funds generated from the proposed Single Family Information Technology fee would be used exclusively to offset the cost of FHA Single Family IT modernization projects and would address all the development needs if the fee and associated funding increase for FHA administrative expenses (\$150 million requested in the 2019 Budget, with up to \$20 million transferred to the IT fund) continues for four years. This prudent multi-year investment will allow for this critical development, and once the IT modernization efforts are completed, FHA's Single Family maintenance costs will significantly decrease compared with prior years.

Federal Housing Administration (FHA)

Question: How does FHA's outdated technology currently impact borrowers, or potential borrowers, of FHA-insured mortgages?

Answer: FHA's antiquated technology is paper-intensive and burdensome to borrowers. The proposed upgrades will allow borrower information to be securely stored and transmitted electronically, rather than on paper files, a change that reflects best practices of the modern mortgage industry.

With FHA's endorsement process aligned with the mortgage industry, borrowers or potential borrowers will be able to close on their home purchases much more efficiently, as FHA's systems will work seamlessly with the borrower's lender of choice. Also, lenders will be able to use third-party verification services to validate data to ensure that borrowers are purchasing homes that will allow them to obtain mortgages that work with their financial situations.

Finally, updating these systems will markedly improve FHA's risk management. Verification of borrower data will allow front-end risk analysis and the increased amount of data collected in the new systems will allow for much more effective, data-driven decision-making by the Department. This will have a positive impact on the Mutual Mortgage Insurance Fund and ultimately save taxpayer's money.

FHA's Home Equity Conversion Mortgage (HECM) Program

Home Equity Conversion Mortgages (HECMs) are reverse mortgages insured by FHA. As with FHA forward mortgages, the insurance is meant to protect the lender in the event of borrower default. HECMs are guaranteed through the same fund as FHA forward mortgages — the Mutual Mortgage Insurance, or MMI, Fund. In recent years the HECM portfolio has been financially volatile. For example, in FY2017 the HECM portfolio had an estimated economic value of negative \$14.5 billion. There has been concern that the volatility of the HECM portfolio may affect the costs of FHA loans generally (for example, fees may need to be raised to support the overall portfolio).

Question: Should HECMs be removed from the MMI fund so that FHA forward mortgages are not affected by HECM volatility?

Answer: The Administration inherited a deeply troubled HECM program with serious fiscal and operational challenges. HECM has cost the Mutual Mortgage Insurance Fund (MMIF) \$14.5 billion since 2009. HUD took serious actions in fiscal year 2017 to address new HECM lending, but the legacy book remains problematic. HUD is monitoring this program closely, but further actions will be needed. HUD will keep Congress informed of any changes that need to be made to stabilize the legacy book and further address new HECM lending.

Removing HECM from the MMIF would require a legislative change, just as moving it from the General Insurance and Special Risk Insurance (GI/SRI) fund to the MMIF did in 2009. This would mean that HECM performance would no longer be factored into the MMIF capital ratio. It should be noted, however, that moving the HECM program would not solve the core financial issues with the HECM portfolio and would do nothing to address the program's risks to taxpayers.

Project-Based Section 8

The recently-expanded Rental Assistance Demonstration (RAD) allows Public Housing Authorities (PHAs) to convert their public housing properties to either Section 8 voucher or Section 8 project-based rental assistance (PBRA) subsidies. Eventually, the renewal costs of those units that converted to PBRA will be paid for through the PBRA account. The PBRA account, at about \$10 billion per year, is the second largest account in HUD's budget.

Question: How does HUD estimate that the RAD program, especially given its recent expansions, will affect the PBRA account's renewal needs over time?

Answer: As properties convert under RAD, the budget authority currently used to assist the properties is transferred to either the Project-Based Rental Assistance (for PBRA conversions) or the Tenant-Based Rental Assistance (for PBV conversions). With respect to RAD conversions to PBRA:

- For public housing conversions, funds are transferred from the Public Housing Operating and Capital Fund accounts into the PBRA account.
- For Rent Supplement and Rental Assistance Payment conversions, new contracts are funded from amounts transferred from the "Other Assisted Housing Account." This inventory is nearly completely converted at which point no funds will be needed in the Other Assisted Housing account.
- For Mod Rehab conversions, the funds are already in the PBRA account, so no transfer is needed.
- For PRAC 202 conversions, while not yet implemented, funds would be transferred from the Housing for the Elderly account into the PBRA account and then subsequently renewed.

These are one-time transfers and, following these transfers, the costs of these properties are reflected in the PBRA renewal need.

Across all conversion types, starting in FY 2019 and looking over a 5-year time period, we estimate the following additional renewal needs in the PBRA account, which will be offset by decreased needs in other HUD accounts:

RAD Renewal Needs	FY 19	FY 20	FY 21	FY 22	FY 23
First-time RAD Renewal Units	15,250	22,393	31,000	36,000	36,000

First-time RAD to PBRA Renewal Needs	\$96,941,000	\$138,485,666	\$190,683,616	\$223,127,811	\$227,144,112
Cumulative RAD Renewal Units	15,250	37,643	68,643	104,643	140,643
Cumulative RAD to PBRA Renewal Needs	\$96,941,000	\$235,426,666	\$426,110,282	\$649,238,093	\$876,382,206

Project-Based Section 8

HUD contracts with PHAs, and primarily state housing finance agencies (HFAs) in each state to monitor and administer Section 8 project-based rental assistance contracts on the Department's behalf. HUD started the process of rebidding those contracts nearly a decade ago, there was litigation, and long delays. PBRA contract administrators are funded at over \$200 million within the PBRA account each year.

Question: What is the current status of HUD's efforts to rebid the PBRA contract administrator contracts?

Answer: HUD's intention is to solicit and award PBCA contracts utilizing full and open competition in accordance with the Competition in Contracting Act and the Federal Acquisition Regulation. In December 2017, HUD issued two draft solicitation for Sec. 8 Housing Assistance Payment (HAP) Support Services contracts to replace the existing PBCA annual contribution contracts. Based on the extensive comments received in response to the draft solicitations, HUD cancelled these solicitations in March 2018. The Department is taking time to perform additional due diligence to ensure all comments and recommendations are considered in developing the final approach to obtaining services to replace the current PBCA services. Future requirements will be initiated through a new solicitation, which is expected to take several more months to develop.

Project-Based Section 8

Question: How much does HUD anticipate it will realize in savings when the process is complete?

Answer: The general effects of increased competition, along with bids submitted under the last PBCA re-compete in 2011/2012, suggest that material savings may be realized when awarding contracts under a new procurement, relative to baseline PBCA costs. However, HUD is not able to provide a cost savings estimate at this time. Only after the Department finalizes our requirements documents and government cost estimates, as well as the costs of additional HUD resources needed to manage the new contracts, can a range for anticipated savings be calculated. The final form of the competition be it national, regional, or state-by-state can be expected to meaningfully impact the level of savings.

Section 202 Housing for the Elderly

The Section 202 program provides funding for the capital costs of building housing for low-income elderly renters (those age 62 and older), together with rental assistance for the units. From FY2012 through FY2017, no funding was provided to build new units of Section 202 housing. However, in the FY2018 Omnibus Appropriations Act, Congress appropriated \$105 million for new units of Section 202 housing. The Administration's FY2019 budget request does not include funding to build new units of Section 202 housing.

Question: Does HUD see a role for the Section 202 program in developing new units of housing for seniors, especially as the population ages?

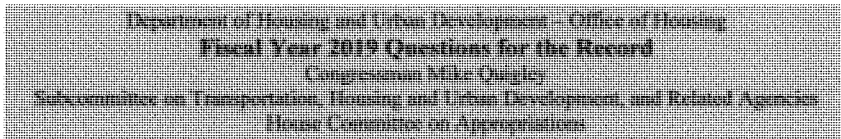
Answer: HUD remains committed to supporting low income seniors through our affordable housing and service coordination programs. While the Administration believes that production of affordable housing units is better carried out by state and local government and the private sector, HUD will deploy any funding it receives for new construction in an efficient, impactful manner.

False Claims Act

As you know the False Claims Act has a 10-year statute of limitations and is therefore subject to changes in political winds.

Question: In addition to the administrative changes being undertaken by HUD, would legislation limiting the use of the False Claims Act on FHA loans help establish the certainty needed for lenders to return to the mortgage market and reopen the credit box?

Answer: This is an important issue that HUD staff is working on at my explicit direction in consultation with the Department of Justice. To be clear, bad actors have no place in the FHA program, but the False Claims Act should be used as a tool of last resort in the most egregious cases where HUD's own administrative enforcement mechanisms are not appropriate. Continued uncertainty over the materiality of many errors in the underwriting process has led to many of the concerns voiced by lenders. HUD would be happy to work with you and your staff to further examine this issue including potential legislative approaches.



Quigley #1

RAD for PRAC Implementation Guidelines

As I'm sure you know, a provision in the FY 2018 Omnibus appropriations bill, casually known as RAD for PRAC, will expand HUD's Rental Assistance Demonstration to include Section 202 Housing for the Elderly communities with Project Rental Assistance Contracts.

I was thrilled to see this provision included in the omnibus because this small change will make a very big difference to low income seniors. It's important that implementation guidelines for this change are developed expeditiously.

Question: Has HUD begun to develop implementation guidelines for RAD for PRAC? Can you provide a timeline for when that might occur?

Answer: HUD is in the process of developing guidance for this process and is considering input from stakeholders to determine the most effective way to begin RAD for PRAC. The process and input will inform the timeline.

Senior Housing Viability

HUD serves more than 1.5 million seniors through the public housing, voucher, and project-based Section 8 programs. HUD's section 202 Housing for the Elderly program helps nonprofits serve more than four-hundred thousand more. Yet according to HUD, two-thirds of the increase in worst case housing needs in recent years have been among older adult households.

It's baffling to me then that HUD's FY19 request to Congress seeks to cut funding for the Section 202 program and, unlike the FY17 and FY18-enacted HUD spending bills, seeks no new funds for the construction of new Section 202 homes.

Question: How can HUD justify cutting senior housing programs when Congress has repeatedly told HUD through our spending bills that more work needs to be done?

Answer: The Department's fiscal year 2019 budget provides sufficient resources to fund all contract renewals and amendments for the Section 202 program. The Secretary has publicly stated his commitment to ensuring that special needs populations, including the elderly, persons with disabilities, and homeless persons, continue to be stably housed and the Administration's budget reflects that decision.

The Administration does not include funds for the construction of new Section 202 homes because this should be funded at the state or local level.

Senior Housing Viability

Question: As our nation ages, how does HUD foresee its role in addressing the needs of seniors with very low incomes?

Answer: Through both the Section 202 capital advance NOFA and the Supportive Services Demonstration (also called Integrated Wellness in Supportive Housing, or IWISH), HUD seeks to understand and promote innovation and best practices in addressing the needs of seniors with very low incomes. In the Section 202 capital advance NOFA, HUD aims to fund properties that advance housing for the elderly as a platform for living independently and aging in place, with an eye to the connection between housing and residents' health and wellness. HUD will expect these properties to be at the forefront of design and best practice in supportive housing for low-income elderly persons in order to promote the long-term health, shelter and social needs of low- and very-low income elderly persons. Through IWISH, HUD will foster a greater understanding of enhanced service delivery models and their impact on healthcare utilization, Medicare and Medicaid spending, and housing stability. As our nation ages, it is critically important that we direct our investments to the most efficient and most impactful activities. By promoting and highlighting innovative practices and by rigorously researching service delivery models believed to be impactful and publishing the results, HUD can drive changes in the way we address the needs of seniors with very low incomes to ensure the greatest impact with the funds available.

THURSDAY, APRIL 26, 2018.

DEPARTMENT OF TRANSPORTATION—FEDERAL HIGHWAY ADMINISTRATION, FEDERAL TRANSIT ADMINISTRATION, & U.S. MARITIME ADMINISTRATION,

WITNESSES

REAR ADMIRAL MARK H. BUZBY, ADMINISTRATOR, U.S. MARITIME ADMINISTRATION

BRANDYE HENDRICKSON, ACTING ADMINISTRATOR, FEDERAL HIGHWAY ADMINISTRATION

K. JANE WILLIAMS, ACTING ADMINISTRATOR, FEDERAL TRANSIT ADMINISTRATION

Mr. DIAZ-BALART. Let us call the subcommittee to order. Today we welcome the leadership of three of Department of Transportation model administrations to discuss Fiscal Year 2019 Budget Request.

So, we are pleased to have Admiral Buzby, who is the Administrator of U.S. Maritime Administration. Admiral? Brandye Hendrickson, Acting Administrator of the Federal Highway Administration. Thanks for being here. And also, Jane Williams, Acting Administrator of the Federal Transit Administration. Again, we are pleased to have the three of you here.

Each of you play a critical role in maintaining really the strength of our nation's transportation infrastructure, whether it is our roads, our bridges, our trains, buses and ships, et cetera.

The Fiscal 2019 Budget Request proposes \$696 million for the Maritime Administration, \$45.8 billion in total budgetary resources for the Federal Highway Administration, and \$11.1 billion in total budgetary resources for the Federal Transit Administration. These are, obviously, all below the 2018 enacted level.

Now, I have said this multiple times, and we have had other witnesses come in front of us, this budget request was developed before the recent Bipartisan Budget Act, that lifted the sequester for two years, and raised the discretionary budget caps.

So, the budget request, in some respects, and I think we all need to recognize this is outdated because of the changes that took place afterwards. I don't think a lot of you will see support on this Committee for the deep cuts, two important DOT programs. However, it is important to hear from you what those priorities are, and what you are thinking, and what you are looking at.

As you know, last month the President signed the FY 2018 Omnibus, which obviously is a negotiated product between the House, the Senate and the White House, and I am proud that this bill provides really a significant down payment on our nation's infrastructure. And we have all been talking about that for a long time, and I know that there are other plans out there, but with this Congress, again negotiating with the White House, and particularly the

subcommittee. and this Committee has done, is a very, very large down payment on infrastructure that we all have been talking about for such a long time.

So, this includes an additional \$2.5 billion in discretionary highway funding to rebuild our nation's roads and bridges; \$2.6 billion for capital investment grants and to support major transit projects. And I would like to outline that that is the highest level ever funded, and something that I am very pleased with.

Four hundred million to help them modernize their bus systems, another \$400 million for transit systems to maintain the state of good repair, and we know that there is a huge backlog in that account, but at least we were able to address it in some way; \$980 million for the Maritime Administration, including \$300 million for a new school ship, and \$121 million for the United States Merchant Marine Academy.

Again, what we just did recently in the Omnibus showed that this Committee actually does real projects, real infrastructure, and again, it is not theoretical, this Committee has done it.

And so, we now turn; however, now that we have got the Omni out of the way, and again I think we have some good—a lot of things to be proud of in that Omni. We turn to fiscal year 2019, and we look forward to making further, whether strategic investments in our infrastructure, but also making sure that we protect, and we remain accountable to the taxpayer, to those who pay their bill.

So, this is an infrastructure committee, and we will continue to move our country forward in the right direction. We will hopefully continue to, if it is the will of the subcommittee, and I am very proud of the work that the subcommittee has done, and we will be able to move forward, continue to move forward, and continue to invest in some key infrastructure areas that we severely need.

So, again, I want you to know that each of you that play an important role in these efforts. And so, I am grateful for your testimony. I look forward to your testimony.

And with that, let me yield to the distinguished Ranking Member, Mr. Price.

Mr. PRICE. Thank you, Mr. Chairman. I am happy to add my welcome to our witnesses this morning. And I look forward to this hearing. We are going to hear testimony from the leadership of several agencies. The Federal Transit Administration, the Federal Highway Administration, the Maritime Administration. So, thanks to all of you for being here.

Our transportation infrastructure continues to serve as the foundation for our economy and our quality of life. The condition of the performance of that infrastructure, the condition and performance of our infrastructure are critical for the nation's health and welfare, and economic competitiveness.

As the panel before us demonstrates, America's transportation network is also extremely complex and varied, and interrelated. We rely on public transit to move large numbers of people safely and efficiently in our high-density corridors, our Federal-aid highways and bridges ensure the reliable flow of goods and services in all 50 states in a variety of climates and terrains, and waterborne trans-

portation, that serves as the linchpin for international trade, shipping and port operations, along our coasts and major rivers.

Now, these different modes are often viewed as distinct components, but in reality we know they are all connected. USDOT, Congress and this subcommittee must continue to work together to ensure seamless integration among modes particularly as emerging technologies offer new opportunities, and new risks for our transportation system.

I look forward to our discussion today about the challenges and opportunities facing our nation's transit systems, and especially how FTA plans to administer the Capital Investment Grants Program. This subcommittee provided robust funding for new starts, small starts and core capacity projects, and resources being put to good use in communities across the country.

The recently-enacted Omnibus also contains approximately 2.5 billion in new highway funding, above and beyond the FAST Act authorized levels. So, we are looking forward to an update about when this funding is going to be made available, the State Department of Transportation and other eligible grantees.

Meanwhile, the Omnibus provided significant new funding for our nation's maritime operations including resources for the decommissioning of the aging NS Savannah, and the procurement of a new training ship for the State Maritime Academies. We will need additional information about how MARAD plans to execute these challenging projects.

I also want to express my concern about sexual harassment at the U.S. Merchant Marine Academy. The DOT Inspector General in March noted that gaps in the Academy's Sexual Assault Prevention and Response Program limit its effectiveness.

We need for MARAD and USDOT leadership to offer sustained attention to this problem and to take concrete steps to address it.

So, I look forward to today's discussion. I appreciate the Chairman's willingness to hold this hearing, as we begin formulating our Fiscal 2019 Appropriations Bill. Thank you.

Mr. DIAZ-BALART. Thank you, sir. And so, again, your full statement will be submitted for the record. And, so we will start with you, Admiral. You are recognized for three minutes.

Admiral BUZBY. Good morning, Chairman Diaz-Balart; Ranking Member Price, members of the subcommittee. First, let me say thank you very much for the \$980 million in funding provided to the Maritime Administration in the fiscal year 2018 appropriations bill and for the opportunity today to discuss the President's fiscal year 2019 budget priorities for the Maritime Administration.

The President's budget request for MARAD is focused on increasing the competitiveness of the U.S. flag fleet, investing in education and training of the next generation of merchant mariners, and supporting the maritime industry's commercial and national security objectives.

Our country's economy is dependent on its maritime assets and efficient freight movement, and while our nation's economy relies on foreign trade, the U.S. commercial presence in the international maritime domain has been at historic lows over the past several years.

Only 81 ships remain in international commerce, carrying less than 2 percent of our annual foreign trade. We must increase the size of the U.S. flag fleet engaged in foreign trade to ensure sufficient capabilities to support Department of Defense sealift requirements.

The Maritime Security Program or MSP, for one, ensures access to U.S. flag ships and ocean-borne foreign commerce, and the inter-modal logistics networks to move equipment, military equipment and supplies during armed conflict or national emergency.

For FY 2019, \$214 million is requested for MSP, providing \$3.6 million for each of the 60 ships currently enrolled in the program, while it is fully recognized that this request is less than the authorized level for MSP, it reflects the hard choices as the Administration pursues rebuilding DoD capabilities. The Department strongly supports MSP, and recognizes the critical contribution it plays in this nation's security.

MARAD also maintains a fleet of government-owned merchant ships and a National Defense Reserve Fleet, or NDRF, which includes 46 Ready Reserve Force vessels that are used to transport military cargo for critical operations.

These vessels were activated to provide relief efforts following Hurricanes Harvey, Irma and Maria, and in the past year supported DoD with the largest round of ammunitions sealift operations in decades.

The ability to accrue these government-owned surge sealift assets requires maintaining an adequate pool of qualified U.S. merchant mariners in peacetime.

The United States Merchant Marine Academy educates and trains the next generation of leaders who will serve as officers aboard commercial ships, and commissioned officers in our Active and Reserve Armed Forces.

The President's FY 2019 Budget Request includes \$74.6 million for the Academy with \$70.6 million going toward operations, and another \$4 million directed for capital repairs and improvements in its buildings and infrastructure.

Here I want to reaffirm that MARAD, the DOT and the Academy take sexual assault and sexual harassment at the Academy and at sea, very seriously. The Academy has made progress in improving its prevention and response efforts, but we recognize more work needs to be done. Funding in the FY'19 budget request will allow us to continue these efforts.

MARAD also provides funding assistance to the six State Maritime Academies which graduate about three-quarters of the entry-level Merchant Marine Officers annually. The President's FY'19 budget requests \$24.4 million for the State Academies, including \$22 million for maintenance and repair of the Federally-owned school ships, and \$2.4 million to fund the Student Incentive Program.

I want to thank Congress again for providing the \$300 million in the FY'18 appropriations bill for the construction of our new National Security Multi-Mission Vessel, to be used to train young mariners and respond to national emergencies. To continue this effort \$300 million is requested in FY'19 to replace the outdated training ship school fleet.

Finally, MARAD and DOT are grateful to Congress for providing full funding in the FY'18 appropriations bill to complete decommissioning of the nuclear ship Savannah.

The President's FY'19 budget requests additional funding for MARAD's Ship Disposal Program, which includes funding to continue safe storage of the ships during decommissioning. Mr. Chairman, I thank you for the opportunity to present this testimony and I look forward to working with you on advancing maritime transportation in the United States.

[The information follows:]

**STATEMENT OF
MARK BUZBY
ADMINISTRATOR
MARITIME ADMINISTRATION
U.S. DEPARTMENT OF TRANSPORTATION**

**BEFORE THE
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION, HOUSING AND URBAN
DEVELOPMENT, AND RELATED AGENCIES
U.S. HOUSE OF REPRESENTATIVES**

HEARING ON “THE FISCAL YEAR 2019 BUDGET REQUEST”

April 26, 2018

Good morning Chairman Diaz-Balart, Ranking Member Price and members of the Subcommittee. I would like to begin by thanking you for the funding provided in FY 2018 of \$980 million, and appreciate the opportunity to discuss the President’s Fiscal Year (FY) 2019 budget priorities for the Maritime Administration (MARAD). MARAD’s statutory mission is to foster, promote, and develop the merchant maritime industry of the United States. The critical funding provided by this Subcommittee for FY 2018 as well as the funding in this budget request furthers that mission by investing in U.S. mariner training, supporting programs that help U.S.-flag commercial vessels compete globally, and maintaining sealift readiness to meet national security requirements.

FY 2019 BUDGET REQUEST

The United States is a maritime Nation, with our country’s economy highly dependent on viable coastal and ocean resources, and inland waterways. In 2014, U.S. maritime freight activity helped to support \$4.6 trillion of economic activity among the many non-maritime industries that depend on it for access to world markets and within the maritime industry itself, equivalent to approximately 26 percent of our GDP¹. MARAD’s programs seek to support both the maritime industry’s commercial health and national security objectives.

The U.S.-flag fleet operating in international trade currently carries less than 2 percent of our annual foreign trade by tonnage². The U.S. commercial presence in the international maritime domain has been at historic lows over the past several years with only 81 ships remaining in those trades. While our national economy relies on foreign trade, we need U.S. flag ships engaged in foreign trade to ensure sufficient capabilities to support Department of Defense

¹ Martin Associates, “The 2014 National Economic Impact of the U.S. Coastal Port System,” prepared for the American Association of Port Authorities, March 2015, p.6.

² MARAD calculation of tonnage based on business confidential data from CBP and Census combined with commercially available registry data for the 2016 calendar year.

sealift requirements in times of war Without U.S. flag ships engaged in foreign trade, we may not be able to support the Nation's sealift requirements in times of extended conflict. During Operation Desert Shield in 1991, DOD found it necessary to employ 177 foreign vessels to meet sealift needs in addition to approximately 170 U.S.-flagged vessels. However, 13 of the foreign vessels carrying essential supplies hesitated or refused to enter the area of operations, resulting in a loss of 34 transit days for ships carrying cargo for U.S. troops.³ Additionally, General McDew, the Commander of the United States Transportation Command (TRANSCOM), recently testified regarding the critical importance of the availability of U.S.-flag vessels using this example and stated, "foreign-flagged vessels declined to enter the area of operations, while U.S.-flagged vessels provided steadfast support, delivering the bulk of the Joint Force to the Middle East."⁴ While we have taken steps to address this by establishing the Maritime Security Program, as the fleet dwindles, so does the base of U.S. Merchant Mariners and the and repair industry, which are all essential components of national security.

To ensure a strong domestic maritime industry and U.S. Merchant Marine into the future, the President's FY 2019 Budget Request for MARAD of \$696.4 million is focused on increasing the competitiveness of the U.S.-flag fleet, and investing in the education and training of the next generation of merchant mariners. MARAD remains committed to marine transportation policies that improve security, address our Nation's critical maritime infrastructure gaps, and leverage technology to meet the needs and challenges of the marine transportation industry. This request supports a variety of MARAD initiatives involving ships and shipping, vessel operations, national security and strategic mobility, ship disposal, and maritime education. A summary of the FY 2019 request is provided below.

NATIONAL SECURITY

By law, and pursuant to Presidential National Security Directive 28, DOD must rely on U.S.-flag ships, which are crewed by volunteer, civilian U.S. mariners, to provide the sealift capacity to support military deployments and respond to national emergencies. MARAD is charged with ensuring that U.S.-flag ships and merchant mariners are available to meet DOD sealift requirements. The U.S.-flag fleet of privately owned, commercially operated vessels, along with government-owned vessels, provide a critical public-private sealift surge and sustainment capacity to move equipment and materials for the Armed Forces. Additionally, Federal agencies can access the government-owned vessels as needed, during times of conflict, humanitarian crises, and natural disasters such as those we witnessed last summer in the wake of Hurricanes Harvey, Irma, and Maria.

³ So Many, So Much, So Far, So Fast: United States Transportation Command and Strategic Deployment for Operation Desert Shield/Desert Storm/ James K. Matthews, Cora J. Holt, p. 136.

⁴ Statement of General Darren W. McDew, United States Air Force, Commander, United States Transportation Command before the Senate Armed Services Committee on the State of the Command, February 13, 2018. p. 11.

Maritime Security Program (MSP)

For FY 2019, \$214 million is requested for the MSP, providing \$3.6 million for each of the 60 ships currently enrolled in the program. The Maritime Security Act of 1996 established the MSP, which ensures access to U.S.-flag ships in ocean-borne foreign commerce and the intermodal logistics networks necessary to move military equipment and supplies during armed conflict or national emergency. This program also supports critical employment for up to 2,400 highly-qualified U.S. merchant mariners and approximately 5,000 shore side maritime professionals each year. The MSP provides direct annual stipends for 60 active, commercially viable, militarily useful, privately owned U.S.-flag vessels and their crews operating in international commerce. Participating operators commit their ships, crews, and global network of intermodal facilities and commercial transportation resources upon request by the Secretary of Defense during times of war or national emergency.

During FY 2018, the MSP fleet has increased its overall utility to DOD and provided the greatest sealift volume in its history, with over 3.4 million square feet and over 114,000 twenty-foot equivalent units (TEUs) of militarily-useful sealift capacity. This significantly improved DOD's ability to move and sustain the heaviest U.S. armored units. The MSP remains the heart of U.S. sustainment. While MSP was created to guarantee DOD access to ships to support a full-scale military mobilization, the ships and mariners of the MSP have voluntarily supported every U.S. conflict since the program was established in 1996, including Operations Enduring Freedom and Iraqi Freedom. The ships and mariners of the MSP stand ready to play a vital role in support of U.S. military operations worldwide.

National Defense Reserve Fleet (NDRF) and Ready Reserve Force (RRF)

MARAD maintains a fleet of government-owned merchant ships in the NDRF. This includes 46 RRF vessels that are maintained and ready for operation within five or ten days for transport of military cargo to critical areas of operation. Our Nation has called upon RRF and NDRF vessels, which include training ships on loan to the six state maritime academies (SMAs) and the U.S. Merchant Marine Academy (USMMA or Academy), to respond to several disasters. RRF and NDRF ships were activated to provide support to other government agencies for recent relief efforts following Hurricanes Harvey, Irma, and Maria. During these deployments, these vessels supplied first responders with housing, meals, logistical support, and relief supplies, including critical replacement of Federal Aviation Administration air navigation equipment that was delivered by one of the activated vessels to the U.S. Virgin Islands. Additionally, these vessels were previously activated for disaster response efforts following Hurricanes Katrina, Rita, and Sandy and the 2010 earthquake relief effort in Haiti.

In addition to hurricane response, this past year MARAD supported DOD with the largest round of ammunition cargo sealift operations in decades, as well as a 57-day mission for an Army unit movement to Kuwait where five vessels were utilized to accomplish six distinct sealift missions.

Along with cargo sealift activities, DOD's Missile Defense agency used two MARAD vessels to track multiple missile test launches.

While not under the jurisdiction of this Subcommittee, the FY 2019 President's Budget requests nearly \$311 million in DOD's budget for MARAD to maintain the NDRF and RRF. Funding provided from DOD will allow MARAD to continue to provide ready surge sealift support and special mission vessels from the RRF fleet, while maintaining MARAD's NDRF fleet mooring sites. This request within DOD includes an additional increase in funding that will support readiness related maintenance and repair initiatives for service life extension work supporting the special mission vessels. MARAD is working with the U.S. Transportation Command and the U.S. Navy to address the urgent need for recapitalization of the RRF to ensure the readiness of these 46 ships, the average age of which is 43 years.

MARITIME TRAINING

MARAD provides funding and oversight for mariner training programs to produce highly skilled U.S. Coast Guard (USCG) credentialed officers for the U.S. Merchant Marine. It takes many years of training to develop the necessary mariner competencies for deck and engineering officer positions on large vessels in international trade. Therefore, maintaining an adequate pool of U.S. merchant mariners is vital to both the peacetime commercial success of the U.S.-flag fleet and to maintain the capacity needed to crew Government-owned surge sealift assets to deploy and sustain U.S. forces overseas in times of national emergency. The USMMA and SMAs graduate most of the USCG-credentialed officers who hold an unlimited tonnage or horsepower endorsement available to crew these U.S.-flag ocean-going ships. This cadre of well-educated and trained merchant mariners stand ready to serve and support our military operations, national emergencies, and humanitarian missions.

United States Merchant Marine Academy

The President's FY 2019 Budget Request includes \$74.6 million for USMMA. Of this, \$70.6 million will support Academy operations, and \$4 million will fund priority capital repairs and improvements to the Academy's buildings and infrastructure. This request will enable the Academy to effectively achieve its core responsibility to educate and train the next generation of outstanding leaders who will serve as officers aboard commercial ships and commissioned officers in our active and reserve Armed Forces. The USMMA is an accredited institution of higher education operating under DOT authority and managed by MARAD. The USMMA offers a four-year maritime-focused program, centered on rigorous academic and hands-on technical training that leads to a Bachelor of Science degree, a USCG merchant mariner credential (MCC) with an unlimited tonnage or horsepower officer endorsement, and an active or reserve commission as an officer in a branch of the Armed Forces. Distinctly, USMMA graduates incur an obligation to serve five years as a merchant marine officer aboard U.S. documented vessels or on active duty with the U.S. Armed Forces or uniformed services. If

serving as a reservist, graduates must maintain her or his commission for eight years. In June 2019, approximately 195 midshipmen are expected to graduate from the Academy.

DOT, MARAD, and the USMMA take sexual assault and sexual harassment at the Academy and at sea very seriously, and we have worked collaboratively with industry stakeholders to facilitate a cultural change by disseminating a strong message against sexual assault and sexual harassment in the maritime sector. The Academy is implementing provisions included in both the Fiscal Year 2017 and Fiscal Year 2018 National Defense Authorization Acts aimed at improving the Academy's sexual assault and sexual harassment prevention and response efforts. Such actions include enhancing prevention training, increasing campus security, initiating a Midshipman-driven culture change program on campus, and expanding the Sexual Assault Prevention and Response Office. The FY 2019 funding will allow the USMMA to continue providing satellite communication devices to Midshipmen during Sea Year training and upgrade the 24/7 sexual assault hotline.

Progress is being made, but more work needs to be done as noted in the recently released DOT Office of Inspector General report on the USMMA's Sexual Assault Prevention and Response Program. We appreciate the insight from this report and will address the report's recommendations to continue improving the Academy's prevention and response efforts.

State Maritime Academies

In addition to providing oversight of the USMMA, MARAD provides funding assistance to six SMAs⁵, which collectively graduate more than three-fourths of the entry-level merchant marine officers annually. The President's FY 2019 Budget Request includes \$24.4 million for the SMA program. This request includes \$22 million to fund maintenance and repair costs for Federally owned school ships on loan from MARAD to the SMAs. Ensuring the continued availability of SMA training vessels is a critical need and high level MARAD priority. Training ship maintenance work is increasingly critical and costly as the ships age, and approach or exceed their designed service life. MARAD will use the funds to address priority maintenance needs across all the training vessels.

Additionally, the request provides \$2.4 million to fund the Student Incentive Program (SIP), which provides financial assistance to 75 new cadets each year (across all SMAs) that participate in the program for a period of four years. The SIP program provides cadets with funds for uniforms, tuition, books, and subsistence. Upon graduation, SIP students must maintain an unlimited USCG credential for six years, fulfill a three-year service obligation in the maritime

⁵ The six SMAs are: California Maritime Academy in Vallejo, CA; Great Lakes Maritime Academy in Traverse City, MI; Texas A&M Maritime Academy in Galveston, TX; Maine Maritime Academy in Castine, ME; Massachusetts Maritime Academy in Buzzards Bay, MA; and State University of New York (SUNY) Maritime College in the Bronx, NY.

industry, and serve in a reserve unit of an armed or uniformed service for eight years. The SMAs regard the SIP program and support for their training ships as among their most important recruiting tools to encourage potential cadets to pursue careers as merchant marine officers. Approximately 991 Cadets are expected to graduate from the SMAs in May 2019.

School Ship Replacement

The President's FY 2019 Budget Request includes \$300 million to continue supporting the replacement of outdated training ships on loan from MARAD to the SMAs. DOT and MARAD are grateful to Congress for providing an initial \$300 million in the FY 2018 Omnibus appropriation for new construction of a school ship utilizing the National Security Multi-Mission Vessel (NSMV) design. While the FY 2019 request was developed prior to the enactment of the FY 2018 Omnibus, it is complementary with the overall effort to find solutions to the aging training ship fleet at the SMAs. Investment in school ship replacement is essential to foster the growth of the Nation's maritime transportation workforce needs, while addressing emerging workforce challenges facing a critical shortage of U.S. merchant mariners needed to crew the commercial and government-owned sealift ships to meet national security needs.

OTHER MARITIME TRANSPORTATION PROGRAMS

Ship Disposal Program

The President's FY 2019 Budget requests \$30 million for the ship disposal program. MARAD is the ship disposal agent for Government-owned merchant-type vessels of 1,500 gross tons or greater and has custody of a fleet of non-retention ships. When ships no longer have sufficient value to merit the cost of further preservation, MARAD arranges for their responsible disposal, with priority emphasis on the disposal of non-retention vessels in the worst condition. Currently, MARAD has 11 obsolete NDRF vessels not yet under contract for disposal, which is a historic low. In July 2017, MARAD removed the remaining last two non-retention vessels from the Suisun Bay Reserve Fleet, in compliance with an April 2010 U.S. District Court consent decree requiring the removal of all 57 vessels from the fleet site by September 2017. On January 2, 2018, the District Court terminated the Consent Decree.

Within this FY 2019 Budget request, \$25 million is requested to continue the radiological decontamination, dismantlement, and disposal of the defueled nuclear power plant on board the Nuclear Ship SAVANNAH (NSS). The Department is grateful to Congress for providing the full funding in the FY 2018 Omnibus appropriation to allow MARAD to complete the decommissioning and license termination activities of the NSS. Also within this request, \$3 million will provide the continuation of the NSS protective storage activities, as required by the Nuclear Regulatory Commission. Protective storage is an ongoing requirement, even during the decommissioning process to ensure radiological protection and public safety.

CONCLUSION

These programs represent MARAD priorities supported by the President's FY 2019 Budget request. We will continue to keep this Subcommittee apprised of the progress of our program activities and initiatives in these areas in the coming year.

Mr. Chairman, thank you for the opportunity to present and discuss the President's FY 2019 Budget Request for MARAD. I appreciate the Subcommittee's continuing support for maritime programs and I look forward to working with you on advancing maritime transportation in the United States. I will be happy to respond to any questions you and the members of the Subcommittee may have.



**Rear Admiral Mark H. "Buz"
Buzby, USN, Ret.**

Administrator

Rear Adm. Mark H. Buzby was appointed by President Donald Trump and sworn in as Maritime Administrator on August 8, 2017. Prior to his appointment, Buzby served as president of the National Defense Transportation Association, a position he has held since retiring from the U.S. Navy in 2013 with over 34 years of service.

A 1979 graduate of the U.S. Merchant Marine Academy, Buzby

earned his Bachelor of Science in Nautical Science and U.S. Coast Guard Third Mate License. He was commissioned in the US Navy in June 1979, is a graduate of the Joint Forces Staff College and holds master's degrees from the U.S. Naval War College and Salve Regina University in Strategic Studies and International Relations respectively.

Buzby commanded destroyer USS CARNEY (DDG 64), Destroyer Squadron THIRTY-ONE, Surface Warfare Officers School Command, and Joint Task Force GUANTANAMO BAY. As a junior officer, Buzby served in USS CONNOLLE (FF1056), USS ARIES (PHM 5), USS YORKTOWN (CG 48), USS JOHN PAUL JONES (DDG 53) and USS SHILOH (CG 67) primarily in operations and combat systems billets. In 1985, he was the Atlantic Fleet Junior Officer Shiphandler of the Year.

Ashore, he served on staffs of SIXTH Fleet, US Fleet Forces Command, the Navy staff, and the Joint Staff. Buzby served as the Commander of the U.S. Navy's Military Sealift Command from October 2009 to March 2013.

Buzby's personal awards include the Defense Superior Service Medal, Legion of Merit (four awards), Bronze Star, Defense Meritorious Service Medal, Meritorious Service Medal (five awards) and various other unit and campaign awards.

Mr. DIAZ-BALART. Thank you, sir. Administrator Hendrickson.

Ms. HENDRICKSON. Thank you. Chairman Diaz-Balart, Ranking Price and Members of the subcommittee, thank you for inviting me today to discuss the President's Fiscal Year 2019 budget request for the Federal Highway Administration. I am pleased to appear beside my FTA and FHWA colleagues. The President requested \$46 billion for Federal Highway which is the amount authorized under the fourth year of the FAST Act.

FHWA has made significant progress in implementing the Act and the President's budget request ensures that FHWA will continue to invest in projects that improve roadway safety, repair aging bridges and highways, and facilitate the movement of freight. Importantly, the budget supports FHWA's transportation performance management approach which will ensure that federal dollars are invested wisely as states are responsible for meeting performance targets. Safety is FHWA's top priority and the President's budget request includes funding for important safety initiatives such as the Highway Safety Improvement Program.

This program is essential to reducing traffic fatalities and serious injuries on all public roads. The budget also ensures investment in our nation's most traveled highways by requesting funding for FHWA's Formula and Block Grant Programs. These programs provide necessary resources to states to allow them to improve the condition and performance of interstates as well as other Federal-aid Highways. The President's budget request also makes needed investment in our freight infrastructure recognizing the efficient movement of people and goods is vital to our economy.

This request reflects FHWA's commitment to promoting innovation to address current and emerging transportation issues. Most notably, with regard to autonomous and connected vehicles. Supporting our efforts to better understand what is needed to safely accommodate automated systems in the highway infrastructure. FHWA's operating expenses are supported, including our dedicated and professional, the strength of our organization.

Finally, I would like to provide the Committee with a brief update on our implementation of the recently enacted Omnibus which provided funding for the remainder of this fiscal year. In addition to funding the regular Highway Program, Congress also appropriated an additional \$2.5 billion in discretionary highway funding from the General Fund. \$1.98 billion of that amount was set aside for highways, bridges and tunnels eligible under the Surface Transportation Block Grant Program and I am very happy to report that funding has recently been issued.

Mr. Chairman, thanks again, for the opportunity to appear before you today and for your commitment to FHWA's programs. I look forward to answering your questions.

[The information follows:]

**WRITTEN STATEMENT OF
BRANDYE HENDRICKSON
ACTING ADMINISTRATOR
FEDERAL HIGHWAY ADMINISTRATION,
U.S. DEPARTMENT OF TRANSPORTATION**

**BEFORE THE
SUBCOMMITTEE ON TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT
AND RELATED AGENCIES,
COMMITTEE ON APPROPRIATIONS,
U.S. HOUSE OF REPRESENTATIVES**

April 26, 2018

Chairman Diaz-Balart, Ranking Member Price, Members of the Subcommittee, thank you for the invitation to appear before you today to discuss the President's Fiscal Year (FY) 2019 Budget request for the Federal Highway Administration (FHWA) and the importance of our programs to the nation's infrastructure, safety, and the economy. This request provides the funding needed to further streamline project delivery while investing in projects that improve roadway safety and mobility, repair aging bridges and highways, and promote the efficient movement of freight. In addition, the President's Budget request for FHWA complements the President's Infrastructure Initiative proposal, which provides a bold new approach for addressing our infrastructure needs across a broad spectrum of Federal programs and sectors.

FY 2019 BUDGET REQUEST FOR FHWA

The FY 2019 President's Budget requests \$46 billion for FHWA, which reflects the funding levels authorized for the fourth year of the Fixing America's Surface Transportation (FAST) Act. It focuses on the Department of Transportation's four key priorities: safety, infrastructure, innovation, and accountability. The President's Budget includes continued funding for a number of FHWA programs and provides States and localities the flexibility to invest in the projects that best meet their needs while improving the national infrastructure network.

Safety continues to be our number one priority. In 2016, 37,461 people died in motor vehicle crashes on our Nation's highways. We must work to reduce this number. The President's Budget requests \$2.6 billion for the **Highway Safety Improvement Program** (HSIP) to provide States resources for significantly reducing traffic fatalities and serious injuries on all public roads. This program continues a data-driven, strategic approach that focuses on improving safety performance. Through the HSIP, FHWA will continue to conduct rigorous evaluations of new safety technologies and practices, and champion life-saving innovations.

The President's Budget will ensure we continue to invest in our Nation's most traveled highways with a request of \$23.74 billion for the **National Highway Performance Program** (NHPP). The NHPP is a formula-based program which focuses significant Federal resources on improving the condition and performance of the National Highway System (NHS). This network is composed of 220,000 miles of rural and urban Interstates and other highways serving major population centers, international border crossings, intermodal transportation facilities, and major travel destinations. Through a performance-based approach, this program will continue to provide States resources for maintaining and improving the condition and performance of the NHS, and ensure that investments

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of Federal-aid funds are directed to support progress toward the achievement of specified performance targets.

The President's Budget requests \$11.88 billion for the **Surface Transportation Block Grant Program**. This program provides States and localities flexible funding for projects to preserve and improve the condition and performance of any Federal-aid highway, bridges on any public road, transit capital projects, and public bus terminals and facilities, including intercity bus terminals and vehicles. The flexible nature of this program allows States and localities to focus funding on priority areas and areas of greatest need.

The President's Budget continues our investment in freight infrastructure by requesting \$1.34 billion for the **National Highway Freight Program** and \$950 million for the **Nationally Significant Freight and Highway Projects Program** (known as INFRA). Through these programs, the Department and its State partners will advance nationally significant freight and highway projects that improve the safety, efficiency, and reliability of the movement of freight and people.

The President requests \$1.13 billion for the **Federal Lands and Tribal Transportation Programs**, which will be used for transportation construction and engineering projects that are located on, or provide access to, Federal and Tribal lands. These projects will provide multimodal access to basic community services for 567 Federally-recognized sovereign Tribal governments, improve access to public lands, and expand economic development in these areas.

In addition, FHWA is focused on the transportation needs of rural areas. Rural America is home to many critical infrastructure assets, including 444,000 bridges, 3 million miles of roadways, and 30,500 miles of Interstate highways. To this end, several FHWA programs include rural set-asides or other rural components, including \$1.37 billion allocated to areas with a population of 5,000 or less and \$777 million set aside for off-system bridges, which are generally located in rural locations.

The President's Budget also will help improve the environment through the **Congestion Mitigation and Air Quality Improvement Program** (CMAQ). With \$2.45 billion for CMAQ in FY 2019, States and local governments can continue to fund transportation projects that meet the requirements of the Clean Air Act and help reduce highway congestion.

The Budget proposes to continue using the **Transportation Infrastructure Finance and Innovation Act program** (TIFIA) to leverage Federal dollars in a time of scarce budgetary resources, facilitating private participation in transportation projects and encouraging innovative financing mechanisms that help advance projects sooner than otherwise possible. The President's Budget requests \$300 million in credit subsidy for TIFIA.

To further additional infrastructure investment, the President's Budget also requests \$730 million for important programs related to **Emergency Relief, Metropolitan Planning, Territorial and Puerto Rico Highways, and Ferry Boats**.

For the **Research, Technology, and Education Program** (RT&E), the President requests \$420 million to provide for a comprehensive, nationally-coordinated research, technology, and education

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program that will advance FAST Act priorities of accelerating innovation delivery and technology implementation. FHWA will strategically develop and deliver transformative innovations through technology and practices that support and enable improved infrastructure resilience, enhance mobility and accessibility, enhance safety, stimulate economic growth, and promote more effective transportation performance management. Through our research program, FHWA is playing a significant role in addressing key technological and institutional barriers to safely and efficiently integrate automation into our transportation systems.

The total Administrative Expenses request of \$449.7 million for FHWA General Operating Expenses is consistent with the funding level authorized by the FAST Act. These resources are essential for FHWA to effectively perform critical oversight functions and successfully implement the programs proposed in the Budget.

FY 2018 FUNDING UPDATE

On March 23, the President signed into law the Consolidated Appropriations Act, 2018. The FY 2018 obligation limitation level for the Federal-aid highway program is \$44.23 billion which is equal to the level set forth in the FAST Act and the President's FY 2018 Budget request. On April 16, FHWA issued the FY 2018 Obligation Limitation Notice, providing this obligation limitation to the States for the FHWA apportioned programs, which is critical as States head into peak construction season.

In addition, the law provides \$1.98 billion of formula funding for the construction of highways, bridges, and tunnels, including designated routes of the Appalachian development highway system and local access roads. This amount will be apportioned to the States in the same ratio as the formula obligation limitation for FY 2018 is distributed among the States. Congress also provided \$20 million for activities eligible under the Puerto Rico and Territorial Highway programs. We expect to have these funds fully distributed very soon.

The omnibus also provided \$225 million for a competitive highway bridge rehabilitation or replacement program for States that have a population density of fewer than 100 individuals per square mile and that demonstrate cost savings by bundling multiple highway bridge projects. This is a new program, and we anticipate that 25 States will be eligible to participate. FHWA is developing the criteria for the program, and will publish a Notice of Funding Opportunity as soon as possible.

In addition, Congress provided \$300 million for the Nationally Significant Federal Lands and Tribal Projects Program—a program authorized under the FAST Act, but not previously funded. This program, which has statutorily defined criteria, will provide competitive grants to construct, reconstruct, or rehabilitate nationally significant Federal lands and tribal transportation projects. Eligible projects include single, continuous projects on a Federal lands transportation facility, a Federal lands access transportation facility, or a tribal transportation facility. Those projects must have demonstrated completion of activities under the National Environmental Policy Act, and must have an estimated cost of at least \$25 million. FHWA is working expeditiously to develop and publish a Notice of Funding Opportunity for this program.

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CONCLUSION

Thank you again for the invitation to appear before you today to discuss the President's Budget request for FHWA. I look forward to working with you and other members of Congress in the weeks and months ahead to enact a robust budget that makes much-needed investments in our Nation's infrastructure.

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Brandye Hendrickson

Acting Administrator

Federal Highway Administration (FHWA)

On July 24, 2017, Brandye Hendrickson was named Deputy Administrator of the Federal Highway Administration (FHWA) after having built a reputation as a strong leader while Commissioner of the Indiana DOT. As the FHWA's Acting Administrator, she puts her 20 years of business experience to work leading a 2,900-person federal agency and maximizing its \$44 billion annual budget. She is only the second woman to head the FHWA, and has a deep appreciation for the strength of an organization filled with people of different backgrounds and perspectives.

She has a Bachelor's degree from Indiana University and is a Professional in Human Resources.

Mr. DIAZ-BALART. Thank you. Now, Administrator Williams. Thank you.

Ms. WILLIAMS. Thank you, Chairman Diaz-Balart, Ranking Member Price and Members of the subcommittee and thank you for inviting me here today to discuss the President's fiscal year 2019 budget request for the Federal Transit Administration. At FTA, we share Secretary Chao's departmental priorities: safety, infrastructure investment and preparing for the future.

The FTA budget request reflects these priorities. Overall, FTA's request totals \$11.2 billion, which includes \$9.9 billion to fund mandatory programs at FAST Act levels, representing a 2 percent change from FY18. The remainder, \$1.2 billion, will go towards discretionary programs and administrative expenses. I would like to talk first about safety.

Since being granted safety authority in MAP-21, FTA has established a robust safety oversight program. The FY19 budget request includes \$163 million to continue our significant safety duties. A top priority for FTA leadership is the certification of state safety oversight programs under the new, stronger standards required by Congress and MAP-21 and the FAST Act. I would like to take this opportunity to reiterate that all affected states must be certified by April 15th of 2019. If any state misses that deadline, by law, FTA must withhold all transit funding from that state. We have made great progress so far with 11 of the 30 states now being certified. But there is still much to be done. I look forward to working closely with officials in all the remaining states to help them achieve FTA certification.

Part of safety is maintaining a State of Good Repair. FTA's FY19 budget request includes \$10.8 billion in funds for transit agencies to address their infrastructure needs. FTA's formula grant programs cover transit services of all sizes and types, such as \$4.8 billion for urbanized areas; \$3.4 billion for State of Good Repair, buses and bus facilities; and \$936 million for rural communities, seniors and individuals with disabilities.

FTA shares the commitment to delivering projects with more local choice and less red tape, which is one of the core tenets of the infrastructure package, proposing \$200 billion in federal funds to unlock at least \$1.5 trillion in further investment. Sponsors of public transit projects will be able to access funding through the new infrastructure initiatives that offers them more autonomy, less burdensome federal regulation and expedited project delivery. While encouraging creative financing mechanisms that allow our communities to capture the value of their public transit investments, the President's proposed infrastructure programs will be a more streamlined funding source for major transit capital projects. That is why FTA'S FY19 request proposes to limit funding for the Capital Investment Grants program to \$1 billion which would go toward existing commitments to projects with signed grant agreements.

Our approach to major capital projects is a new one, but one that we believe would deliver better results for transit nationwide. The same principle holds true of our Public Transportation Innovation program for which our budget requests \$28 million. FTA will continue to promote innovative business models that have the poten-

tial to dramatically improve safety, reliability and efficiency in public transportation.

Finally, apart from our FY19 budget request, I want to commend this Committee and this Congress for appropriating funding for FTA's Emergency Relief Program. When I first joined the FTA in August of last year, I was immediately confronted with the challenges of Hurricanes Harvey, Irma and Maria in quick succession. And those devastated many of our local partners in Texas, Florida, Georgia, Louisiana, the Virgin Islands and, of course, Puerto Rico. At FTA, we are working quickly to get the emergency relief funding out to our grantees to reimburse them for their emergency expenses and to fund projects that will help them rebuild even stronger and more resilient than before. Again, I thank you for inviting me to join you today and I look forward to answering your questions.

[The information follows:]

**STATEMENT OF
K. JANE WILLIAMS
ACTING ADMINISTRATOR
FEDERAL TRANSIT ADMINISTRATION
BEFORE THE
APPROPRIATIONS SUBCOMMITTEE ON
TRANSPORTATION, HOUSING, AND URBAN DEVELOPMENT AND
RELATED AGENCIES
UNITED STATES HOUSE OF REPRESENTATIVES
April 26, 2018**

Introduction

Chairman Diaz-Balart, Ranking Member Price, and members of the Subcommittee – thank you for the opportunity to meet today to discuss the President’s Fiscal Year (FY) 2019 Budget request for the Federal Transit Administration (FTA).

The FTA’s FY 2019 Budget requests \$11.2 billion. Approximately \$9.9 billion of the request fully funds the fourth year of the Fixing America’s Surface Transportation (FAST) Act, which authorized mandatory levels for FTA’s trust funded programs. This represents a two percent increase in mandatory funding over FY 2018 FAST Act levels. The remaining \$1.2 billion funds FTA’s discretionary grant programs and administrative expenses.

The Budget continues to make strategic and common sense investments in safety and critical public transportation infrastructure through both formula-driven and competitive funding opportunities to address the capital needs of both urban and rural transit systems. Investments in infrastructure ensure mobility and accessibility and help stimulate economic growth, productivity, and competitiveness for American workers and businesses.

Making Transit Safer

The Budget requests almost \$163 million for safety, the Secretary’s top strategic goal. These funds along with rulemaking, guidance, and technical assistance help reduce transit-related fatalities and serious injuries by implementing safety management systems, promoting the use of public transportation agency safety plans, and certifying states that oversee rail transit systems.

Within this amount the Budget includes \$120 million for grants to the Washington Metropolitan Area Transit Authority (WMATA) to improve the safety and reliability of transit service in our nation's capital. This is in addition to \$310 million in Federal formula funds provided annually to WMATA from FTA's core formula grant programs. The Budget also includes \$24.1 million for operational support of State Safety Oversight of rail transit systems. This is critical as all State safety oversight agencies must be certified by FTA by April 15, 2019 or all transit agencies within a state missing that deadline will have FTA funding withheld.

Addressing Transit Infrastructure Needs

The FY 2019 FTA Budget helps address the estimated \$90 billion state of good repair backlog by requesting almost \$10.8 billion for our nation's transit infrastructure. This includes almost \$4.8 billion for formula grants to urban areas, \$656 million for formula grants to rural communities, \$561 million for the Growing States and High Density States, and \$138 million to support metropolitan and state planning.

An additional \$3.4 billion supports State of Good Repair formula grants and buses and bus facilities infrastructure grants and \$1 billion in new budget authority is requested for Capital Investment Grants for 10 projects that have existing or signed full funding grant agreements in place. And to help address the mobility needs of seniors and individuals with disabilities who rely on transit services to get to medical appointments, jobs, and the grocery store, the Budget includes \$280 million.

The President's Infrastructure proposal, consistent with the Budget request, provides a bold new approach for addressing our infrastructure needs across the broad spectrum of Federal programs. It tackles the complex problems of improving infrastructure by focusing on better ways to finance, manage, and use our current and future transportation assets. The proposal also calls for advancements in the permitting process that streamline and shorten timeframes so that projects can get underway quickly. The President's Budget includes \$200 billion for competitive grants and other incentives that will leverage State, local, and private investment resulting in at least \$1.5 trillion of new infrastructure investment over ten years.

We expect that the President's Infrastructure proposal will broaden the options available for funding transit projects in the future and will provide State and local entities more autonomy in deciding which transit-related infrastructure projects to pursue. Consistent with this approach, the President's Budget request limits funding in the Capital Investment Grants program to projects with existing full funding grant agreements.

Innovation

FTA will continue to develop and deploy innovative practices and technologies that improve the safety, mobility, and performance of the nation's public transportation network by fostering innovation – another strategic goal of the Secretary. To support this effort the FY 2019 FTA Budget requests \$28 million for Public Transportation Innovation.

Of this amount, \$12 million supports mobility research to strengthen the capacity of transit agencies and communities as they navigate the dynamic, evolving landscape of personal mobility. Demonstrations will explore innovative business models, partnerships, and private-sector technological tools and solutions for enhanced and seamless mobility options for all travelers. An additional \$5 million supports transformative infrastructure research and research on advance propulsion vehicles.

The Budget also requests \$6 million to conduct research and demonstrations to improve public transportation safety including the development of safety standards. An additional \$5 million supports the National Academy of Sciences through the Transit Cooperative Research Program (TCRP) to produce early-stage applied research that helps prepare the transit industry by identifying new and innovative practices.

Administrative Expenses

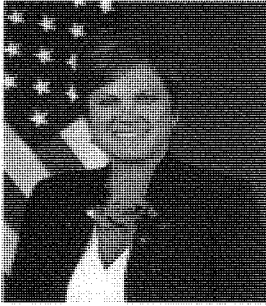
The Budget requests \$111.7 million to support a customer-focused, mission-driven, and innovative workforce numbering just over 500 full-time equivalents. FTA manages approximately \$75 billion in active total grants and thousands of transit projects. A significant share of the costs for administering these grants are funded with Administrative Expenses that represent about one percent of FTA's total budget.

The FTA workforce will actively pursue improvement of its efficiency, effectiveness, and accountability through better planning for and managing of human capital, finance, procurement, information technology, and other mission support services. This funding will enable FTA to support safer transit while advancing a transportation system that helps the Nation remain economically competitive through strategic and common sense investments in our nation's urban and rural public transportation systems.

Emergency Relief and Recovery

Finally, while not part of the FY 2019 Budget request, FTA is moving aggressively to allocate the \$330 million provided by Congress in the recently enacted Bipartisan Budget Act of 2018 through its Public Transportation Emergency Relief Program. These funds will help support response, recovery, rebuilding, and resiliency for transit providers affected by Hurricanes Harvey, Irma, and Maria in Texas, Florida, Puerto Rico, and the Virgin Islands.

Thank you again for the opportunity to appear before you today to discuss the FY 2019 Budget request of the FTA.



K. Jane Williams

Acting Administrator

K. Jane Williams was sworn in as Deputy Administrator of FTA on August 21, 2017. As the second-highest ranking official within the agency, she helps lead an organization with over 500 employees that provides more than \$12 billion annually to support and expand public transit in the U.S.

Prior to joining the FTA, Williams was the Director of the Washington Area Transit Office in the Maryland Department of Transportation (MDOT). In that role, she managed the State of Maryland's significant investment in the Washington Metropolitan Area Transit Authority (WMATA) and worked with leadership to provide a safe, reliable, and fiscally responsible Metro system. In addition, Williams worked with locally operated transit services to coordinate grant agreements and state aid in two of Maryland's most populous counties. With her experience at MDOT and WMATA, Williams brings to FTA hands-on experience with two of FTA's largest grantees that together serve over a million passengers each day.

Williams previously served in the Executive Branch at the Department of Energy and Department of Labor under President Reagan and the Department of the Interior under President George H.W. Bush. She also served as a Senior Legislative Advisor in the office of U.S. House member Andy Harris.

Williams holds a Bachelor of Science degree in journalism from the University of Maryland, College Park. She currently resides in Annapolis, Maryland with her two daughters.

Updated: Friday, March 9, 2018

Mr. DIAZ-BALART. Again, thank you very much for your testimony. Let me start with Administrator Hendrickson and the Accelerated Bridge Construction has been touted as an innovative approach to reduce costs, time, et cetera. Now, I am sure you are aware of the pedestrian and bridge collapse in Miami-Dade County which was a horrible tragedy. Now, that was using prefabricated elements, a common technology under ABC Construction. Can you kind of provide us an overview of what Accelerated Bridge Construction entails and does it have a good safety record for bridges and that kind of—because obviously, that is something that left us all very shocked. And is this an anomaly or is this a problem? What are looking at? I mean, it is obviously a problem, what happened there, but I am saying, is this, you know, how safe is this process?

Ms. HENDRICKSON. Thank you for that question. Obviously, safety at the Department of Transportation and Federal Highways is the number one priority and any fatality on U.S. roadways is unacceptable and too many. However, Accelerated Bridge Construction (ABC) techniques have been tried and true, you know, across the country and are a key part of our every day counts program. They have been—we promoted accelerated bridge construction through this program since 2011 in various ways of delivering that model have been successful across the country. So, we continue to work very, very closely with the NTSB on their investigation on the FIU pedestrian bridge tragedy and look forward to understanding from that investigation the cause of the collapse and we will work very quickly to get that information out to the public to ensure that if there are any improvements to the process that those get communicated very quickly.

Mr. DIAZ-BALART. And I appreciate your agency's continued cooperation and work with the NTSB. We all look forward to that investigation. Because we ought to make sure that whatever we have to do to make sure that something like that is not repeated is done. So, thank you for that background.

Administrator Williams, we obviously recently passed the Bill that provided \$2.46 billion in capital investment grant program, which I mentioned before, a historic number. And again, it is to ensure enough funds are available to—for all the projects that are currently—have been executed, full funded grant agreements and for other projects that are ready and expecting grant agreements this year and so, I know—obviously, I know that you will execute this program in accordance to the will of Congress, but I just want to make sure that everybody is clear just for the record that is the intent of this Committee in Congress to have projects that have successfully gone through the FTA's rating and evaluation process. That they meet those requires. Again, that they receive an executed construction agreement. And so, we all want to see the qualified small start projects, core capacity projects, new start projects receive grants—those grant agreements.

Two weeks ago, when the Secretary Chao was here, she had reassured us that she would continue to move those projects through the pipeline and I just wanted to make sure that, that is your understanding as well and that is your commitment as well—

Ms. WILLIAMS. It is.

Mr. DIAZ-BALART [continuing]. To ensure that those projects continue to move through the process.

Ms. WILLIAMS. It is, Chairman Diaz-Balart. Thank you for the question. We are continuing to look at the FY18 Omnibus. As you mentioned, it is the historic highwater mark for the FTA and so, we are looking very closely at that and continuing the process for the projects through the program according to statute. And, of course, it always is our intent to follow the law of Congress and so, we will work diligently with project sponsors to move them through the program; through Small Starts; through New Starts; and Core Capacity.

Mr. DIAZ-BALART. And I appreciate that, so you are willing to obviously work with those sponsors to make sure they get their ducks in a row and then—

Ms. WILLIAMS. Absolutely.

Mr. DIAZ-BALART [continuing]. Right. And are you currently reviewing any applications? Do you know if your department is currently reviewing any applications and what the timelines may be for some of those reviews?

Ms. WILLIAMS. We do have a pipeline of projects that is 55 strong and those projects are all at different stages of the statutory criteria meeting those deadlines. And so, we are continuing to process those. As you may recall, we just signed three additional Small Start grant agreements earlier this month and so we are continuing to process those projects through the statutory requirements.

I have to tell you that when I came to FTA, you know, I was confronted with megaprojects that had lots of problems and severe cost overruns. And so, looking at projects, such as HART and MBTA and the like, we took a step back and said, you know, we have to be good stewards of the taxpayer dollar and to make sure that we know what the risks are and the assessments are done and that we truly put out the very best transit projects we can. And so that has been our commitment to do since I arrived in office.

Mr. DIAZ-BALART. Appreciate that. Let me also just—I am going to ask Mr. Valdao to take over the gavel for a little while, while the Ranking Member is recognized. There are a lot of other hearings going on, so I am going to have to step out to go to another hearing, but I obviously will return, so, Mr. Price.

Mr. PRICE. All right, thank you, Mr. Chairman. I am going to follow-up on your line of questioning and also the line of questioning we were pursuing with the Secretary when she appeared before the subcommittee earlier this month. And this would be focused on FTA.

As you know, members have been frustrated on this subcommittee when we have asked these questions about how programs are going to be administered and executed. So, we appreciate the chance to bring some further clarity to this today.

The Fiscal '18 Omnibus rejected the administration's approach to transit and I am sorry to see that approach repeated in the 2019 proposal, but I think we have spoken pretty clearly. We have a record amount, \$2.6 billion for capital investment grants. The Omnibus contained language that requires the FTA to allocate 85 percent of the funding by the end of the calendar year, 2019. I think

we know the importance of this investment. We have seen at Tacoma, other places across the country. Delays add costs; delays sideline well paying construction jobs. We need to make sure this program is expeditiously and responsibly executed. I am pleased with those small start agreements that you have begun to sign. When you refer to a pipeline of 55, I assume you mean all sorts of agreements.

When are you going to begin signing? Can you give more precise information when you are going to begin signing full funding grant agreements for new starts; for core capacity; and the remaining small starts projects? Let me just ask a question of questions here all at once and I will let you address them. Is there any policy, formal or informal, that would limit the number of grant agreements in a single state? Any policy we should know about there. I understand that the FTA undertook an extensive review of these projects last year, in fact you have referred to that. And can we expect a more expeditious process this year? So, I would appreciate your addressing these very specific timeline issues.

Ms. WILLIAMS. Thank you, Ranking Member Price. I am not aware of any policy that limits or caps a single state to a certain number of projects. That is not a policy that we currently live under in FTA, and so I would tell you that that is not something I have ever heard mentioned in any place in the Department.

What I would say is that, you know, what I was saying to the Chairman early on, you know, coming into FTA and being confronted with projects that have Full Funding Grant Agreements that are suffering serious cost overruns, and then with our first Small Start Grant Agreement to the Wave Streetcar Project in Florida, we were very concerned with that project moving forward, and has yet to move forward today. I understand that bids will be opened today, which is good news, and hopefully that project will be back on track.

But we have suffered about a six-month delay, and that is Federal taxpayer dollars that are waiting to be used, and are not available to be used for other projects. And so, a lot of these projects, as you can imagine, are quite complex and it is very iterative.

My staff at FTA is phenomenal at working with our grantees to make sure that we process those projects through the program and according to the statute. And we will continue to do that, as we look at each of the merits of the projects individually.

Mr. PRICE. Can you give us a timeline on when we might expect some of these FFGAs to be signed? Especially in the New Starts and core capacity areas.

Ms. WILLIAMS. As you can imagine, the Full Funding Grant Agreements are for the larger projects, the New Starts and Core Capacity tend to be much larger, obviously, than the Small Starts. And so they take a bit more time. I can tell you that I don't specifically have a project in front of me that is ready today for assigning of FFGA. And so when that occurs, we will continue to process that through the program like we do all projects, and we will continue to do that according to the statute.

Mr. PRICE. The 55 projects in the pipeline, and not one is ready today.

Ms. WILLIAMS. No, we have three that had just entered into engineering. We have one specifically in California that is nearing completion, that we will be looking at closely, in Orange County. We have two additional that are waiting to go into engineering, which is our last, you know, they enter into project development, and sometimes they spend two years in project development before they progress to the engineering side.

And so we, you know, work with them to get their funding plan in order and their project justification in order to make sure that they rate well in our program, and are eligible for funding.

Mr. PRICE. Are there any additional Small Starts that are ready to go, like maybe Tacoma? I understand Tacoma is more than ready.

Ms. WILLIAMS. It is, and we, in fact, are at the very end stages of reviewing that project, and I hope to have a very positive answer for you, soon, on that.

Mr. PRICE. All right. We look forward to that. This Omnibus language requiring FTA to allocate 85 percent of the funding by the end of the calendar year 2019, I assume that is well understood.

Ms. WILLIAMS. It is, absolutely is. And we will work very hard to meet that deadline, sir.

Mr. PRICE. Thank you. Thank you, Mr. Chairman.

Mr. VALADAO. All right. Well, I am going to recognize myself here for the next five minutes. I was next in line so. My question for Administrator Hendrickson. The Buy America Waiver, a city in my district applied for a Buy America Waiver back in January of 2017, to purchase a new lower polluting refuse truck with Congestion Mitigation and Air Quality funding.

I understand that this waiver was approved earlier this month, but only because it was submitted prior to the Buy America and Hire America Executive Order. The Federal Highway Administration has announced that it is reevaluating the Buy America Waivers for vehicles and equipment because of the Executive Order.

Do you have a timeline for when this evaluation will be completed, and how long it will take to determine vehicles and equipment waiver applications going forward?

Ms. HENDRICKSON. Thank you. Promoting jobs here in America is a huge priority for this Administration, and we take every application for a waiver very seriously, and judiciously review every single request to ensure that the maximum content of American materials is included.

And so, as we review these projects and materials in the waiver request, you know, we do so with the Executive Order, and the intent to promote American workers as a top priority. We did, you know, new guidance is under review as you mentioned, and we really hope to provide applicants with the questions, and that the information that we are hoping to receive from them in their application process, to facilitate the processing of those waiver requests, and anticipate that that guidance will be released very soon.

Mr. VALADAO. Any idea what that means, very soon? Is that a week, a month?

Ms. HENDRICKSON. Hopefully, within the next few months.

Mr. VALADAO. All right. Well, I appreciate that. And then on the FAST Act, the FAST Act made the movement of freight a top pri-

ority, a national priority of funded Freight Formula Program which is under the control of the states. San Joaquin Valley is the hardest of California's Central Valley, and contains 5 of the 10 most productive agriculture counties in the United States, and generates an enormous of agriculture, and other freight traffic.

What assurances can you give us that mostly rural areas, like the San Joaquin Valley, will receive a fair share of the National Highway Freight Program, and other formula funds?

Ms. HENDRICKSON. Absolutely. You know, the Administration is absolutely committed to promoting the movement of goods and services. We all understand that funding for infrastructure is critical to ensuring a very robust economy, particularly in rural America. So, in all of our grant programs, in all of our discretionary funding opportunities that we have, we take the rural component very seriously, and prioritize it as the main criteria, and just would reassure you that throughout all programs that we have, and we consider rural, particularly freight mobility in rural areas as the top priority.

Mr. VALADAO. I appreciate that. One of the things that we struggle with, and California is a little bit different than many other states because it is such a large state, sometimes we get overshadowed by the Los Angeles, San Francisco communities that have—I would say a larger population. And so we always want to make sure that when resources are going out to the governors, that states like California, we have a little more opportunity to fight for those dollars, because our communities always feel like they are overlooked, and we really struggle.

The Fiscal Year 2018 Omnibus Appropriations Bill added almost \$2 billion to Surface Transportation Block Grant Formula funds, the Act requires that 53 percent of the these funds are sub-allocated in the states by population, but the remainder can be spent anywhere in the state. What is the status of the distribution of these funds?

Ms. HENDRICKSON. I am happy to announce that those funds were distributed yesterday.

Mr. VALADAO. Oh, wow. All right. And again, this comes to the rural, can you give any assurances that rural areas would not be neglected in the spending of these funds?

Ms. HENDRICKSON. Sure. So, those funds go to the states, you know, through our formula program, and so it would be up to the states to make the determination where those funds are best utilized. We have, you know, the President's Infrastructure Proposal, and all of our grant programs do put a heavy emphasis on rural America, and projects in areas that you just described would be, you know, very competitive for those dollars.

Mr. VALADAO. All right. Well, thank you. My time has expired. I would like to recognize Ms. Clark for five minutes.

Ms. CLARK. Thank you, Mr. Chairman. And thank you to all the panelists for being here today. Admiral Buzby, I would like to follow up on some the questions I had for the Secretary of Transportation. And I really commend you and want to thank you for your commitment to the State Maritime Academies.

And in particular for your work to replace the TS Empire State, and the TS Kennedy at 56 and 52, even though I fall right in be-

tween those ages. These school ships are in dire need of replacement. And the good news is the FY'18 Omnibus included \$300 million to replace the TS Empire State.

And I understand this is a little different than the proposal that the Administration put forth, but I think it is a very positive step. I wondered if you could tell me where we are in the process. Is the design complete? Has a contractor been selected?

Admiral BUZBY. Thanks for the question, and I am very excited to talk about this, this is, building a large ship in the United States is a big deal, and we are especially pleased it is going to be a training vessel. This country has never had a purpose-built training ship, so this will be a real first, and I really appreciate the generosity of Congress to put this appropriation in early.

So, where we are in the process? It is a very mature design, again, Congress has funded us pretty well over the last several years to do that design work, and so consequently we are in a very good place to go into construction true to design. Where we are going to go with this immediately is our acquisition plan, which has not been fully approved by the Secretary yet, but the concept is that we will have a ship construction manager who will actually oversee the construction.

And this ship construction manager, which will be led by a contract, will actually be a U.S. shipping company who has recent experience building a ship in U.S. ship yards.

Ms. CLARK. You anticipated another question. That is great.

Admiral BUZBY. So, there are several of those companies. We have recently built a lot of new Jones Act ships, large tankers and containerships, so we have—actually we have some company with very recent experience, current experience in working with our U.S. shipyard, to build a fairly large ship.

So, we will have that ship construction manager oversee the actual construction of the ship. We will have a separate contract for what I would call a QA, quality assurance technical overseer, who will ensure that all the design standards are being met, and all of the safety standards are being met. Both of those will report to our Program Office in the Maritime Administration.

So, timeline wise, we are going to have an Industry Day here next month, where we invite all interested parties to come over to our headquarters to look at the design, and talk about our acquisition plan.

We hope to get that construction manager under contract by mid-summer, and we hope to then, you know, let the construction by the very first part of the calendar next year, and then step right up. And then it will be about a 26 to 28-month construction time, once that contract is let.

Ms. CLARK. Great. And I know that the funding is for the TS Empire State, obviously, from Massachusetts, I would love to see the TS Kennedy go forward as well. And I think we have had some good discussions. We know that would need to be another \$300 million that is appropriated in FY'19. But I wondered if you could talk a little bit about what the cost savings would be, if we were able to do these two ships at once.

Admiral BUZBY. Yes. Our estimates are at this point, that if we can get to a two or a three-ship build, that the second ship, if we

can procure two together, that would get the price, the unit price down from about 300 to about 280, or so, and we are looking at probably 260, if we can get, you know, further ships under that sort of contract.

So, it will all depend on the learning curve of the yard that gets chosen ultimately, but if it follows any other shipbuilding procurement program, we will see some definite savings in multi-ship procurements.

Ms. CLARK. Great. Thank you very much. And a brief time, maybe we will have a second round, but I will leave it at that, and hopefully we will have a second round. I am getting the nod to go ahead.

So, I did want to—you mentioned it in your testimony, your written and verbal testimony you gave today, but I just want to say, my continuing concerns about the sexual harassment and assault claims at the Merchant Marines.

When we look at the report that came out, and less than half of the goals that were set were met, there were key hiring positions that were not filled in a timely way.

I understand that you acknowledge there is work to be done, but I did wonder at this point, the State Maritime academies are not subject to Title IX, and unlike other service academies, are not subject to the uniform code of military justice. Do you believe it is time that Congress made those changes?

Admiral BUZBY. Well, but Kings Point is not subject to Title IX, as you suggest. I think it is probably time to take a good look at, you know, our process. We do have a process and it does work. I mean, there was a recent court ruling actually last week, that verified the process that we do have in place is constitutional, and it does uphold, you know, all rights of all parties concerned.

But we are the only academy, Federal academy that is not under UCMJ, so we are an outlier in that respect. It is not as easy just to say, okay, we are going to go under UCMJ, there are a lot of pieces that have to be done. I think it is probably worthwhile looking in detail at all of those things that would be required to do that.

I think Title IX is not a good fit at all, just the elements of it don't really fit at all. UCMJ is probably a closer achievable goal, but we still need—there are many things that have to be considered before we go and just say, let us go that route. So, yeah, a study is probably worth doing.

Ms. CLARK. Okay. Thank you. Thank you, Mr. Chairman.

Mr. VALADAO. I would like to recognize Mr. Aguilar for five minutes.

Mr. AGUILAR. Thank you, Mr. Chairman. You look pretty comfortable in there. A lot of people had to get sick this morning, in order to for you to be there though. I just want to point that out. So, saved by the bell, here.

Thank you, folks for being here. Thank you for your generosity, Mr. Chairman, and for not recognizing yourself before my turn.

Administrator Hendrickson, fiscal year 2018 will be the first year of the Nationally Significant Federal Lands and Tribal Projects Program will be funded. The Omnibus appropriates \$300 million

for the program, which provides funding for the construction rehabilitation of transit projects on tribal lands.

In the district I represent there are tribes, and in California and throughout the Southwest there will be tribes who are interested in taking advantage of this program. How do you plan to administer the program, and what factors would be used in awarding a grant? And when do we expect the NOFO to be published?

Ms. HENDRICKSON. We are working very hard right now on putting all of the components necessary for the NOFO together, and as you said, \$300 million was allocated for the Nationally Significant Federal Lands and Tribal Projects Program in, again, like the first time that it has been funded.

So, we anticipate that NOFO will be ready very soon. The requirements are that it is, you know, a minimum of \$25 million project, and that NEPA has been completed. So, those will certainly be aspects of the NOFO when it is released.

Mr. AGUILAR. And those are some of the larger aspects of the program?

Ms. HENDRICKSON. That is right.

Mr. AGUILAR. And in California, as you know, we have utilized programs in the past that have allowed us because we have a more rigorous sequel process, environmental clearance. Will that same type of discussion be allowed in coordination between NEPA and SEQUA as you have in normal transportation projects?

Ms. HENDRICKSON. We will definitely consider that as a part of our consideration of the project.

Mr. AGUILAR. Okay. I appreciate it. One more question, I guess, broadly on tolling, in the White House National Infrastructure Plan, they proposed that states receive more flexibility, authorized tolling on interstate highways. The report states that tolling might serve as a major source of revenue for infrastructure investment, and indicates that tolls have the ability to generate additional funding for infrastructure projects.

If a state authorizes and moves forward with tolling on interstate highways, what type of oversight regulations do you think are appropriate for the Department and agencies to implement, in order to provide that fair oversight that is necessary?

Ms. HENDRICKSON. The President's Infrastructure Proposal does suggest that restrictions on tolling existing in interstates could be lifted if deemed appropriate by the state, so it would be a state decision to determine whether that was appropriate for that state.

Those funds would then be required to be reinvested into the infrastructure for, you know, maintenance of those facilities or other facilities that are eligible for Federal-aid funding.

Mr. AGUILAR. If asked, what does that mean? What types of safeguards can we put into law, or at the Department level to ensure that those dollars do go back? I mean, just a highlight. I mean, we always just want to be very careful if we are mixing Federal dollars with, in some cases, you know, local transportation dollars as well, if there is self-help communities like many.

In our communities some states have had mixed results with tolling as well. Some are supporters of it, and some have had negative experiences. So, what other types of things should we be looking at

from the policy perspective to ensure that those dollars do go into those programs?

Ms. HENDRICKSON. So, I would just offer that, you know, at Federal Highways, we have offices and professional staff in every state. And those employees work very closely with our state partners to administer the Federal-aid Highway Program as it exists today, to ensure that the investment of those Federal-aid dollars are in line with the law. And so I fully anticipate that oversight can be accomplished within the existing structure of the Federal Highway Administration. Having our staff that are located in each state to oversee the administration of those funds would be appropriate.

Mr. AGUILAR. I appreciate it. Thanks for the interest. Thanks, Mr. Chairman.

Mr. VALADAO. Thank you, Mr. Aguilar. I would like to recognize Mr. Young for five minutes.

Mr. YOUNG. Mr. Chairman, thank you. You look different, more hair I think.

Mr. VALADAO. Oh.

Mr. YOUNG. Thank you for being here. I appreciate it. You know, the Highway Trust Fund hasn't been self-sustaining for quite some time now, resulting in several years of general fund transfers to make up the coupling of a stagnant gas tax, and emerging technologies.

From your view, what is the best way to addressing the shortfalls in the Highway Trust Fund? And I want to preface with this that, we have got a lot of new technologies out there, and not everybody is—I don't believe everybody is paying their fair share into the Highway Trust Fund who is using our roads and bridges.

And I think it should be pay-to-play kind of system. If you are going to use it, you should pay into it. I know a lot of times you will look to Congress to solve these problems, but we need a partnership here, we need some ideas on how to make sure that this fund is going to be there. Are you working internally on any kind of solutions on this, and what are conversations, and how can we work together to make sure that this is sustaining?

Ms. HENDRICKSON. So, the Highway Trust Fund is projected to have enough cash to cover expenditures through fiscal year 2020. As of March of 2018, the total balance in the Highway Trust Fund is about \$52 billion, and \$38 billion of that in the Highway account. The Administration is, you know, committed to considering all options for the——

Mr. YOUNG. How about promoting any options?

Ms. HENDRICKSON. At this point, all options are on the table. We do have a grant program within Federal Highways, the Surface Transportation Systems Funding Alternatives Program. It has awarded 15 grants since its inception, totaling about \$30 million that looks at creative funding mechanisms for transportation infrastructure.

Mr. YOUNG. When will we have some findings on that?

Ms. HENDRICKSON. We have just issued a Notice of Funding Opportunity in April for this round of grants, and approximately \$18 million is available this year for an award, and applications are due to us by July 15th. We continue to be——

Mr. YOUNG. And so their findings would take two, three years, or in ten years? What is the timeline we are—

Ms. HENDRICKSON. We anticipate that the results from some of past studies will be available in the coming year, as we continue to develop outreach efforts and, you know, we work with our different stakeholders including states to advance some of the ideas that they put forward in their grant awards.

Mr. YOUNG. Thank you. Regarding the FTA, as the transportation and kind of mobility landscape changes, what regulations and reporting changes is the FTA considering to make public-private partnership easier for public transit agencies?

Ms. WILLIAMS. Specifically, I mean, we are looking at value capture as one of the areas where we can really increase what transit actually is already doing, and by doing so, between that and the expedited project delivery, being able to produce and get projects funded quickly and on the street quickly, being able to draw some of that private investment into transit. And so we are working very closely with our partners to do that.

Mr. YOUNG. So, you have expedited and non-expedited? I mean, why isn't it just expedited?

Ms. WILLIAMS. The expedited pilot program is actually something that in the present infrastructure, you know, most of the infrastructure plan talks about a lower Federal investment. In the Expedited Project Delivery Program we actually increased that to a 50 percent share from the Federal Government in order to entice projects to come into that program.

And it has been authorized for quite some time, but we have never had anyone interested. And so, now I am happy to tell you that we do have grantees that are interested in coming into that, so it is an expedited delivery within 120 days, and a maximum share of 50 percent. And so we are waiting for those grantees to come to us with those expedited projects, so that we can consider them.

Mr. YOUNG. Okay. Is there consideration of allowing public transit agencies to count the rides that come through public-private partnerships as part of their NTD, their National Transit Database reporting?

Ms. WILLIAMS. I would have to ask about that. I am not sure if that is underway or not, but I would be happy to get back to you on that.

Mr. YOUNG. Do you have any reason why it shouldn't be counted?

Ms. WILLIAMS. No. No, I do not.

Mr. YOUNG. Okay.

Ms. WILLIAMS. I just want to confirm that that is the case.

Mr. YOUNG. All right. We will follow up on that. Thank you for being here, everybody.

Ms. WILLIAMS. Okay. Sure.

Mr. YOUNG. Thank you, Mr. Chairman.

Mr. VALADAO. I would like to, one, thank you for that compliment earlier. Admiral Buzby, the Fiscal Year 2018 Omnibus provided 121 million for United States Merchant Marine Academy, including 52 million to address the Academy's capital improvement plan, and backlog, and maintenance repairs.

I know Ms. Clark mentioned some of the boat, or at least one ship. But how will this funding impact the Academy and the cadets, and what projects will this address?

Admiral BUZBY. Thank you for the question, sir. This was a very big, important plus up for the Academy. We have had a capital improvement program that we have been embarking upon for several years now. We have gotten through all of our barracks, and upgraded all of them.

Our Mess Hall has been redone, and now we are beginning to work through our academic buildings. Because of the amount of space limitation we have, we have only been able to do one project at a time, because we could only displace one set of laboratories, classrooms, that sort of thing, at a time. So, we have been in a sequential sort of mode.

This additional funding gives us the ability to now do a lot of projects in parallel. We can get after some of the other priorities that we need to get after including completely revamping our medical center, the hospital, that is in significant need of upgrade and modernization, it allows us to get after construction with student activity center.

The current one is in a house that is over 100 years old, becoming very difficult to maintain, and quite frankly we have outgrown it. So, it gave us the ability to do that, and also to construct a new field house.

Again, our current facility, while it has served us well since 1943, it has been there since 1943, and we need, you know, some modern facilities, plus infrastructure, there is you know, just basic utilitarian sort of work that needs to be done. So, this plus up enables us to get after those in a real way, and really upgrade the facility.

Mr. VALADAO. Any specifics on ships as far as revamping or purchasing new ones?

Admiral BUZBY. No. To this point, we have a different training model. Our midshipmen go to sea in the U.S. maritime industry, so they take advantage of actual working merchant ships out in the fleet. We have a smaller training vessel, the training vessel Kings Pointer, which is used for more local, weekend, daily sort of operations to build seamanship skills, and we also use it when we need to, to make sea days if people fall short. So, it is well suited for its operations, so we really don't need a large ship at Kings Point, it is just a different training model.

Mr. VALADAO. And have you analyzed the effect that the 52 million will have on the backlog in maintenance and repairs?

Admiral BUZBY. We have, it is going to enable us to really take a big bite out of that, and address some serious shortfalls that we have had and the maintenance of this 75-year-old plant. This year is our 75th Anniversary of opening the Academy, and a lot of that infrastructure is that old or older. So, this enables us to really get after some of those real key investments that we have to make to keep that plant current.

And quite frankly, as a place where mothers are going to want to send their kids. I mean, when they look at our campus, compared to other places, you know, you can see where there has been some need, this will address that need.

Mr. VALADAO. And then you have provided a little bit of a—the subcommittee with some of the updates on the projects that are being addressed. Is there a chance, or can you update the Committee on some projects that still need to be addressed? This will be important on the fiscal 2019 process.

Admiral BUZBY. The—on our current priority list of capital improvements, the field house that I mentioned with the investment that we have earmarked right now, is just to do the engineering and planning for it—not the actual erection of the facility. So, that is going to have to be addressed in the future budget considerations. And there are a couple of other smaller ones that we have to kind of get after, but that's probably the major big one that was still on the outside of our current plan.

Mr. VALADAO. All right. Well, thank you and I am going to go ahead and recognize Ranking Member, Mr. Price.

Mr. PRICE. Thank you, Mr. Chairman. Let me pose a question to all three of our witnesses involving transportation technologies and cyber security. We all know that these technologies portend an exciting future for transportation. We often focus on autonomous vehicles and unmanned aircraft, but really they are new transportation technologies that are going impact every mode of transportation. They are going to depend deeper communication between the many complex participants within each mode. If communication networks are not properly secured, these advanced transportation technologies could become an appealing target for cyberattacks and cyber vandalism.

Already, we have read of incidents and with electronic message signs and ransom wear on transit system computers. Failing to address these issues could lead to catastrophic consequences in the future. So, I do want to ask each of you, what steps are your administrations taking to ensure that new transportation technologies integrate cybersecurity into the design from the very beginning? And what efforts are you taking to ensure that legacy systems become cybersecure? Why don't we start with MARAD.

Admiral BUZBY. Thank you, Sir. It is a great concern for us, especially in the area of autonomous vessels and limited manning type vessels. Most ships today sailing seas rely on GPS position technology. A GPS signal is a very weak signal and it is very easily spoofed; it is very easily interrupted, which in a ship that is operating autonomously could lead to some pretty dire consequences. So, this is a major concern that as we are looking down the road and working with industry and potentially moving into more autonomy in vessels, we have a working group with a couple along with the Coast Guard and industry to look at specifically how we address this sort of threat going down the line. It already exists in the maritime world. In Maersk Line, just last summer, suffered over a \$300 million hit to their terminal operations due to a cyber hack. So, it is a very real issue and most companies, although they believe they have fairly good security, really do not. And where it gets even more critical, is those civilian companies are the ones that carry—are going to carry the majority of our sea lifts in a time of national emergency or crisis. We do business with them, DOD and MARAD do business with these companies and so, our systems

interface with their systems and leads to some potential significant vulnerabilities.

Working alongside U.S. Transportation Command, we are proactively looking at information sharing regimes where if one operator sees an attack and can notify everybody else to get their guards up and also, how we work through the continuity of operations sort of thing. So that if someone does get attacked and our systems do go down, how do we fight through? How do we continue to deliver the goods to our soldiers and sailors? So, it is a real challenge for us in the maritime world.

Mr. PRICE. Thank you, Ms. Hendrickson.

Ms. HENDRICKSON. So, this is obviously a big concern in an area where we are—the technology is rapidly progressing in terms of what we have done so far. We have had several stakeholder events at DOT, including industry, academia and the government to look at issues surrounding autonomous vehicles, including cybersecurity. At Federal Highways, we recently issued a Request for Information that will hopefully gather input from industry; from planners; from government officials that will then inform us regarding what the needs are and how best to prepare for this technology that is coming. And then, we do plan several listening sessions for the remainder of this year at various locations across the country that will include, you know, getting feedback and information from industry and academia to further advance our work in this. We have an ongoing research project within Federal Highway regarding AV as well. So, this is absolutely one of the key priorities of the Department and cybersecurity is absolutely a big concern of all of ours.

Mr. PRICE. Thank you. Ms. Williams.

Ms. WILLIAMS. Absolutely. Our innovation office is working on this issue as we speak to address how this plays out in transit specifically. We do have demo projects out on the street now that will continue to look for areas to address the threat of cybersecurity. We just issued, about six months ago, two requests for comments. Those comments from industry on how AV plays in the transit space and what we need to work in industry in order to look at cybersecurity specifically, but also other areas of concern within the industry with regard to AV and I will not repeat what my colleagues have said regarding the department's lead on this in AV Summit that we have had. So, at the risk of being redundant.

Mr. PRICE. All right, thank you. There is no question. This is a critical area and if any of you want to supply for the record, an elaboration of your remarks or complementary information that, that would be helpful. We need to have a good benchmark going forward of the range of these efforts. Thank you. Thank you, Mr. Chairman.

Mr. VALADAO. Thank you, Mr. Price. I would like to recognize Mr. Young.

Mr. PRICE. I just want to follow-up. Thank you, Mr. Chairman. I just want to follow up on Mr. Price's—where he was—where I want to take this now with his lead. And that is, with the autonomous vehicles, cybersecurity, information networks, these vehicles have to talk to one another. Are you working with the FCC as well to make sure they are the proper and clear in communications

routes; whether it is white space of the spectrum to make sure everybody can talk to one another? Because when you have these working groups, it is great with the industries and the private sector out there. They are pushing these new technologies, but there has got to be a way for everything to talk to one another. How is that being integrated and how are you working with the FCC or any other government agency for that matter to make sure that can happen fluidly and safely?

Ms. HENDRICKSON. I am not personally aware of the interaction that's been ongoing on with the FCC on this issue. I know——

Mr. YOUNG. Do you think it is pertinent or then—I'm just——

Ms. HENDRICKSON. I think it is certainly, you know, worth—important to explore all the issues surrounding that, so, yes, I think it is pertinent. Within Federal Highway, I would say though that we are working very closely with industry, but also making sure that we understand from the government planning side and really understanding what the needs are so that we can plot a path forward without stifling innovation.

Mr. YOUNG. Any other comments from anybody else on that? That's fine. Thank you, Mr. Chairman.

Mr. VALADAO. Thanks, Congressman Young. I would like to recognize Ms. Clark, 5 minutes.

Ms. CLARK. Thank you, Mr. Chairman and at risk of a very bad pun, I see our seniority on this Committee is on the fast track today. Admiral Buzby, I would like to go back for a second to some of the concerns at the academy around sexual assault and harassment. And in light of this report's conclusions that you received earlier, are you confident about the students will be adequately protected during this year's Sea Year Training Program?

Admiral BUZBY. Yes, ma'am. The short answer is absolutely. I have great confidence that they are in a secure environment right now. We have been very meticulous in our vetting of the companies and there are 17 companies right now that are cleared to carry our mid-shipmen during sea year. We have personally vetted all of their programs to ensure that they meet our standards. We meet with the management of those shipping companies. And by and large, I must say, they have great programs in place. I think there is renewed emphasis now. I think our mid-shipmen are going to sea better equipped, better educated and better understanding of the environment. We are equipping all of our midshipmen here beginning this fall with satellite communication devices so that if they get into a situation far from port, they can call back to the Academy and seek some assistance or report their situation.

Ms. CLARK. And what would the protocol be when they're—something happens? It is a great improvement. I'm glad to hear you are going to have the satellite communications by the fall, but then what happens when these calls are made? What plans and procedures have been put in place?

Admiral BUZBY. So each midshipman basically has a—is assigned a mentor when they arrive at the Academy. Someone on the staff or faculty that they are assigned, but then they can develop a relationship with their—on their own. So, while they are at the Academy, if they have an issue, they can go to this mentor. When they are away at sea, currently, the way the program works now

is there is a ship's officer on the ship that is designated as their mentor. We are modifying that now with the introduction of the satellite communication, so that ship can reach back to their academy mentor and have that same relationship. So, if they have a situation, they can call that person up and say, "I am having a problem out here at sea," and those mentors are trained to reach out to the sexual program coordinator at the Academy and that then, starts a process. And the midshipman has a choice of making either a restricted or unrestricted report. That is entirely up to them. Whether they—if it is restricted, they just note that something has occurred, and it is—there is no further action. It just enables them to receive support. If it is an unrestricted report then, an entire investigative process begins, with potential for all the way up to prosecution. That is up to the individual, the shipman, but to get back to your initial question. I am very confident that we are putting our midshipmen into a safe environment.

Ms. CLARK. And are the protocols that you just described, are those new? Have you made changes to those?

Admiral BUZBY. The—in terms of the mentor?

Ms. CLARK. The mentor and sort of the process after one of these—the restricted and un-restricted—

Admiral BUZBY. That has been in place, you know, kind of from the beginning. We have modeled our program after DOD's program for restricted and unrestricted, so there is good continuity there. There is a good understanding of how that all works. Just for instance, this academic year since August, we have had 12 reports—midshipmen have reported 12 instances, four of which were at sea; eight of which were not at sea. Some restricted. Some unrestricted. And all of those have been adjudicated. I think the positive news there is that is the most reports we have had in, I think, ever. And what we believe that portends is there is increased trust in the system. The shipmen feel more trusting that they are going to have their case represented properly and have it followed through. Plus, their peers are going to support them more. I mean this has been the instance that we have seen at other service academies in the services that they have initial uptick in reports and then it dives—the reports go down, the drives and the incidents are down as well, so we think we're on the right track and the midshipmen have confidence in the system going forward.

Ms. CLARK. Thank you. Thank you, Mr. Chairman.

Mr. VALADAO. Thank you, Ms. Clark. I would like to recognize Mr. Aguilar for 5 minutes.

Mr. AGUILAR. I am happy to defer to the Chairman who is sitting in another seat if he has anything else that is—I did have just one more question, Mr. Chairman. I will not take up much time here. Administrator Williams, with respect to the capital investment grant program and FTA, it is the largest and most important discretionary program in my opinion and I just wanted a little more clarification on the CIG Grants because they do use and I mentioned to this Secretary Chao, existing population density is a criteria and one of my concerns with that is how we address kind of growing communities. Populations and regions that are growing in nature rather than looking out of the rearview mirror and saying what is the population last year or the last census, you know, how

do we capture those growing communities? In the region of California that I represent, it is the fastest growing in California of 4.4 million people. It has doubled in the last 15, 18 years. It is projected to add 30 percent and go to 7 million; from 4 million to 7 million by 2046. So, I just want to make sure that when we look at these issues of population density that we are accurately reviewing those growing communities and making sure that they are given a fair shot when it comes to the allocation of CIG dollars. Is that—I do not have a question in that, but do you have a comment, or a reflection based off of that?

Ms. WILLIAMS. Yes, I do. Thank you, Congressman. What I would tell you is that where the density is growing, the projects that come into the CIG program are judged on project justification in addition to their funding plan. And so, where there is discrepancy, I think at times when you have growing communities, they overscale their project. So, they do not scale it to the ridership that they have and they look at—too far in the distance of what ridership they think they will have and that causes the cost benefit analysis to go down, the mobility number to go down and the ridership number to go down. And then, it is not as competitive in the CIG Program. So, I would say low density areas can compete, but you have to be very certain that you scale the project to the need you have because that project can continue to grow as your community grows, but if you try to project what the community will look like 10 years from now, it is not going to rate well in the statutory criteria in the program. Does that help?

Mr. AGUILAR. Is there—yeah. Is there a way that we could better reflect that from a statutory perspective like, that kind of forward-looking, rather than the static look?

Ms. WILLIAMS. Well, I think our FTA staff is happy to work with your staff and I realize that you had a project in your area I think that has requested now to be withdrawn, so my understanding is maybe they are going to retool that with that kind of principle in mind and we are working very closely with them to do that. So, I think you just need to make sure that the project you put forward is not looking too far in the future of what you think you will need, but basically what you think you have right now and you can actually stand behind. So, that cost benefit analysis is strong and the ridership and the building numbers are strong as well.

Mr. AGUILAR. Okay. I appreciate it. Thank you.

Ms. WILLIAMS. sure.

Mr. AGUILAR. Thank you, Mr. Chair.

Mr. VALADAO. I would like to recognize the real Chairman, Mr. Diaz-Balart.

Mr. DIAZ-BALART. Thank you. Thank you, Chairman and thank you for doing this. I know that, by the way, nobody would ever make a joke while I was gone about the lack of hair. I know that. Of course not, but Admiral, let me ask you about Samaritan will first replace the Empire State, right? A 56-year old steam propelled ship which I thought was—when I read that I frankly was shocked. Again, serving in the State University of the New York Maritime College, I understand that if the subcommittee were to include additional funding for a construction of another ship that the next ship would replace the Kennedy, which again is a 51-year old

steam propelled ship as well. Serving at the Massachusetts Maritime College. Does MARAD have a school ship replacement order? And if so, what criteria is used for that to determine the order of the state—the 6-state academies that will receive the new ships and finally, did MARAD coordinate with the State Maritime Academies on that?

Admiral BUZBY. Thanks for the question, Mr. Chairman. We are very excited to even be talking about replacing school ships. This is not a conversation that has been had in a long time and it is long overdue. The good news is we are going to town on getting the first ship contracted for and built. As you point out, we will go to New York to replace the oldest and largest of our training vessels. In all likelihood, the second ship will go to Massachusetts to replace Kennedy which is the second largest and second oldest ship. And these two ships are important, not only because they are the last two steam ships. It is becoming increasingly difficult to maintain and find operators for them. But also, because they represent so much of our training capacity. We swap and help out the other schools from time-to-time. For instance, Texas Maritime, we are taking—using the Kennedy to take Texas Maritime cadets out on their training cruise this summer. So, that capacity is really important, and we count on it. If we were to lose one of those two ships, it would cause us great difficulty. So, those are the easy first two ships to pick.

After that, Maine, Texas and California would be the next three that we would have to sort out which ones would go next. The Maine ship and the California ship are sister ships. They were built in the '80s. They are diesel driven. They are in relatively good condition. The Texas—but they are also half the capacity. They have 300—approximately 300 people per—which fits those two academies very well. Texas is operating a very small ship. It used to be the former training ship at Kings Point, as a matter of fact. But it can only take about 50 people at a time out, which doesn't meet their needs. They need about a 300-person ship also.

So—but they have some constraints down there. The physical place where their ship berths is very shallow. So, there is significant dredging that would have to occur to accommodate a larger ship.

There are faculty which the faculty typically operates the ship. Their faculty is not of sufficient size to man a larger ship, plus just the operating costs annually for a large ship, you know, would have to be tackled. So, the answer to your question is we are going to have to look and factor in all of those factors, the material condition of those ships when we get to that point of having them replaced to see where the major—the most benefit will be to put that third, fourth, hopefully, fifth ship down the line.

Mr. DIAZ-BALART. Admiral, while I have your attention, if I may, Mr. Chairman, in the Omni, the 18 Omnibus, we complete full funding to complete the decommissioning of the nuclear ship, Savannah. Can you give us a status of that project? When it will be completed, et cetera?

Admiral BUZBY. Yes, sir, Mr. Chairman. That is a 7-year project. It is not an insignificant task to decommission a nuclear vessel. And—but we have a plan. We have been working very closely with

the Nuclear Regulatory Commission on that plan. We are in the first phase of that plan. There are three phases.

The first phase, there is a two-year period where we essentially prepare and get all of the licensing and requirements in place. The funding that Congress just provided in '18 covers Phase 2 and Phase 3 out to that 7-year point. So, it is the majority of the industrial work that has to occur and then kind of what I would call the paperwork, sort of clean up. So, we anticipate finishing up Phase 1 in the latter part of calendar year '19 and then we will go right into Phase 2 which is the industrial work. The actual getting into the reactor vessel itself; removal of the pipes; removal of all of the interferences that, you know, were part of the nuclear circuit. We require a dry docking, so it is a fairly significant period, but again, we have that all now funded so we can actually carry that out and close out our license. I am actually the license holder for the—for that vessel. So, we need to go by Nuclear Regulatory Commission rules. We have to be finish by 2035, which thankfully now, we will be finished well in advance of that.

Mr. DIAZ-BALART. And Mr. Chairman, if I may just for a few more seconds and we thank you. Again, I apologize to everybody, I did have other Subcommittees that are going on at the same time that I had to go to, but again and thank you, sir, Mr. Valadao, for doing a great job chairing it. You do not look as good as the regular Chairman, but you did a great job chairing. So, thank you.

Mr. VALADAO. From what I understand, I have a little less hair from all the comments I have gotten. I want to thank our Panel and DOT staff for your answers and participation. The Committee staff will be in contact with your budget office regarding questions for the record and I think we did have one member that wanted to show up, but I just saw that he is on the floor speaking as we speak. So, if you would please work with OMB to return the information for the record to this subcommittee within the 30-days from Friday, we will be able to publish the transcript of today's hearing and make informed decisions when crafting the Fiscal 2019 Bill. With that, the hearing is adjourned.

Federal Highway Administration, Federal Transit Administration, and Maritime Administration
Fiscal Year 2019 Questions for the Record
 Chairman Mario Diaz-Balart
 Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
 House Committee on Appropriations

Diaz-Balart #1

FHWA: Advanced Technologies for Transportation Infrastructure

As Congress develops legislation to provide a significant investment in our nation's infrastructure, there is a once-in-a-generation opportunity for the federal government to accelerate the transformation of the nation's engineering and construction industry by providing incentives to adopt modern, commercially-proven, and competitively acquired digital technologies and processes for infrastructure projects. This transformation will yield significant savings not only for new spending, but for existing funding as well.

The rapid development of information technologies and technological advancement in heavy roadway construction equipment and processes are dynamically changing how we plan, design, construct, and maintain a world class transportation system. While the Federal Highway Administration (FHWA) Every Day Counts (EDC) program has dramatically increased awareness of geospatial collaboration, 3D engineered models, and e-Construction over the past few years, some overarching challenges such as data exchange and standards have surfaced and require national leadership and attention to better deliver construction projects.

Question: Would you agree that the engineering and construction industries have not adopted modern computer and digital processes to the maximum extent, unlike many other U.S. industries?

Answer: The FHWA partners with State Departments of Transportation and other key stakeholders to advance innovation in the transportation engineering and construction industries. The FHWA has sponsored and conducted research in engineering automation, data integration, augmented reality, digital project delivery, 3D digital modeling, automatic machine guidance, intelligent construction systems, geospatial tools, and assessing return on investment of paperless project delivery (e-Construction). For example, FHWA is now working to advance Building Information Modeling (BIM) for Infrastructure, which will support the transportation industry's desires to move to the next level in maximizing use of geospatially referenced digital data using modern computer and digital processes.

Also, FHWA has accelerated the adoption of proven and market-ready digital technologies and processes through the EDC program. The use of 3D Engineered Models, which centers on the uses and benefits of 3D technology and emphasizes how 3D models can make construction more efficient, cost-effective, and safer, was promoted under rounds 2 and 3 of EDC. The number of States implementing 3D engineered models has tripled from 9 to 29. In addition, the use of e-Construction, which leverages an electronic project document management system to replace paper with common technology tools to improve workflow and save time and money, was

promoted under rounds 3 and 4 of EDC. As of December 2017, 42 States have advanced e-Construction tools into standard practice.

Question: Does the Department believe that if digital construction technologies and processes were more widely used that there could be significant cost and schedule savings on most if not all federally funded transportation projects?

Answer: Digital construction technologies and processes have great potential to increase the efficiency of highway construction. Cost and schedule savings accrue by leveraging data throughout the design and construction process, and by modeling project designs for potential conflicts prior to beginning construction. The FHWA continues to work in partnership with State Departments of Transportation and other key stakeholders to advance digital construction technologies and processes. Under the FHWA Every Day Counts program, significant advancements in 3D engineered models and e-Construction technologies have moved into practice nationally.

Question: How would you characterize the adoption of digital construction processes and systems by the States? Is it uniform?

Answer: State Departments of Transportation serve as incubators for innovation and develop noteworthy practices to address a wide range of unique local, regional, and national needs. Some States are further along than others, as each State has their own requirements and processes. Under the FHWA Every Day Counts program, FHWA has developed fact sheets on 3D engineered models and e-Construction, and conducted peer-to-peer exchanges and webinar series to share successful practices and to encourage uniform approaches for adoption.

Question: What actions do you plan to take to require State Departments of Transportation to use digital construction processes and systems in their Statements of Work for federally funded transportation projects?

Answer: FHWA does not require State Departments of Transportation (State DOT) to use digital construction processes and systems for federally-funded transportation projects. However, FHWA works in partnership with State DOTs, conducting national, regional, and peer-to-peer workshops to raise awareness of what peer organizations are doing, and raise capacity of State DOTs to implement such processes and systems. The FHWA is also taking steps to provide national leadership with Building Information Modeling (BIM), which is expected to allow partners to work more collaboratively and productively so that the market will drive States' implementation.

Question: What is being done by the Department to facilitate the exchange of construction project management and oversight data between construction and engineering contractors, State Departments of Transportation, and your Department in a common format?

Answer: As part of the Every Day Counts (EDC) initiatives, FHWA has promoted greater partnering between State DOTs and contractors using important project data. In addition, FHWA continues to develop a framework for a common data language and structure that will allow all project stakeholders to communicate project information more efficiently. The FHWA is engaged with State DOTs and other key industry groups through a wide range of technical committees and groups to discuss and advance construction project management and data standards.

Question: What funds are included in your fiscal year 2019 budget request to Congress specifically to encourage or require State Departments of Transportation to use digital construction processes and systems? How much is actually needed to accomplish this objective?

Answer: The FHWA has requested about \$1.2 million in the FY 2019 budget to support digital construction processes and systems activities. The funds are requested as part of the Research, Technology & Education (RT&E) Program. The RT&E Program is the primary means for developing and advancing transformative solutions that address real-world transportation issues to support and improve the transportation system. This funding will be used to assess the return on investment for the implementation of digital construction processes and systems, and advance their implementation and integration into asset management practices.

MARAD: Maritime Security Program (MSP) Global Intermodal Networks

Question: Administrator Buzby, the Maritime Security Program (MSP) provides for a fleet of 60 U.S.-flag vessels operating in international commerce that is more cost-effective than the Government trying to build, maintain, and operate an equivalent vessel capability. In addition to the vessels, which are essential for sealift, those MSP carriers provide a global intermodal logistics network that is available to the Government in time of need or national emergency, as well as provide jobs for American citizen crews that man the government-owned reserve fleet. I understand the value of those private ships and their networks could be in the tens of billions of dollars. Can you elaborate on the value of the MSP carriers' global networks to the U.S. Government?

Answer: The MSP is the heart of U.S. sustainment sealift. MSP vessels are regularly employed in the transport of U.S. Department of Defense (DoD) and/or other U.S. government cargoes over the course of any year. The program provides DOD with assured access to a fleet of 60 privately-owned, militarily useful, U.S. flag commercial ships operating in international trade, as well as the multibillion-dollar global network of intermodal facilities and transport links maintained by MSP participants at no additional cost to the Government. In return for a monthly retainer, or stipend, participating carriers commit to making both ships and intermodal capacity available "on call" to meet DoD transport requirements.

The assured access to ships and global intermodal networks made possible by MSP is enormously valuable to our Nation. A 2006 National Defense Transportation Association study concluded that, in the absence of the program, it would cost the U.S. Government \$13 billion to replicate the roll-on/roll-off and containership capacity of the MSP fleet and some \$52 billion to replicate the intermodal networks and resources provided by MSP carriers.¹

¹ Reeve and Associates, *The Role of the United States Commercial Shipping Industry in Military Sealift*, prepared for Military Sealift Committee, National Defense Transportation Association, (Yarmouthport, MA., Aug. 2006), in Draft GAO Report, *Maritime Security: DOT Needs to Expediently Finalize the Required National Maritime Strategy for Sustaining U.S.-Flag Fleet*, July 2018, p. 14.

Federal Highway Administration, Federal Transit Administration, and Maritime Administration
Fiscal Year 2019 Questions for the Record
 Congressman John Culberson
 Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
 House Committee on Appropriations

Culberson #1

MARAD: Texas A&M Maritime Academy Training Ship Needs

Licensed mariners are critical to U.S. national security and economic interests. Texas ranks third among all states for domestic maritime jobs, with Houston ranked second among all U.S. cities for its contribution to the U.S. maritime industry. Furthermore, Texas leads the nation in the total volume of intrastate maritime cargo, handling 74.7 million tons of domestic cargo in 2015.

Texas A&M University at Galveston is home to the Texas A&M Maritime Academy, which one of the six state maritime academies and the only one located in the Gulf of Mexico region. Texas has been without a suitable training ship for over a decade and is the only state maritime academy in this predicament. Last year, Texas had to send 373 cadets to the other state maritime academies and private industry vessels to accommodate their cadets' mandatory at-sea training. This situation is costly, disruptive to training and constantly threatens our cadets' ability to graduate.

This is not just a Texas problem, but rather a problem for the entire Gulf of Mexico. Of the 415 cadets currently enrolled in the Texas A&M Maritime Academy, one-fourth are from the other states in the Gulf, including significant amounts from Florida and Louisiana. After training, these cadets become highly-trained maritime professionals that are critical to the region which powers our nation's domestic energy production. According to the U.S. Energy Information Agency, 45% of total U.S. petroleum refining capacity is located along the Gulf coast.

Question: Admiral Buzby, during your testimony before the subcommittee, Chairman Diaz-Balart asked about the "school ship replacement order" that MARAD is following to recapitalize the training ship fleet. You mentioned the New York and Massachusetts vessels would be the first and second to be replaced because they are the two oldest ships and the largest two academies. Did MARAD take into account that Texas does not currently have an adequate vessel and, would MARAD be willing to consider the purchase and refurbishment of a smaller ship since Texas does not need 600-700 training berths as the NSMV is currently designed? This would be a more cost-effective solution that would address the Texas Maritime Academy's training ship needs in a more timely manner."

Answer: MARAD must consider the vessel capacity needs of all the State Maritime Academies (SMAs), including TAMMA, as well as potential Federal mission requirements, as it plans to recapitalize the training vessel fleet.

MARAD plans to recapitalize the Training Ship Fleet based on remaining service life. The aged state of the current training ships is a major concern and the ship must be replaced based on

the remaining service life to ensure safety and uninterrupted access to training capacity for all the SMAs. This approach would place TAMMA fourth in the school ship recapitalization plan.

Regarding the potential of reconstructing a smaller vessel for TAMMA, MARAD will use appropriated funds as Congress dictates. The FY 2019 House and Senate Appropriations Committee markups provide \$300 million for the construction of the second National Security Multi-Mission Vessel. Additionally, the Senate Appropriations Committee mark-up for FY 2019 provides \$8 million to cover the cost of ship-sharing to help reduce related expenses borne by the State Maritime Academies.

MARAD will also host a conference this fall to develop a detailed ship-sharing plan. Additionally, MARAD has offered TAMMA the option of borrowing one of MARAD's larger Ready Reserve Fleet (RRF) ships for stationary, U.S. Coast Guard-required training. Using the RRF ship would also take advantage of the additional square footage (onboard classrooms) needed to justify requests for additional funding from the State school system. This approach would prepare TAMMA for a bigger and newer ship should TAMMA make necessary facility upgrades to accept one.

Federal Highway Administration, Federal Transit Administration, and Maritime Administration
Fiscal Year 2019 Questions for the Record
 Congressman Mark Amodei
 Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
 House Committee on Appropriations

Amodei #1

FHWA: Remediation

Question: Although there is discretion given to states in spending on general highway programs and planning, what remediation are there for state DOTs that ignore Congressional intent and DOT input and guidance; especially in area of future interstate planning relative to performing a Planning and Environment Linkages (PEL) study instead of a Tier I EIS?

Answer: Under 23 CFR 450.212 and 450.318, adopted pursuant to section 1308 of the Transportation Equity Act for the 21st Century (Pub. L. 105-178) (1998), States have discretion to perform corridor and subarea planning studies and may use PEL procedures for those studies. The study results may be used in a National Environmental Policy Act (NEPA) review. The FHWA encourages States to pursue processes that accelerate project delivery, such as a PEL study. The FHWA proactively communicates the benefits of PEL. In 2015, the Department and FHWA published a document on “Measuring the Benefits of PEL” that includes case studies highlighting strategies that States, regional, and local agencies are implementing to advance their planning and project development processes. The case studies show that using PEL can reduce project delivery timelines and reduce cost by creating a more unified decision-making process, reducing duplication of efforts, improving relationships and coordination, enhancing community involvement, and addressing concerns early in the planning process.

FTA: Capital Investment Grants

Question: Regarding Capital Investment Grants, how will FTA distribute the \$2.6 billion appropriated sum for projects that are stalled in the approval pipeline? What should localities, such as Washoe RTC, expect in regard to well-vetted and reviewed projects being approved and awarded in the coming months? Is there an established timeline for FY 18 rewards?

Answer: The FY 2018 Consolidated Appropriations Act provides a significant amount of additional funding for Capital Investment Grants (CIG) program, and includes a short deadline for the obligation of the majority of the funds. The Department is reviewing the projects in the program and their readiness for award of funds within the deadline established by Congress. As proposed CIG projects become ready for a funding agreement commitment, FTA will consider each project on its own merits and will advance them through the process as appropriate.

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