EXAMINING THE ADMINISTRATION'S INFRASTRUCTURE PROPOSAL

(115–37)

HEARING

BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIFTEENTH CONGRESS

SECOND SESSION

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(1) in the case of any meeting or hearing transcripts, a substantially verbatim account of remarks actually made during the proceedings, subject only to technical, grammatical, and typographical corrections authorized by the person making the remarks involved;...

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March 2, 2018

SUMMARY OF SUBJECT MATTER

TO:	Members, Committee on Transportation and Infrastructure
FROM:	Staff, Committee on Transportation and Infrastructure
RE:	Full Committee Hearing on "Examining the Administration's Infrastructure Proposal"

PURPOSE

The Committee on Transportation and Infrastructure will meet on Tuesday, March 6, 2017 at 10:00 a.m. in 2167 Rayburn House Office Building to receive testimony concerning the Trump Administration's infrastructure proposal. The Committee will hear from the Secretary of Transportation.

BACKGROUND

The Importance of Transportation Infrastructure

Transportation infrastructure provides a strong physical platform that facilitates economic growth, ensures global competitiveness, creates American jobs, and supports national security. In addition, it affords Americans a good quality of life by enabling them travel to and from work, to conduct business, and to visit family and friends.

The Nation's transportation infrastructure is an extensive network of highways, airports, railroads, public transit systems, waterways, ports, and pipelines. It includes over 4 million miles of public roads, nearly 20,000 airports, over 140,000 miles of railroad, over 272,000 miles of public transit route miles, over 2.6 million miles of pipeline, over 25,000 miles of navigable waterways, and 360 commercial ports.[1]

Our Nation's transportation infrastructure is the backbone of the U.S. economy. In 2015, all modes of transportation moved an estimated 18.1 billion tons of goods worth about $19.2 trillion on our Nation's transportation network. On a daily basis, 49 million tons of goods valued

[1] U.S. Department of Transportation, Bureau of Transportation Statistics, *2015 Pocket Guide to Transportation*; Federal Railroad Administration, *The Freight Rail Network*; Federal Transit Administration, *National Transit Database*; American Association of Port Authorities, *U.S. Public Port Facts*.

at more than $53 billion are shipped throughout the country on all transportation modes.[2] In addition, nearly 13 million Americans, approximately nine percent of the U.S. workforce, are directly employed by transportation related industries.[3] In 2015, Americans drove 3.1 trillion miles commuting to and from work and conducting other activities.[4]

Future Needs for Transportation Infrastructure

Over the next 30 years, our Nation's transportation infrastructure will need to keep pace with anticipated increases in population and demand for freight transportation. Forecasts predict that America's population will grow from 319 million in 2014 to approximately 400 million in 2051.[5] The movement of freight is expected to increase by 40 percent over the next 30 years.[6] U.S. trade volume is expected to double by the year 2021, and double again by the year 2030. By 2030, large "post-Panamax" ships are expected to comprise a majority of the world's container ship capacity, although fewer than 10 of America's 360 ports are now capable of receiving ships of this size. Air travel demand is expected to increase from 750 million passengers annually to nearly one billion passengers annually by the end of the next decade.[7] New forms of air transportation, including drones and commercial space transportation will also need to be integrated into the aviation system. In terms of highway usage, vehicle miles traveled are projected to increase by nearly 20 percent by 2035.[8] Between 2015 and 2045, it is estimated that freight rail tonnage will increase by 24 percent, from 1.7 billion tons to 2.1 billion tons.[9]

The Trump Administration's Infrastructure Proposal

On February 6, 2018, the Trump Administration released its "Legislative Outline for Rebuilding Infrastructure in America". The proposal would address a broad array of infrastructure needs in areas including highways, transit, aviation, rail, drinking and wastewater waterways, public buildings, Brownfield and Superfund sites, energy, public lands, and veterans' hospitals. The proposal does not include recommendations on addressing the long-term solvency of the Highway Trust Fund.

The proposal calls for $200 billion in funding, credit subsidies, and tax incentives over the next 10 years to improve U.S. infrastructure. The proposal is structured with the intention of stimulating a total of $1.5 billion in new investment in U.S. infrastructure. Offsets are not identified in the proposal to "pay-for" the proposed level of spending. The proposal breaks down the $200 billion as follows:

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[2] U.S. Department of Transportation, Bureau of Transportation Statistics, DOT releases 30-Year Freight Projections, March 3, 2016.
[3] U.S. Department of Transportation, Bureau of Transportation Statistics, Transportation in the United States: Highlights from 2015 Transportation Statistics Annual Report.
[4] U.S. Department of Transportation, *U.S. Driving Tops 3.1 Trillion Miles in 2015, New Federal Data Show*, 2016.
[5] U.S. Census Bureau, *Projections of the Size and Composition of the U.S. Population: 2014 to 2060*, 2015.
[6] U.S. Department of Transportation, Bureau of Transportation Statistics, *DOT Releases 30-Year Freight Projections*, 2016.
[7] U.S. Department of Transportation, *FAA Aerospace Forecast, Fiscal Years 2016-2036*, 2016.
[8] Federal Highway Administration, *FHWA Forecasts of Vehicle Miles Traveled (VMT): Spring 2016*, 2016.
[9] U.S. Department of Transportation, Bureau of Transportation Statistics, *DOT Releases 30-Year Freight Projections*, 2016.

- $100 billion for an Incentives Program – A new discretionary grant program available to states and local governments to construct infrastructure projects. The funding would be awarded based on a number of criteria including whether states and local governments can demonstrate the ability to secure new, non-federal revenue for infrastructure investment, operation, and maintenance;
- $50 billion for a Rural Infrastructure Program – New formula and discretionary grant programs for infrastructure projects in areas with populations of less than 50,000. A portion of this funding would be set aside for tribal and U.S. territorial governments;
- $20 billion for a Transformative Projects Program – A new discretionary grant program for projects that "would fundamentally transform the way infrastructure in delivered or operated";
- $10 billion for a Federal Capital Financing Fund – The funding would be used to capitalize a revolving fund to finance the acquisition of federal real property, such as new federal buildings;
- $14 billion to expand eligibilities under existing credit programs, such as the Transportation Infrastructure Finance and Innovation Act (TIFIA), Water Infrastructure Financing Act (WIFIA), and Railroad Rehabilitation and Improvement Financing (RRIF) programs; and
- $6 billion to offset the cost of expanding eligibilities and lifting the current volume caps on tax-exempt Private Activity Bonds.

The Administration's proposal contains several recommendations for permanent changes to existing law in an effort to incentivize investment and remove regulatory hurdles to infrastructure development. Some of the recommendations that fall under the jurisdiction of the Committee on Transportation and Infrastructure include:

- Eliminating the statutory prohibition on tolling existing interstate facilities;
- Lifting the statutory prohibition on the commercialization of interstate rest stops;
- Providing flexibility on the "application of federal requirements" for projects that receive minimal federal assistance;
- Authorizing states to repay the federal investment in a highway facility to permanently remove the application of federal requirements on the facility;
- Lowering the threshold for air carrier approval required for airports to participate in the Airport Privatization Pilot Program;
- Authorizing financial assistance to privately operated treatment works under the Clean Water State Revolving Loan Fund; and
- Expanding the number of agreements between the U.S. Army Corps of Engineers (Corps) and private entities to construct and operate inland waterway projects and hydropower facilities.

The Administration's proposal also includes several recommendations intended to reduce the time it takes to conduct environmental review and permitting of infrastructure projects. Some of the recommendations that fall under the jurisdiction of the Committee on Transportation and Infrastructure include:

- Aligning the period for the filing of legal challenges to environmental permits issued for rail projects to that of highway and transit projects;
- Authorizing the acquisition of rights-of-way for rail projects prior to the completion of the National Environmental Protection Act (NEPA) review process;
- Removing the authority of the Environmental Protection Agency (EPA) to veto a permit issued by the Corps authorizing the discharge of dredged or fill material in waters of the United States under section 404 of the Clean Water Act;
- Clarifying the time states have to review applications and issue State Water Quality Certifications for projects under section 401 of the Clean Water Act; and
- Lengthening the terms of Clean Water Act discharge permits from five to 15 years and providing for automatic renewals of such permits for activities that impact waters of the United States.

Finally, the Administration's proposal includes recommendations on changes to workforce development and education programs in an effort to improve the skills of workers that build and maintain U.S. infrastructure. More information on the Administration's proposal is available at https://www.whitehouse.gov/wp-content/uploads/2018/02/INFRASTRUCTURE-211.pdf.

WITNESS LIST

The Honorable Elaine Chao
Secretary of Transportation
U.S. Department of Transportation

EXAMINING THE ADMINISTRATION'S INFRASTRUCTURE PROPOSAL

TUESDAY, MARCH 6, 2018

HOUSE OF REPRESENTATIVES,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
WASHINGTON, DC.

The committee met, pursuant to notice, at 10:05 a.m. in room 2167 Rayburn House Office Building, Hon. Bill Shuster (Chairman of the committee) presiding.

Mr. SHUSTER. The committee will come to order. As Members take their seats, the committee will come to order. And without objection, the Chair is authorized to declare a recess at any time, although I don't believe we are going to have votes until this afternoon, so I don't think that will be a problem.

But we welcome and thank Secretary Chao for testifying today on the administration's infrastructure proposal.

Welcome, Secretary Chao.

I have been encouraged by the President's focus on infrastructure since before the election and through his inauguration, when I believe he became the first President in our history to mention the word "infrastructure" in his inaugural address, although I do believe along the way Lincoln called them internal improvements.

And so, again, infrastructure, internal improvements, have always been part of the Federal Government's role. And actually, that is why we have emblazoned over the two doors, one, Adam Smith, "The Wealth of Nations," talking about the need for the duty of the sovereign, the Government, to—one of the three things is the duty of erecting and maintaining certain public works and certain public institutions that can never be in the interest of any individual or small number of individuals, erect and maintain.

So again, Adam Smith even said it, and of course our founders that were students of Adam Smith talked about and put in the Constitution Congress' main three roles: defense of the general welfare, regulate commerce, and to establish post offices and post roads, article 1, section 8.

So again, from the founding of this country there has been a Federal role. It is at all levels of Government. Local, State, and Federal have a role. It is not just the Federal Government, but we certainly need to continue to participate to make sure we continue to have a robust national transportation system.

Over the past year, though, statement of support for increasing investment in America's infrastructure has been positive, and the President's interest, his background as a builder, and his leadership on the issue will be crucial to building 21st-century infrastructure for America.

I look forward to working with you, Madam Secretary, as we move forward this year.

Some of the administration's infrastructure proposals are much needed. I have questions about some of the other proposals and how the work—for example, I want to commend you for work you and the DOT have done in speeding up projects. We now have about—between MAP–21, and the FAST Act, about 50 percent of those streamlining proposals have been put in place. There is still more on permitting that we need to do to get this permitting process down to a reasonable number of years. The last two highway bills, as I said, had those types of reforms in it. And there is more to do to fully enact those.

Still, it takes too long for projects to move forward. On average, it is about 14 years for a major road project to move forward, and that is just way too long. To cut that in half, the President has been talking about 2 years, which would be fantastic. But if you cut that 14 just by—in half, just on the—no, excuse me, inflation alone, you would save somewhere between 12 and 15 percent on a project, and that, over time, adds up to real, real dollars.

And I have said many times before, an infrastructure plan must be a bipartisan plan if it is going to pass Congress. The Senate rules with the 60 votes, it has to be bipartisan there. And I am sure, in the House, if we are to do a bipartisan bill, we need to bring our Democratic colleagues on board and work closely with them to produce something that will pass through the House on a bipartisan vote.

I have been working with and plan to work with Ranking Member DeFazio and my Democratic colleagues to develop a plan that does attract bipartisan support. To do that we have to be realistic about our needs and how we can address them in a fiscally responsible way.

Fixing the Highway Trust Fund for the future and modernizing how we fund infrastructure in this country must be part of the solution. In fact, that has to be, really, the starting point. If we don't figure out how to trust the trust fund, October 20, October—or into early 2021 the trust fund will run out.

And again, if you look across the country, 31 States have already dealt with their shortfalls in revenue, and there has been no political price for fixing their revenue. They did it in very different ways, and it has been States with Democratic legislatures and Democratic Governors, it has been States—my home State of Pennsylvania, a Republican house and senate and a Republican Governor fixed their funding, the revenue shortfall. And again, there was no political price to pay, because I think the American people understand the need we have to invest in our infrastructure.

So I look forward to continuing working with you at the White House and my colleagues in Congress on a bipartisan infrastructure plan.

And so, with that, I recognize the vice ranking member of the committee, Ms. Esty, for the opening statement. I guess Mr. DeFazio missed the plane.

Ms. ESTY. Delayed.

Mr. SHUSTER. If we would have only passed my FAA reauthorization——

[Laughter.]

Mr. SHUSTER [continuing]. Mr. DeFazio would be here. But now that Mr. DeFazio is not here, I am having second thoughts.

Mr. LARSEN. Tell us more, tell us more.

Mr. SHUSTER. I think it is better we didn't.

[Laughter.]

Ms. ESTY. I believe it was canceled, not delayed. Thank you, Chairman Shuster, and thank you, Secretary Chao, for joining us here today. We are now over 400 days into the Trump administration, far past the 100-day mark, a period during which the President promised to enact a bill to invest $1 billion in infrastructure.

After a lot of talk, the White House finally released its long-awaited infrastructure plan 3 weeks ago. Sadly, my frustration over the long delay in getting to see the White House plan has now been eclipsed by my frustration over what is actually in it.

How we structure an infrastructure package and how we pay for it matters a lot. If an infrastructure package is to bring together successfully, it must be based on a mutual understanding that we need real sustainable investment to improve the productivity and mobility of our communities. We can't do it based on gimmicks, shifting responsibility among partners, or glossing over years of underinvestment.

What we need is a sound, long-term investment at the Federal level that will create millions of jobs, boost local economies, and pay dividends for generations to come. Let me elaborate.

Number one, an investment package must contain real Federal funding, and I am glad that the chairman mentioned the importance of actual funding for these programs. An investment of $1 trillion in Federal infrastructure funding will create or sustain 16 million jobs. And those are well-paid jobs. Instead, the President's promised $1 trillion has turned out to be only $200 billion over 10 years, over a broad swath of infrastructure needs. That is $20 billion a year to cover all modes of transportation, broadband, wastewater, drinking water, as well as veteran and GSA facilities.

And let's be clear. This $200 billion in "additional money" is proposed in the broader context of $168 billion in cuts to existing transportation, transit, and infrastructure funding over the same 10-year period.

So, in reality, the President is proposing very little, if any, new Federal money. The White House envisions that the new money that they can take credit for as Presidentially led investments will actually come from the State and local level by tolling and taxing citizens more, or by bonding to be paid off by future tax revenues. That is pushing the cost on to Americans not yet born.

Congress and the White House missed a massive opportunity to raise revenue for infrastructure in the tax bill, which is mind-boggling, because 250 Members of Congress with robust representation from both sides of the aisle wrote to the leadership of the Ways and Means Committee, urging that a permanent solution to our Highway Trust Fund be included in that tax bill.

And so, we continue to spin our wheels on how to bridge the gap between nearly universal support for fixing our Nation's infrastructure and our massive funding needs.

Number two, selling off public assets is a cash grab, not a solution. To bridge this gap in part, the White House infrastructure plan contains several attempts to push a privatization agenda. This isn't the solution. There is universal bipartisan agreement, even among those in the private sector, that public-private partnerships, so-called P3s, will not solve our infrastructure crisis and will do nothing for the vast majority of surface transportation projects.

And as the chairman already noted, we need look no further than the quotations now painted on the wall, painted there for all of us to look at every day about the Federal role in funding infrastructure.

Number three, we can't streamline our way out of underinvestment. Let me address the favorite Trojan horse in infrastructure: environmental streamlining. Rolling back environmental protections will not save hundreds of billions of dollars.

The vast majority of projects, 90 percent of projects, are already exempt from full environmental review, and proceed under a categorical exclusion, so-called CE. Only 4 percent of projects require the preparation of an environmental impact statement, the most detailed review document. And for the surface transportation projects that do undergo a detailed review, the time for completion is less than 4 years.

In the last decade, Congress has passed extensive legislation to expedite environmental review, based on inputs from State DOTs, timelines to complete various levels of environmental review have fallen significantly as a result. While there may still be legitimate policy changes, Congress should consider to expedite project delivery, which I and many of my colleagues are open to hearing about; artificial deadlines, and punitive actions are not the answer.

Number four, let's work with what we have: existing Federal programs. The White House talking points claim to want to give States and local governments more decisionmaking power, yet they have proposed to direct 80 percent of infrastructure funds, $160 billion of the $200 billion, to grants or loans selected by the Federal Government. Again, these programs are coupled with cuts to existing programs under which States and local governments currently select those projects.

Instead, Congress can quickly and fairly direct infrastructure dollars to States and cities through existing infrastructure programs. Doing so ensures that these investments result in projects that utilize American iron and steel, by enforcing Buy America protections; they support good-paying jobs for American families by maintaining prevailing wage and other worker protections; and provide opportunities for diverse small businesses to participate. This will also ensure real investment will be available immediately to spend on the projects State and local governments determine are the most worthy.

Ranking Member DeFazio included a provision in the FAST Act to ensure that if additional funding came in through the Highway Trust Fund, Congress will not have to take any further action to see those dollars put to good use right away. Again, by utilizing the existing structure, each authorized highway and transit program will get a proportional plus-up.

The clock is ticking. Since President Trump took office, time wasted by commuters, travelers, and inefficient movement of goods has already cost the American economy more than $179 billion. If the President and the Republican leadership in Congress are serious about making infrastructure a priority and finding new revenue to pay for it, then we have a unique opportunity to make badly needed investments in our roads, bridges, transit systems, rail infrastructure, airports, and ports that we have been neglecting for decades.

Let's work together. Let's seize this opportunity, and let's make a real investment in America. Thank you, Mr. Chairman.

Mr. SHUSTER. Thank you. I would now like to welcome again the Honorable Elaine Chao, Secretary of Transportation. And I would ask unanimous consent that our witness' full statement will be included in the record.

Without objection, so ordered.

Secretary Chao, again, thank you for being here today. And you are now recognized.

TESTIMONY OF HON. ELAINE L. CHAO, SECRETARY OF TRANSPORTATION, U.S. DEPARTMENT OF TRANSPORTATION

Secretary CHAO. Thank you very much, Chairman Shuster. And even though Ranking Member DeFazio is not here, I do want to also acknowledge him. Members of the committee, thank you for the opportunity to testify today.

As you have heard, infrastructure is indeed the backbone of our country's economy, the most productive, flexible, and dynamic in the world. It is a key factor in productivity and our economic growth. And yet, as we have all heard and experienced, the challenges are everywhere.

With respect to surface transportation, traffic congestion and delays cost drivers nearly $160 billion annually. About one-quarter of our Nation's bridges are structurally deficient, which, by the way, does not mean that they are unsafe. When bridges are unsafe, we shut them down immediately. Structurally deficient means that we have to monitor them more closely on a more regular basis.

More than 20 percent of our Nation's roads are in poor condition. And the transportation needs of rural America, which account for a disproportionately high percentage of our Nation's highway fatalities, have been ignored for too long. And that is why, over the past year, amongst all the other agenda items which the administration has undertaken, many agencies have been supporting the President, working hard on a comprehensive infrastructure framework which the President announced as a priority in his 2018 State of the Union Address.

Transportation is one component. The initiative includes, but is not limited to, energy, drinking and waste water, broadband and veterans' hospitals, as well. It is designed to change how infrastructure is designed, built, financed, and maintained in communities across the country.

The goal of the President's proposal is to stimulate at least $1.5 trillion in infrastructure investment, which includes a minimum of

$200 billion in direct Federal funding. The guiding guidelines and principles are, one, to use Federal dollars as seed money to incentivize non-Federal infrastructure investments; two, provide for the needs of rural America; three, streamline permitting to speed up project delivery; four, reduce unnecessary and overly burdensome regulations.

In addition, a key element of the proposal is to empower decisionmaking at the State and local level. They know best the infrastructure needs of their communities. Half of the new infrastructure funds will go toward incentivizing new State, local, and private-sector investments in infrastructure. One-quarter of the Federal funds will be dedicated to addressing rural infrastructure needs, as prioritized by State and local leaders. And, as a former Secretary of Labor, I am pleased to note that this plan also has a workforce component to help workers access the skills necessary to build these new projects.

The Department is also implementing the President's "One Federal Decision" mandate announced on August 15, 2017, to help speed up the delivery of new infrastructure and reduce the cost of new buildings.

In addition to permitting reform, the Department is doing its part to grow the economy and create jobs through regulatory reform. Costs associated with new DOT regulations decreased by $312 million in 2017, and the Department is on track to decrease these costs by at least $500 million in 2018.

By incentivizing new investments in infrastructure, eliminating overly burdensome regulations, providing support for rural America, and streamlining the permitting process, the Department is helping to improve our communities and people's quality of life and build a brighter future for all Americans.

Some estimates put our country's infrastructure needs at approximately $4 trillion. The President's plan encourages the private sector to help in the building of our public infrastructure. For example, endowments and pension funds are interested in investments like public infrastructure, which have collateral that will not walk away. In addition, the private sector helps to allocate risk. If a project is not successful, the private sector bears the first loss instead of the taxpayer.

The Department realizes and recognizes that different regions require different solutions. The private sector investments should not be disallowed, and should be an allowable option, where appropriate. The administration looks forward to working with all of you on what we hope will be a bipartisan package to address these needs.

Thank you very much.

Mr. SHUSTER. Thank you. In the spirit of bipartisanship, I am going to start with recognizing my Democratic colleague, Ms. Esty, to start the questioning.

Ms. ESTY. Thank you, Mr. Chairman. And thank you again, Secretary Chao, for your long service to this country, and for appearing before our committee today.

[Slide]

Ms. ESTY. According to the administration—and I think we have got our graphic up, but we may need better glasses to read that, but I direct people's attention to what is now up on the screens.

According to the administration, a key element of this infrastructure proposal is to empower decisionmaking at the State and local level because these are the officials who know best the infrastructure needs of their own communities.

However, if we look at this chart, we will see that 80 percent of the funding under this proposal goes to projects selected or approved by the administration, not by State and local government. Governors only get to allocate 20 percent of the funding, and the locals don't get to decide anything.

Secretary Chao, can you explain how this squares with the vision of empowering State and local government when you look at or—if you can, explain that dichotomy between the promise and what we see——

Secretary CHAO. Well, we disagree with that chart, obviously. We feel that the local and State communities and applicants will have a great deal of say. They will come up with the projects, they will decide who they want to work with. They will decide what projects to prioritize. So it would be up to them. It would be a partnership.

Ms. ESTY. But ultimately, the administration will be making the selection for those projects. Isn't that correct?

Secretary CHAO. Well, the administration will be working on these projects, as they do in the TIGER [Transportation Investment Generating Economic Recovery] grants, as they do in the INFRA [Infrastructure for Rebuilding America] grants. It is the same concept.

Ms. ESTY. I think most of us have found our experience with TIGER grants is Governors are the ones who decide and prioritize those. So I think, with all due respect——

Secretary CHAO. Well, that is an issue with the congressmen and the Governors.

Ms. ESTY. Secretary Chao, the White House plan also provides limited Federal dollars in order to incentivize non-Federal partners. We have had some discussion about that. You personally have called this a new paradigm in infrastructure investment, where the Federal Government takes a back seat.

And frankly, I have got to tell you I am hearing this at the local level. I was just home in Connecticut. They see this as pushing the problem down onto the States and local government.

Given that States and local government already provide the majority of funding for highway and transit projects, why does the administration want to put more of the burden on local governments, many of which are already strained? And those that are struggling economically, that need this benefit most, are also going to be hit really hard by this shift.

Secretary CHAO. Well, the National Highway System, you know, our roads and bridges, are actually very decentralized. Ten percent of the overall roads are owned by the Federal Government. They are called the interstate highway parts. The rest of the highway system, the national highway, is actually State and local. And then the rest of the roads and bridges are basically State and local.

So, the majority of the roads and bridges are actually locally owned. As mentioned, the Federal Government owns about 10 percent and we fund about 20 percent.

Ms. ESTY. Although, again, I have three interstates—I am just saying—in my district, in my State, I–91, I–95, and I–84—crossed by hundreds of thousands of Americans traveling up and down the eastern seaboard every single day. And those are aging infrastructure. The chairman's district is like that, too. We have aging Interstate Highway Systems and local and State authorities are not in a position to pay for the redo of all of those with——

Secretary CHAO. Well, I know those routes very well, having spent my childhood in the New York area.

So I think that what you are referring to is the whole issue of pay-fors. And I think the good news on the pay-fors is that everything is on the table, and we look forward to working with Congress on those.

Ms. ESTY. Because I will tell you again this came up last week. I met with the State legislators, Republicans and Democrats in my home State. And they are concerned. They are saying if the Federal Government is rolling back its commitment on infrastructure, and the States are going to have to come up with that money, that is less money they have to pay for precisely the roads and bridges that you have identified that are already paid for by local government and States.

So, with all due respect, if there is less Federal investment—because we are not talking about additional Federal investment when there is a time of additional need—if there is less Federal investment, States and localities will proportionately—especially when we have not erected and maintained, as the chairman pointed out, we haven't been maintaining the Federal infrastructure or the State.

With all due respect, I would suggest the Federal Government has a role in ensuring the Federal investments are maintained.

Secretary CHAO. Well, that is in your State. And we do not agree that it was a rollback. As I mentioned, most of the Federal role is actually quite limited. In the beginning of our history, in our country's history, a lot of the infrastructure was done by the State and local and private sector. So there has been no rollback.

The Federal role was only confined to the intrastate. There are many, many other roads and bridges and National Highway Systems that are not part of the Federal role. But having said that, I acknowledge that pay-for is a big issue. And so we want to work with the Congress in finding solutions to that.

Ms. ESTY. Thank you. And I see we are over time.

Mr. SHUSTER. I thank the gentlelady. We will—let me start off with—the pay-for is critical. And we can argue back and forth about this, and we will, for the foreseeable future. Unfortunately, also we have to talk to the Ways and Means Committee.

But I think it is important to point out that—and especially to my Republican colleagues, who—many of your States—I have two of my colleagues here from Pennsylvania, or three—our State, Pennsylvania, dealt with it. And the user fee we pay at the pump, it is a user fee. We continue to call it a tax, but it technically is a user fee. If you don't use the roads, you don't pay for them. So it is a user fee.

Now, the next thing that will come from conservatives is that it is a regressive user fee. And I come from rural Pennsylvania, so my folks will pay more. But it has a progressive benefit to the folks in rural Pennsylvania. The most rural counties in America, for every dollar they put in they get $1.70 back. You cannot build a road from Pittsburgh to Philadelphia through rural Pennsylvania without the population centers subsidizing roadways through my district.

We saw this as we went through Pennsylvania, the complaint from those in my district, the legislators, we subsidized SEPTA and the Pittsburgh Transit Authority by 30 percent. A roadway through my district gets subsidized anywhere from 50 to 70 percent, because there just isn't the population.

So, I think it is important for us all to understand that we are talking about something that has a huge benefit to those of us that live in rural populations and, again, benefits the urban centers so they can get across those rural areas.

So again, we can talk 15 cents raising the gas tax, average American pays $2. That is a cup of coffee—unless you drink Starbucks coffee, that is half a cup of coffee—or it is two bottles of water that you can get at home for pennies. So I think it is something that is really sellable to the American people. And the President has said—he proposed in a meeting 25 cents. I mean that is a great starting place to start to talk about this.

But I think we have to get past that to talk about other things. And one of the questions I have for you, Madam Secretary, is on an idea called asset recycling.

Now, some of my colleagues—Mr. DeFazio, he is not here, so I will say he wants me to—he wants—I am proposing we sell all of our assets. That is not at all what they did in Australia. They leased their assets. They formed a lease agreement, they still have a say in the matter. They can take it back at any time if there is no performance.

So I wanted to see what your thoughts are on the idea of asset recycling.

Secretary CHAO. We want all funding and financing options to be available, because that is going to be the biggest challenge facing this infrastructure proposal. And so, we should look at other countries, as mentioned, like Australia, like many European countries in which there are public-private partnerships which have been very successful, and there has been asset recycling.

So we should be looking at all of these. And in some of our States we do not allow many of these other financing options to be utilized. And so, what we are saying is let's be open to all sorts of other options.

So, for example, it is not only toll roads, but it is private activity bonds, it is different aspects, revenue availability streams, there are many different options. I would like to encourage all of us to look at some of these other options, and not disallow or forbid any one of them from being considered in the proposal.

Mr. SHUSTER. And I think that is a great point. I think pointing to Europe and other countries, social democratic countries around the world, they are turning to the private sector all the time to try to figure out ways to get them involved, to utilize.

I know the Canadian pension funds are huge investors in infrastructure, not just in Canada, but around the world. But again, it is not a silver bullet. But we have to, again, look at ways to expand that, to encourage that. It is one of the tools in the toolbox, but it can be a bigger tool in the toolbox, I believe.

And so the final question I have for you is on permitting. I know you have done many rulemakings. Permitting is still a problem. I think there is the need for some legislation to help you with the permitting process, but can you tell us the permitting situation over at DOT, how are you moving forward? You know, what is the outlook?

Secretary CHAO. People get permitting and the deregulatory agenda mixed up. They are actually quite different.

Also, the FAST Act asked that the Department in 2015 implement a number of NEPA [National Environmental Policy Act] improvements. Of the 31 requested rules, we have actually completed 29. There are two more coming out, probably around June and July. But the FAST Act requirements only refer to NEPA, and the permitting is actually different, and that is why the "One Federal Decision," which the President announced last August 2017, will address some of the permitting.

And the permitting processes that we are talking about do not compromise all of our concerns about the environment at all, but it refers to sometimes very simple, commonsensical ways in which we can improve the permitting process.

For example, many permitting processes occur sequentially, rather than concurrently. There is no reason why several processes cannot occur simultaneously. But instead, many of them occur sequentially.

Another example is when sister agencies within the same department, for example, the Department of Transportation, cannot share their information with each other. They each go out for their own surveys, sequentially. So that lengthens the time that it takes for permitting.

There are other commonsensical ways of reducing duplication, you know, some regulations or even some guidance, ask for the same things, but they will ask for a different timeline, so that the reporting requirement then has to be done all over, because they asked for different time periods. So, we all protect the environment, but the permitting is not NEPA, the permitting is different.

And then we are actually making progress in a lot of the private sector, these private pension funds. They are actually quite anxious to help in the rebuilding of infrastructure. And it would help if we decrease the permitting process without compromising any of the environmental concerns. That will decrease the risk profile and enable more private-sector pension funds, for example, to come and help in the financing of public infrastructure.

Mr. SHUSTER. Well, thank you very much for that. And again, we are ready, willing, and able for your department to send forward to us things that we can be helpful in that permitting process, to streamline, to make it easier. If we have to pass legislation, that is something we all on this committee should be willing to undertake.

One of the great places to start when it comes to permitting and Government regulation is the Corps of Engineers. I met with the Conference of Mayors yesterday and last week with AASHTO [American Association of State Highway and Transportation Officials], and I always like to get a show of hands: Who has had a project that they have worked on, or working on, or want to work on that the Corps of Engineers has been a huge challenge to the project? And every single person in the room raises their hand.

So that is why the subcommittee chairman Garret Graves and I are working now, and everybody should realize we are going to move forward with a water resources bill, and one of the focuses is going to be a serious look at the Corps of Engineers and a serious look at why does the Corps of Engineers need the Civil Works piece of it, why does it need to be at DoD.

Two hundred years ago it made sense, the Army was the only thing that could build a dam, a roadway. But today there is no need for the Civil Works to remain at DoD. It needs to move to a different agency. I would propose DOT. Secretary Zinke wants it to go to the Department of the Interior. I think that would be a healthy debate, and I would encourage all my friends—because I know on the Democratic side of the aisle there is none of you that has not seen the Corps of Engineers stop, stifle, or just increase the cost of a project.

And so, with that, I yield 5 minutes to Ms. Norton.

Ms. NORTON. I very much appreciate this hearing, because there has been so much talk about the President's infrastructure plan, and now we have an opportunity to inquire about it.

I have two questions for you, Madam Secretary, and I am so pleased to see you here this morning.

One has to do with the holdup in appropriated funds. Well, you know, it is hard enough to get funds out of here. And I note, by the way, that in the President's infrastructure bill there would be $130 billion in new competitive grant funds. So this committee and the Congress is likely to look at, well, what have you done with the funds we have appropriated or authorized?

According to our count, there is nearly $6 billion in program funds that remain unspent. And of this $2 billion are among the most competitive. More jurisdictions want them than can possibly qualify for the amount in INFRA and TIGER grants, for example. And I note that this looks like it is something of a trend.

You held up $1 billion, even in emergency relief funds, until the Democrats in this committee wrote you and it was released.

I have to ask you Madam Secretary, what is keeping you from getting this money out of the door? And don't you think it will reflect on whatever we are able to do with the President's plan if that money is not gotten to where it is needed?

Secretary CHAO. Thank you for that question. I don't think that is accurate, that the emergency relief funds are not released. We have actually made record time.

Ms. NORTON. It has been released now, but only after——

Secretary CHAO. No, no, no. I think we understand how important the emergency relief funds are, and as soon as a request comes in, we have actually been very, very good about turning it around.

Ms. NORTON. I know they are released now, but the Democrats on this committee had to write a letter in order to get them released. OK, they are released now.

Secretary CHAO. Well, I may respectfully disagree.

Ms. NORTON. But I have only so much time, Madam Secretary——

Secretary CHAO. If I can answer the rest of your questions, the $6 billion, I do not think we have that much money outstanding.

But I have good news for you. I don't think it is $6 billion, either.

But having said that, I think it took a while for this Government to be stood up, because we didn't have our nominees. I only had four nominees confirmed as of February of 2018. I just got three others confirmed last week. So the ability of this Government to stand up under this administration has been impacted by our not having our top leadership.

Ms. NORTON. Yes, we have noticed that. And that is very good news. Can you——

Secretary CHAO. I understand that is not this Chamber, but I wanted to bring that up, since you asked for an explanation.

Ms. NORTON. Yes, it is not this Chamber, I think it is the administration. But whoever it is, I congratulate you——

Secretary CHAO. But having said all of that, I do have good news for you. So hopefully the TIGER grants will be coming out soon. But we do have to notify the appropriators first, so they will get that first.

Ms. NORTON. When do you expect that to occur, Madam Secretary?

Secretary CHAO. Hopefully this week.

Ms. NORTON. Thank you very much.

Secretary CHAO. Soon, soon.

Ms. NORTON. That is very good news.

Secretary CHAO. Very soon.

Ms. NORTON. I would dare say——

Secretary CHAO. And then——

Ms. NORTON [continuing]. Almost everybody on this platform has an interest in those grants. Let me ask you about——

Secretary CHAO. Right. On the INFRA, let me just mention the INFRA grants, also. So the TIGER and the INFRA grants, and perhaps this is something that you can take a look at, were actually put under the FAST Act, under a new office in the policy office, which actually is not an operational office. So they have to do the TIGER grants first, and then they can turn to INFRA, and hopefully we will get that out probably by the beginning of June, or, let's say June, beginning of the summer.

Ms. NORTON. You have given us very welcome information on that.

Look, the interstate, of course, is a product of the Eisenhower administration. It is one of the fairest and most progressive ways to distribute money. And yet the President's infrastructure plan looks like it discriminates against most of the country, 52 percent of the country, which provides most of the GDP, because of the way in which the plan provides money for the rural areas. It looks like it reverses what we have always done.

Eighty percent of the money for everybody—except, of course, the rural areas—got even more subsidy, but 80 percent came from the Federal Government, 20 percent came from the States. And it looks as though you have reversed that and provided $40 million in the first year for rural areas, with 80 percent, and suburban and big cities, where all the congestion is, get 20 percent.

Why have you reversed the age-old way in which we distribute highway funds, the formula that has worked now for 75 years?

Mr. SHUSTER. Secretary, go ahead and answer that, and then we will move on.

Ms. NORTON. Can't she at least respond?

Mr. SHUSTER. That is what I said, the Secretary can answer the question and then we will move on.

Secretary CHAO. The 80/20 interstate formula, the 80/20 formula, applied only to interstate. As mentioned, the Federal role, the Federal Government owns 10 percent of the highways, the roads, the bridges.

Ms. NORTON. The States have to take care of the rest, Madam Secretary.

Secretary CHAO. The rest are actually from the States.

Ms. NORTON. We, the Federal Government, we only take care of the Federal infrastructure.

Mr. SHUSTER. Ms. Norton, your time has expired. Please allow the Secretary to finish, and thank you.

Secretary CHAO. My only point was it is that the 80/20 formula applies only to the interstate highways.

Mr. SHUSTER. Thank you. And now I will recognize Mr. LoBiondo.

Mr. LOBIONDO. Thank you, Mr. Chairman. Madam Secretary, thank you for being here today. I have the privilege of chairing the Aviation Subcommittee, and the honor of representing the Federal Aviation Administration's flagship Technical Center, which I am sure you know is responsible for all safety, security, research, and development, and the extraordinary work that is done by more than 3,500 people at that location for aviation in America.

I know your opening statement was limited, and there are so many needs for infrastructure, but I didn't hear anything referred to about what we are doing with aviation, a major economic component and driver for our Nation. Specifically, I am hoping you can address three areas that I think are critical to the future of aviation, and the FAA research, engineering, and development account, a proposed cut of more than $100 million. I mean it basically freezes them and puts them dead in the water.

UAS [unmanned aircraft systems] is a growing, growing area in our Nation, which requires a lot of oversight and a lot of attention. And the UAS research account is cut to a fraction of what it has been in previous years, when the problem hasn't been as big.

And the last one is the FAA Technical Center laboratory facility, which is located completely at the tech center, that that account is cut by one-third. And if we are going to stay at the cutting edge of aviation for the United States of America, I don't know how we can withstand those kind of cuts, and I am hopeful you might be able to give me some insight in how we are going to try to deal with this and restore that.

Secretary CHAO. Thank you for those questions. I am sorry that we didn't have a chance to visit the facility that was in your district.

Mr. LOBIONDO. The invitation is wide open for you.

Secretary CHAO. Thank you. And for some reason we somehow could not. We had a date, but then it didn't happen.

Mr. LOBIONDO. Right.

Secretary CHAO. Aviation, obviously, is very important. The chairman's proposal on air traffic control legislation was a seminal piece that could have improved air travel, which the administration supported. But unfortunately, it did not garner enough support within this Chamber. And so that was abandoned.

On the research, the FAA has the second largest budget in the Department of Transportation. The Department of Transportation has a budget of $77 billion. Highway is a major portion for the roads, for the Interstate Highway System. And the next biggest chunk is to aviation. And we actually have a research office within the Office of the Secretary. And so there needs to be some coordination and some improvement in ensuring that the projects that are being done by the research office and the Office of the Secretary, which is the rest of the Department, and the FAA are actually not redundant, and that they are not duplicative, either.

On the issue of UAS, I am very, very much a supporter of autonomous vehicles, unmanned aerial systems. We are actually focusing a great deal on it. But again, there is actually a great deal of research money, but the research money is not used very well. And so we are in the process of trying to figure out where is all this money going, how is it achieving the stated purposes of the Department's mission.

And the third one I forgot. What did you——

Mr. LOBIONDO. Well, the third one is the——

Secretary CHAO. Oh, airport grants?

Mr. LOBIONDO. The technical center laboratory facility.

Secretary CHAO. Oh, right. I don't have an answer for that, and so I will look into that. But this is obviously of concern to you, and we can talk more.

Mr. LOBIONDO. Well, if you have the opportunity to visit the technical center, you will see the unique laboratories that exist nowhere else in the country, and the engineers that are doing the work there that, in many cases, cannot be duplicated anywhere else. And hopefully that will help influence part of how you feel about this.

But thank you very much; I yield back.

Mr. SHUSTER. I thank the gentleman. And Mr. Larsen is recognized.

Mr. LARSEN. Thank you, Mr. Chairman. And Secretary Chao, thank you for coming to help us out today. I have a couple questions. One is a local problem, a couple others are about the proposal, itself.

The first is related to New Starts, and specifically Sound Transit and our Lynnwood Link. We got an FFGA [Full-Funding Grant Agreement] awaiting some help from you all for only 38 percent of the project itself. So we are putting in 62 percent of it. This is for Lynnwood Link, extends light rail into Snohomish County.

At any rate, for the second year the administration's proposed budget calls for winding down the capital investment grant program by limiting funding only to projects that already have signed FFGAs. It runs counter to the FAST Act of 2015, which authorizes funding for CIG. So I was wondering when you would anticipate your department signing FFGAs for approved CIG projects, which Lynnwood Link is.

Secretary CHAO. Well, the administration's budget says that if the projects are not already in line to receive FFGAs, then we cannot sign new ones. But obviously, there are aspects of the budget that the Congress is going to disagree with, and so we look forward to working with the Congress.

Mr. LARSEN. All right. And that gets to my second question, the other point, because part of the administration's proposal on infrastructure is to encourage local government, State governments, the local funding entities, to raise their own dollars. What you are proposing, it puts them in line to get Federal funding. Help yourself, and then they will give you that Federal help. That is literally what the administration proposes for its infrastructure package, in part, which is what we are doing in the Pacific Northwest.

As recently—for the next phase of Sound Transit, where we all taxed ourselves $54 billion over the next 5 million years, I think is what I am paying, for a long, long time, and yet there are zero dollars proposed in the administration's budget to support that kind of activity because you want to move to a different system. I just don't think you need to move to a different way of helping out local entities that are already doing what you are asking them to do. There is an inconsistency there. It is certainly an issue I am going to continue to pursue, as we work with you all on trying to improve the administration's proposal.

As well, I just want to note that Jimmy Duncan led a panel here a few years back on public-private partnerships. And we concluded—and Mike Capuano, who is here, was the cochair—that P3s are not a silver bullet, but there is room for P3s, depending on the kind of infrastructure.

And I guess I would offer to you that if the administration can be more clear about where you think P3s can help best, there might be a different kind of model for airports than it is for roads, bridges, highways, and it might be a different kind of model for water or sewer than it is for rail, as opposed to trying to package it all as what comes across as one big P3 package, which I don't think is helpful to you all, and it is not helpful to us to help you, because I believe there is room—maybe not as much as the President believes, but there—I believe there is some room. I just offer that, as well.

Secretary CHAO. Thank you.

Mr. LARSEN. Yes, sure. And then finally—maybe not finally, but we have talked about the gas tax, the user fee. Washington State has the third highest gas tax in the country. But I would like to remind my colleagues that we are tied for first in the lowest income tax in the country, as well, of zero. So it is a balance of funding and how you fund your Government, how you fund to do things.

But I am just wondering how you would characterize the administration's position on raising the Federal portion of the gas tax. How would you characterize that today?

Secretary CHAO. Well, one reason I am here with no solutions on the pay-fors is because we have not yet come to a resolution on that. So I think the good news is, for certain people, that everything is on the table, and that this administration is open to considering all revenue sources. Some people are not going to be happy at that.

But as of now, everything is on the table, and there has been no resolution on how to pay for this proposal, which is why, once again, we send principles up, we did not send legislative language.

Mr. LARSEN. Right.

Secretary CHAO. We really do want this to be a bipartisan effort, and we need the help and counsel of the Congress on these and many other issues, as well.

Mr. LARSEN. All right, thanks. And I look forward to hearing back from you specifically a little bit more on the CIG grant, FFGAs for Sound Transit. Thanks a lot.

Mr. SHUSTER. I thank the gentleman. Now I will recognize Mr. Barletta for questioning.

Mr. BARLETTA. Thank you, Mr. Chair.

Secretary Chao, thank you for being here today to talk about the President's infrastructure proposal. I commend both of you, you and the President, for recognizing how important America's transportation systems are to maintaining our world-class economy.

I am going to begin today by venturing a bit outside what we traditionally think of when we talk about infrastructure. Last week, following the tragic shooting in Parkland, Florida, I called for U.S. schools to be added to the current categories of critical infrastructure. These 16 sectors are considered so vital to our Nation's well-being that the Federal Government works with State and local partners to ensure their security and resilience. I believe our schools should be the 17th critical infrastructure.

Secretary Chao, what ways can the Department of Transportation assist in ensuring our schools are treated like critical infrastructure, and our kids get the protection that they need? Surely, if we treat our banks as critical, and we defend bureaucrats at the Department of Education with armed security guards, we can deem America's children as critical, as well.

Secretary CHAO. This is obviously a devastating blow to our country. And, as you have seen on television, the President has held meetings with survivors, their relatives, parents, and relatives that have lost their loved ones. This is a devastating blow, and the President feels strongly, very strongly, keenly about this issue.

On the issue of infrastructure and including hardening schools to be part of the infrastructure proposal, I would bring this back to the White House and to the President.

Mr. BARLETTA. Great, thank you. I think that is something that we can all agree on, as we debate all these other issues. If people can't get into our schools, they can't harm our children. So thank you.

I was pleased to see that the White House's proposal included a section on workforce development. Back in December I chaired a hearing in the Subcommittee on Economic Development, Public Buildings, and Emergency Management that examined ways in which the opioid crisis is impacting the workforce and economic growth in the Appalachian region, which includes my home State of Pennsylvania. What we have seen is that individuals in this part of the country who are 25 to 44 years old experience mortality rates 70 percent higher than the non-Appalachian States. Typically, this group includes Americans in their prime working years, which has created a significant challenge to economic development in the region.

Recognizing how important a strong workforce is to rebuilding our infrastructure, and knowing that opioids are devastating that workforce, especially in rural areas, which the administration has targeted as a critical area of investment, can you speak to how the infrastructure proposal will help address this issue?

Secretary CHAO. Well, it is a huge issue. And Secretary Acosta in the Labor Department has responsibility for the workforce development, workforce retraining part. The infrastructure proposal, hopefully, will spark new buildings, which will yield good-paying jobs. And we probably will not have enough skilled trades workers to be able to address all the infrastructure needs when it finally gets all going.

So the workforce training and retraining part is important. And your idea about including or somehow working with these communities and populations of people who will certainly be benefitted by this, turning around their lives, is something that again, I am very interested in. As a former Secretary of Labor, I will bring that back also to the White House and to Secretary Acosta.

Mr. BARLETTA. Thank you. Thank you for your work. I yield back.

Mr. SHUSTER. I thank the gentleman. I will recognize Mrs. Napolitano.

Mrs. NAPOLITANO. Thank you, Mr. Chairman.

Hello, Ms. Secretary. My question deals with the California Senate bill 1, which invests $54 billion over the next decade in infrastructure. It is intended to spur the State and local investment in the infrastructure. That past major bill of legislation was two-thirds vote of our legislation, known as Senate bill 1, and provides $54 billion over the next decade.

Do you support this recently passed legislation? It is California's Senate bill.

Secretary CHAO. Unfortunately, I am not very much—I am not really up to speed on that. If I may ask to take a look, and will be more than glad——

Mrs. NAPOLITANO. Yes.

Secretary CHAO [continuing]. To answer that question.

Mrs. NAPOLITANO. And it—my question deals with the lack of recognizing that the States that pass infrastructure packages, in addition to passing that bill, the county of Los Angeles passed two transportation sales tax measures since 2009, providing $120 billion over the next 40 years. The voters approved with 70 percent of the vote. The most recent sales tax was last year.

Concerning the majority of your plan significantly penalizes State and local governments that have raised revenues prior to

January 2018, not only do States and locals recently passed legislation—infrastructure legislation packages score poorly when rated by your department, you limit these projects to qualify for only 5 percent, or $5 billion, out of the $100 billion of the new incentives projects program. Why would you want to preclude the potentially great projects that have already had non-Federal revenues already lined up by responsible States and local governments? And don't you think your approach to incentivize project sponsors that have not passed revenue packages in their States would slow project delivery?

Secretary CHAO. I understand the question. The original intent was we wanted to recognize what States have done. But some States have done things 5 years ago, 7 years ago. It is still on the books. So do we take into account and just accept what they have done, let's say, in the last 10 years? That, we thought, was a little too much. So the current proposal has a 3-year look-back. And if that is perhaps too long, again, we are flexible on that.

I understand the point that you are making. For certain States that have taken the initiative, they have bitten the bullet. Why should they be penalized? So the 3-year look-back may not be one that they agree with. So we can talk about that.

Mrs. NAPOLITANO. I would very much appreciate that, Ms. Secretary.

Because your plan calls for 80 percent of a project cost to be from State and local sources, we should be allowing States and local governments to have local hire preference. When the residents of California are voting by a 70-percent margin for the bill to raise their own taxes in order to support transportation projects, they assume they will be given preference in getting those jobs.

Do you think States should be allowed to give preference to hiring their own—and taxpayers when they are paying for the vast majority of the project?

Secretary CHAO. That is probably an issue that I have got to bring back. Again, there are many other agencies involved in this, and I have got to go back to the White House and ask some of the other Secretaries, as well.

Mrs. NAPOLITANO. Well, would you please give us a clarification? Because it is unfair if we are paying for the improvements and we cannot hire local preference.

Secretary CHAO. I will take a look at that.

Mrs. NAPOLITANO. Thank you. Another issue is Los Angeles County is preparing to host the Nation and the world for the 2028 Olympic Games. Give us your commitment to make these critical transportation projects a priority, potentially convening a DOT working group among staff so that the needed infrastructure is in place to host a successful Olympic Games.

Secretary CHAO. Well, your mayor has been in to see us and other agencies on this issue, as well. So we look forward to working with him and also with you.

Mrs. NAPOLITANO. Very well, thank you. In regards to successfully hosting the Olympics, one of the most critical projects is the Purple Line subway extension project, which will build a new station and subway line to serve UCLA, one of the Olympic venues, as well as a planned village for athletes. Can you please give us your commitment that you will look at it, do everything you can to support the project, ensure that it is built on time, and ready for the Olympics?

Secretary CHAO. You are not the only one that has brought it up. As I mentioned, your mayor has been very good about approaching us on this.

Mrs. NAPOLITANO. Very good. Thank you, Ms.——

Secretary CHAO. So we will look forward to working with you and the mayor.

Mrs. NAPOLITANO. Thank you, Mr. Chair.

Mr. SHUSTER. Thank you. Mr. Gibbs is recognized for 5 minutes.

Mr. GIBBS. Thanks, Mr. Chairman. Thank you, Madam Secretary, for being here today. I am really encouraged about the proposal, especially the administration's proposal regarding streamlining, and how we can lower costs and do things more efficiently. And I just wanted to highlight a few things there before I ask some questions.

But the section 404 permits, the White House language is similar to a bill that I have introduced, H.R. 2917, that deals with vetoing and preemptively, retroactively vetoing permits. And so there is language in there that eliminates duplicative oversight by the EPA on the section 404 permits. So that is a good thing.

Another bill I have is H.R. 465, dealing with integrated planning. And this bill would really help our local municipalities deal with their water and sewer projects. And I know the administration supports that, so I appreciate that, because I think that is a good way to help bring more efficiencies and lower costs and get that infrastructure at the municipal level accomplished.

And another proposal that the White House discussed a lot in your package is the WIFIA, the Water Infrastructure Finance and Innovation Act, which I sponsored the pilot in WRRDA 2014, and along with Congressman Brian Mast, down in front of you, we have a bill that increases the funding and reauthorizes the program. I know the White House is very supportive of that. It is a partnership.

And then rural broadband, I am really concerned about that. A good opportunity—I think we are kind of like where probably President Eisenhower was with the Interstate Highway System. If we get rural broadband accomplished, how that helps with jobs, opportunities, and education across—I just want to highlight that.

In the administration's proposal you talk about a $50 billion investment to improve infrastructure in rural areas. Can you maybe elaborate on how it would come about, how you operate that, and what types of projects might be eligible for that funding?

Secretary CHAO. We understand that rural America has different needs. And so, a specific title is set aside for rural America needs. Forty percent of that would be by formula, understanding again that, you know, having some kind of a public-private partnership won't really work, given the lesser density and the volume, the density that is required in a public-private partnership. So 40 percent of that would be by formula, and about 10 percent, as is currently discussed, would be competitively bid.

If I may also return back to your legislation and give you a shout-out about the section 404 and section 402, these are not within the Department of Transportation, they are within the Army Corps of Engineers.

Mr. GIBBS. Yes.

Secretary CHAO. And so, as the chairman and others have mentioned, that is always a point of great concern on the parts of many parties.

But the section 404 and section 402 permits both require, substantially, the same information. And yet they must be gathered and then they are conducted separately, sequentially, thereby adding unnecessary time lags to the permitting process. So thank you for that.

Mr. GIBBS. Now, you are right, it is not in your jurisdiction, per se. But I am sure you have input at the administration's level on how important that is. And, of course, it was in the President's package, the 50-page document I read. And so I think that is a big help.

Back on the rural infrastructure, the 40 percent—you take into account—because a lot of the projects might be smaller or harder to find partnership financing, because of just the nature of that. So you think that formula takes into account enough for private institutions or private entities to want to get involved in that, because the costs are higher and the returns might not be as well?

Secretary CHAO. Well, that actually would be up to the Congress because, again, we sent guidelines.

Mr. GIBBS. OK.

Secretary CHAO. It is supposed to be formula. But beyond that, there are not very many details. So we look forward to working with you.

Mr. GIBBS. I am just about out of time.

Secretary CHAO. The Congress on that.

Mr. GIBBS. I just wanted to mention I always think it is a good priority if the administration identifies certain projects that are national—significant importance or regional projects that have economic or national defense issues that we—should be addressed. And so I would just encourage that.

Things like, you know, certain infrastructure in certain areas that are critical to our economy and our national security should be prioritized by the administration. So I look for leadership from the administration to help identify those and push for those where States might not be able to address those as well.

Secretary CHAO. Thank you.

Mr. GIBBS. Thank you, I yield back.

Mr. SHUSTER. I thank the gentleman. Now I recognize Mr. Lipinski for 5 minutes.

Mr. LIPINSKI. Thank you, Mr. Chairman. I want to thank you, Madam Secretary, for all your years of service to our Government.

I am glad that we have now got the conversation going on the infrastructure plan. And I thank the chairman for his work, and I am very hopeful that we could move forward with a bipartisan plan here in this committee. I know the chairman wants to do that, Ranking Member DeFazio does, I think we all do. So I am very hopeful that we can get that done.

On the INFRA grants, I know there is $1.5 billion there. Hopefully those will get out in June and not later. I know there is a project that everyone knows I always talk about, the CREATE [Chicago Region Environmental and Transportation Efficiency] Program, the rail modernization program in Chicago that is—you know, 67 percent is both—comes from private funding, State and local funding. So I think that fits perfectly with what the administration is talking about. I hope to see that funding come.

Another big issue in Chicago is public transit. In the transit system our capital needs are very, very big. The capital needs would account for, you know, 18 percent of the entire pot of Federal funding in the administration plan, the $200 billion.

I know Mr. Larsen had talked about the Full-Funding Grant Agreements, the situation there. And I wanted to make a point that it is important that transit is eligible for the funding, and that there has to be a way that—I believe that transit can get funded. It is very tough for transit to be able to come up with the 80 to 90 percent for a transit project, a locality to come up with that.

Does the administration see those projects, transit projects, as being possible through the administration's plan? And if Congress comes up with a different plan that is much more supportive of transit funding, will the administration support that coming out of Congress?

Secretary CHAO. You ask very good questions.

And number one, I would say we want to work with the Congress. So that is the basic premise.

We do have a disagreement about the amount of support for transit. But I would hope that we are open to discussing these projects. And currently, in the principles that were sent up to the Hill, there is no disparaging positioning of transit versus other projects. If anything, once again, it leaves it up to the local and State governments to select what projects they want. So if they want transit versus something else, it is up to them.

Mr. LIPINSKI. Thank you. It is going to be very tough to come up with the 80 to 90 percent on transit. But let—I want to move on to TIFIA [Transportation Infrastructure Finance and Innovation Act] and RRIF [Railroad Rehabilitation and Improvement Financing]——

Secretary CHAO. Yes.

Mr. LIPINSKI [continuing]. Which are very good programs, and I think the administration agrees with that. They have been undersubscribed, though. What is the administration going to do to make those more attractive, both TIFIA and RRIF?

Secretary CHAO. Only one of them is undersubscribed. And so, in the infrastructure proposal there are recommendations to broaden the eligibility, so that more parties can participate. We think that that would probably allow more usage of those programs.

Mr. LIPINSKI. Because I know there has been an issue with RRIF that has made it unattractive for many of the short line railroads to use that. But that is something we could discuss further later.

I want to follow up on RRIF. The former administration, Obama administration, said that they would follow Buy America policies for RRIF. Does the current administration also believe that Buy America needs to be followed for the RRIF program?

Secretary CHAO. I think this administration, this President in particular, feels very strongly about that. So we have actually been very, very tough on it, the Buy America provision. It is not within the infrastructure proposal, if that is what is being discussed. But it is an overriding statute that all of us have to abide by, and do abide.

Mr. LIPINSKI. Thank you. I will yield back.

Mr. SHUSTER. I thank the gentleman. Now I will recognize Mr. Webster for 5 minutes.

Mr. WEBSTER. Thank you, Mr. Chairman. Thank you, Secretary, for being here today. I appreciate your willingness to come and testify about something that is an important issue for all of us.

I am from Florida, central Florida. We depend on transportation as a huge part of our economic engine when it deals with tourism. I would like to keep going on the TIFIA program, as we are, especially in central Florida, big users of TIFIA.

When you were talking about broadening the ability of States and local governments to apply for a TIFIA loan, is there a pecking order that is going to be there? Because in our particular case, three of the big projects were the tunnel down in Miami to the port; I–4, which is an ultimate project, which is about 6 years in the making; and then there is also the Central Florida Expressway Authority, which had a large TIFIA loan, which will complete the beltway around Orlando. In each of those cases, that loan is going to be paid back by new money, in that it is going to be paid back by tolls. And there are some other projects that are the same.

If those that can apply has broadened, will there still be given some sort of nod to those that, number one, provide a huge chunk of that money from the State or local government? And number two, it is guaranteed by revenue—it would be a revenue-producing project, as opposed to those who may just pay it back from their regular State transportation trust funds, or something like that. It is not real new money, it is just advancing a project.

So, anyway, my question is will there still be given some priority to those who are going to bring new money into the system and pay it back with new money, which will be recurring each year, even after the loan is paid back? Anyway, that is my question.

Secretary CHAO. The simple answer to all of these questions is yes. But I want to get you a definitive answer. So if you will allow me to go back and confirm that, I will do so. Because the repayment portion, we just want to make sure it is repaid. So whatever sources, we would——

Mr. WEBSTER. Well, my only——

Secretary CHAO. We just want to make sure that it is going to be solid.

Mr. WEBSTER. There is an advantage to the Federal Government in that there is new money being interjected that won't end when that TIFIA loan is repaid, and that it is going to produce—and in our State, the monies that are collected from tolls can be used to enhance that particular infrastructure project—in this case, a road—to bring in more traffic, more money, and more things can be handled, even with the local level, without any Federal participation and/or minimal participation through maybe another TIFIA loan.

Anyway, that is—I just don't want to lose any kind of positioning to those who would not be having a—I know you want to get the money paid back, I got that. But on the other hand, there are two ways. And the one that would produce money seems to me would be better.

Secretary CHAO. Yours is not the only example. So let me get you——

Mr. WEBSTER. OK.

Secretary CHAO [continuing]. A firm answer, if you would.

Mr. WEBSTER. Thank you. I yield back.

Secretary CHAO. Not at all. Thank you.

Mr. SHUSTER. I thank the gentleman. And next is Mr. Sires, recognized for 5 minutes.

Mr. SIRES. Thank you, Mr. Chairman, for holding this hearing.

Madam Secretary, thank you for being here. I represent the district in New Jersey where the two tunnels are.

Secretary CHAO. Yes.

Mr. SHUSTER. Can you speak into the mic a little bit more?

Mr. SIRES. Where the two tunnels are located, the Lincoln Tunnel and the Holland Tunnel. Obviously, you know they are over 100 years old. And obviously, they were hit very hard by Hurricane Sandy. We have over 200,000 riders a day that use these tunnels. The Northeast Corridor Commission estimates that the economy will lose about $100 million a day if something happens to these tunnels.

You and I were both present when Governor Christie and Governor Cuomo had a meeting with the President regarding the Gateway tunnel. And everybody there left very enthusiastic. The President seemed to be supportive, including yourself, of this project. But lately it seems like this project has come under attack. Let me just state a couple of things.

First, rejecting the 50/50 partnership agreement between New Jersey, New York, and the U.S. Government, that was an agreement that was done on the Obama administration because of the necessity that these tunnels be redone.

Then, trying to eliminate the capital investment grant funds, and trying to eliminate funding for Amtrak. And now there are reports the President is appealing to Speaker Ryan to pull all the funding for the Gateway tunnel.

I would just like to know what happened. We left there so enthused, you were enthused, the President was enthused. All of a sudden this is a project that is not such a priority, especially when there are 52 million people in this region and it generates about 20 percent of the economy in this region.

So can you give me something that I can be enthusiastic about? Because I really am very disappointed in the President. We go there and we thought we had something good going.

Secretary CHAO. I am very glad to answer those questions.

Mr. SIRES. It is just one.

Secretary CHAO. Number one, on September 7, 2017, when this meeting occurred at the White House, we were very polite. We were cordial. There was no commitment at all.

Mr. SIRES. Well, I—let me say you were not——

Secretary CHAO. The attendees of that meeting——

Mr. SIRES. I didn't say you were not cordial or polite. And I didn't say there was no—I said there were—everybody left there very enthusiastically.

Secretary CHAO. The attendees of that meeting exited that meeting and spun the results of that meeting as they wanted the meeting to be. There was no commitment from that meeting. As I mentioned, it was a cordial, respectful——

Mr. SIRES. So are you telling me now that there is no commitment——

Secretary CHAO [continuing]. Courteous meeting——

Mr. SIRES [continuing]. To do this tunnel?

Secretary CHAO. If I may proceed, because there has been so much misinformation about this, I am so pleased to be given this opportunity to clarify.

Number one, there are these Gateway projects, there are nine of them. They are collectively called Gateway out of convenience. And the total bill is $30 billion. New York and New Jersey are two of the richest States in the country.

Mr. SIRES. I know.

Secretary CHAO. They are putting in less than 5 percent——

Mr. SIRES. We send a lot of money to the Federal Government.

Secretary CHAO. They are putting in less than 5 percent on one, and zero in the other. There is no funding agreement. There has never been a funding agreement.

Secretary Foxx said at a political rally in the heat of the campaign in 2016 that he was going to help. There is no documentation on a Federal funding agreement. There is no paperwork on that issue. And, in fact, there is no pending application.

So I don't want to sound hostile, sir——

Mr. SIRES. So let me get this straight. I have 5 minutes——

Secretary CHAO. But——

Mr. SIRES. Madam Secretary, I have 5 minutes.

Secretary CHAO. It is just so inaccurate——

Mr. SIRES. There is—if there is some sort of help that we can expect in this region, because these two tunnels are 108 years old. And if they collapse, the entire country is going to pay a price for this.

Secretary CHAO. The——

Mr. SIRES. So I was wondering——

Secretary CHAO. New York and New Jersey——

Mr. SIRES [continuing]. If you support any kind of help for these tunnels.

Secretary CHAO. New York and New Jersey——

Mr. SIRES. Because I have been there——

Secretary CHAO [continuing]. Can come up with larger than zero or 5 percent.

Mr. SIRES. Well, right now they were willing to commit 50 percent of the project.

Secretary CHAO. The rest of the money is going to take every other transit project funding——

Mr. SIRES. So I go back to my district——

Secretary CHAO [continuing]. From all across the State, all across the country.

Mr. SIRES [continuing]. That this Federal Government is not going to help us.

Secretary CHAO. This is not going to be a heated discussion.

Mr. SIRES. No, this is not going to be a heated discussion. I just want to know what I bring back to my district.

Secretary CHAO. It is going to take money from every other transit project in America.

Mr. SIRES. OK.

Secretary CHAO. That is just a fact.

Mr. SIRES. We already raised the gas tax 23 percent to deal with the transportation trust fund. And it is very expensive to go from New Jersey to New York——

Secretary CHAO. Well, there is a lot of misinformation on this. And please understand——

Mr. SIRES. Madam Secretary, obviously——

Secretary CHAO [continuing].New York and New Jersey have got to up——

Mr. SIRES [continuing]. I am going to bring back to my district that we are not getting any help.

Secretary CHAO [continuing]. Their local share.

Mr. SIRES. Thank you.

Mr. SHUSTER. The gentleman yields back. Mr. Denham is recognized for 5 minutes.

Mr. DENHAM. Thank you, Mr. Chairman.

Madam Secretary, welcome to the committee today. We have talked a lot about the $1 trillion that we would all like to see, even more than $1 trillion. One of the ways we do that is through financing. And as we have had a number of discussions in this committee about user-pay projects, there is not a bigger user-pay project than water storage.

I am a ratepayer. Every time I turn on that tap, I am paying for that water storage. If we can build water storage in California and solve our water crisis, it can be the biggest infrastructure project in the country.

And we have done some new things with WIFIA. We have a number of financing programs that work well. My New WATER Act would expand that to reclamation projects. The principles are within the President's working document.

I wonder if you could describe where the decision is on where that is housed, and whether or not you think that is a good financing tool for not only infrastructure projects, but specifically water storage.

Secretary CHAO. Unfortunately, that is the EPA Administrator's portfolio. So that has to be more properly addressed to him, and I will be more than glad to go back to the White House and bring back your concerns to him.

Mr. DENHAM. Thank you. Well, we would certainly like to see that housed under DOT, and WIFIA, as well. But the reclamation—the EPA will be out in my district, we are going to have that discussion. But this is a big financing tool to be able to build big water storage in California and elsewhere.

Let me switch to another issue that pertains to water storage. Out of this committee we have passed a number of pieces of legislation, including an amendment to the FAST Act which deals with

NEPA reciprocity. We want to, obviously, deal with the highest environmental quality policies across the country. We just don't want to do it twice. And so, California, we have been utilizing our exemption on NEPA to just deal with CEQA [California Environmental Quality Act] so that you are not seeing the long delays and lawsuits on the permitting process.

Right now the program is currently limited to DOT projects. Can you discuss about how we would use these and expedite a project delivery for surface water storage projects and the merits of expanding this type of policy to water agencies, as well?

Secretary CHAO. Well, so much of the permitting process spans over so many departments and agencies, which is why, when we talk about infrastructure, there needed to be a multiagency, "One Federal Decision" process, and that is why the President made that announcement with "One Federal Decision" with one Federal agency, one Federal cabinet, kind of being first among equals to take the lead in some of these permitting issues.

We are in the process of signing an MOU [memorandum of understanding] with the various departments. And we hope to have that pretty soon. But the President has been pretty aggressive in mandating that he wants the permitting process to be shortened.

And again, the permitting process is not the NEPA process necessarily. And again, we don't want to compromise the environment at all. But how do we have a more commonsensical approach to streamlining the permitting process so that redundant or duplicative processes are somehow resolved?

Mr. DENHAM. Well, thank you. My time is short here, but let me just say how excited I am about having a large infrastructure project that could not only solve California's water crisis, but really expand our ports, expand our highways, really expand goods movement as we create more jobs.

We will continue to partner with you to find new revenues. Obviously, we would like to see our numbers as high as we can, but also want to have the creativity to use our current financing systems and streamline these projects. To take these projects—not only taking them 10 years, but—in some cases, including California water storage, it is not only multidecade, it is generational gaps in new water storage.

And so we are looking at those opportunities to expedite these projects and actually get them built not only in our lifetime, but get them built in the next couple of years. So excited about the new proposal, and want to find new ways that we can work together, and I yield back.

Secretary CHAO. Thank you.

Mr. SHUSTER. I thank the gentleman. I now recognize Mr. Johnson for 5 minutes.

Mr. JOHNSON. Thank you, Mr. Chairman. And I appreciate your testimony today, Secretary Chao. And I noticed that in your written testimony submitted for the record, as well as your oral testimony today, you failed to make any mention whatsoever as to public transportation. That is a glaring omission. Can you explain why you have not testified and not spoken on public transit? Is it not important?

Secretary CHAO. Well, it is not excluded.

Mr. JOHNSON. But you didn't mention it, though.

Secretary CHAO. I didn't mention highways too much, either.

Mr. JOHNSON. Well, you did mention——

Secretary CHAO. But your point is well taken.

Mr. JOHNSON [continuing]. Highways, but you didn't mention transit.

Secretary CHAO. It is whatever is the infrastructure needs of the local communities. And again, we leave that to others, we don't express a preference for one or the other. We leave it up to the local communities. But I take your comment to heart.

Mr. JOHNSON. Well, let me ask you this.

Secretary CHAO. Yes?

Mr. JOHNSON. Do you agree that public transit is and should be a tool in the infrastructure toolbox?

Secretary CHAO. Sure, if the local community wants it.

Mr. JOHNSON. And do you——

Secretary CHAO. It is up to them to prioritize.

Mr. JOHNSON. OK. And do you believe that public transit systems significantly improve economic vitality and opportunities for small businesses?

Secretary CHAO. In urban areas, where there is density, and where there is enough traffic, yes.

Mr. JOHNSON. And it allows or it enables these local communities to prosper and grow. Isn't that correct?

Secretary CHAO. Well, sometimes they can't pay for the transit systems, and then it is a problem.

Mr. JOHNSON. Well, the Federal Government has always seen that it is important in the local communities that they have support for public transit. And you agree with that, don't you?

Secretary CHAO. No, I think it actually varies. Some administrations——

Mr. JOHNSON. But you don't——

Secretary CHAO [continuing]. Support it more so than others.

Mr. JOHNSON. You don't think public transit is something that the Federal Government should invest in?

Secretary CHAO. Well, the Federal Government does invest in Federal transit. There is something called——

Mr. JOHNSON. But you don't think——

Secretary CHAO [continuing]. The Federal Transit Administration.

Mr. JOHNSON. But you don't think that it should, going forward, because you left it out of——

Secretary CHAO. No, I didn't say that.

Mr. JOHNSON. But you left it out of——

Secretary CHAO. You are asking me to prefer transit over something else, and I am saying this is a local decision.

Mr. JOHNSON. I am just asking you to recognize it in your comments to our committee, and you failed to do so.

Secretary CHAO. I don't understand that.

Mr. JOHNSON. And I am asking you why.

Secretary CHAO. I didn't mention other modes of transportation like aviation. I was criticized on that, as well.

Mr. JOHNSON. Well, do you think public transit is important?

Secretary CHAO. In certain cities where there is enough volume and density to support it, it can be a viable alternative transportation system.

Mr. JOHNSON. Well, what is the Trump transportation plan insofar as public transit is concerned? What is the plan?

Secretary CHAO. Well, we have a budget for the Federal Transit Administration.

What is the budget [turning to ask a person seated behind her]?

Mr. JOHNSON. Is that the one that is being cut——

Secretary CHAO. There is a Federal Transit Administration with a full budget, and we support——

Mr. JOHNSON. But the budget is——

Secretary CHAO [continuing]. All the transit programs there.

Mr. JOHNSON. Budget is being cut by 19 percent, correct?

Secretary CHAO. Well, that indicates that sometimes administrations don't fully agree with all the transit projects.

Mr. JOHNSON. Well, you are pretty good at jumping around my questions.

Secretary CHAO. No, no, I am trying to be cooperative and answer.

Mr. JOHNSON. Yes, no, you are not. Let me ask you this question. The Trump infrastructure proposal would turn the funding formula on its head by requiring State and local governments to cough up 80 percent of the cost of infrastructure. Do you believe that it is realistic to believe that cash-strapped municipalities in rural America would be able to squeeze sufficient revenues from State and local taxpayers to pay the 80-percent share of the cost of infrastructure improvements?

Secretary CHAO. Well, as I have mentioned, the 80/20 applies only to intrastate projects. That has always been the case. The rest of the transportation systems in the country is 10 percent owned by the Federal Government, 90 percent owned by the States.

Mr. JOHNSON. Well, you are not answering my question.

Secretary CHAO. And the existing programs, the budget still stays. All the formula grants and the FAST Act, that all stays. We are——

Mr. JOHNSON. Madam?

Secretary CHAO. Yes?

Mr. JOHNSON. Madam, my question is——

Secretary CHAO. Yes?

Mr. JOHNSON [continuing]. Do you believe that State and local governments will be able to cough up 80 percent of the share of the cost of infrastructure improvements? You believe they will be able to squeeze——

Secretary CHAO. Well, that is the question of pay-fors. And as I mentioned——

Mr. JOHNSON. Do you think——

Secretary CHAO [continuing]. We will work with Congress on that.

Mr. JOHNSON. Do you think the State and local taxpayers can afford to be squeezed?

Secretary CHAO. Well, Federal money is not free. Federal money is taxpayers' money, as well. It is Federal monies, actually taxpayers' money coming from the States and localities. They come up to us, we send it back to the——

Mr. JOHNSON. I got one last——

Secretary CHAO [continuing]. Localities and to the local and State governments with Federal strings attached.

Mr. JOHNSON. One last——

Secretary CHAO. That is what Federal dollars are.

Mr. JOHNSON. One last question.

Secretary CHAO. Yes, of course.

Mr. JOHNSON. In your written testimony you state that the guiding principle of the Trump infrastructure plan is the use of Federal dollars as seed money to incentivize infrastructure investment by State and local governments. My question is how does the Trump infrastructure plan propose to incentivize private-sector investment in rural areas?

Secretary CHAO. By the dint of the Federal Government getting involved in certain projects, they offer the imprimatur of the weight and gravitas of the United States Government. And with that, that actually improves the quality of some of the projects. And more private investors are willing to enter because they think there has been a "seal of good housekeeping."

And that is why, again, the Federal Government's entry, or being involved in a transaction, is helpful to helping the private sector enter.

Mr. JOHNSON. Well, I [inaudible]——

Mr. SHUSTER. The gentleman's time has expired. I thank the gentleman.

Mr. JOHNSON [continuing]. Answer my question.

Mr. SHUSTER. Thank you.

Mr. JOHNSON. Thank you.

Mr. SHUSTER. I would also like to remind the gentleman. Under the formula, the trust fund formula, 80 percent goes to highways, roughly 20 percent goes to transit, and States have the ability today—which, of course, we in rural Pennsylvania are always complaining that the Governor flexes dollars, which, under the law, he can do, to Philadelphia.

So there is money to be spent on—again, we haven't talked about changing that formula, I don't believe, in the President's plan. Just new ideas.

So again, with that, I——

Mr. JOHNSON. Well, I thank the chairman for answering my question.

[Laughter.]

Mr. SHUSTER. You are quite welcome. I recognize Mr. Davis for 5 minutes.

Mr. DAVIS. Thank you. Thank you, Mr. Chairman and Madam Secretary. I appreciate you being here to talk about investing in our Nation's infrastructure. And I also appreciate the cooperation and the responses that you have given to some of my colleagues' previous questions. And I disagree with some of the assertions that may have been made earlier.

I actually appreciated the White House's infrastructure proposal. And kind of piggybacking on to my colleague, Mr. Johnson's, comments on rural America, I like the fact that some of those funds in the proposed plan were dedicated to rural America. For years we have seen rural roads and bridges lag behind due to funding constraints and the lack of access to funds.

For example, prior to MAP–21, all bridges were eligible for funding under what was then the Highway Bridge Program. However, this program was eliminated in MAP–21, with the majority of its funding going into the National Highway Performance Program for which off-system bridges are not eligible.

This means that today 77 percent of all bridges in the U.S. are only eligible for funding under the Surface Transportation Block Grant program. This leads to many off-system bridges in rural counties like those in my district being years, sometimes decades, behind in the maintenance that needs to be conducted.

So again, thanks for ensuring rural infrastructure was prioritized in this proposal. And I would also suggest that some of these dollars be allocated directly to local jurisdictions who can best identify their own infrastructure priorities. Under the administration's proposal, the 80 percent of the funding set aside for rural formula dollars would go directly to Governors. It would make sense to me to use the Surface Transportation Block Grant program, which suballocates more than 50 percent of the formula to locals, as a model. Because, unfortunately, local infrastructure priorities, as Chairman Shuster just mentioned, don't always align with our Governors, regardless of which party may be in charge.

Secretary Chao, do you agree that we should include some level of local control of rural infrastructure dollars?

Secretary CHAO. In fact, the President's entire infrastructure proposal leaves the priority of projects to the State and local leaders. So we don't say what project is preferable over another. We don't say which financing or funding mechanism is preferable. We are basically saying it is really up to the local and State leaders.

Mr. DAVIS. And I understand that. But, as Chairman Shuster mentioned, as I mentioned, sometimes our Governors' priorities, our State officials' priorities, may be overtaken in the nonrural areas. So thank you for your dedication to rural America.

I want to start my second question by noting that I support the DOT's electronic logging device rule, moving forward, as the rule was authorized by Congress. And much of the trucking industry has already invested millions into coming into compliance.

I do, however, also believe that there are legitimate concerns for certain industries who are working to come into compliance. And this includes the livestock hauling industry.

Madam Secretary, can you describe FMCSA's [Federal Motor Carrier Safety Administration's] outreach to the agriculture industry leading up to the implementation of the ELD rule?

Secretary CHAO. This is a very important rule, especially with reference to livestock. And I have heard from multiple numbers of rural lawmakers on this issue.

Mr. DAVIS. Well, thank you——

Secretary CHAO. FMCSA supposedly has, and I have been told, and if you are not satisfied with it, please tell me, because I will go back and reinforce this point with them. I have been told that they have held a number of outreach and educational sessions to try to explain the 90-day waiver that has been issued for livestock, and how this particular rule functions.

But again, if you are not satisfied with that, please let me know and I will——

Mr. DAVIS. We will have our local groups get back with us, and we will reach out to DOT.

Secretary CHAO. Right.

Mr. DAVIS. So you are saying the 90-day waiver has already been implemented.

Secretary CHAO. Yes.

Mr. DAVIS. So eight livestock groups submitted a letter, asking for a waiver, and that has already been submitted?

Secretary CHAO. The last time was December 18th, so it was extended into March 18th, which is coming up.

Mr. DAVIS. OK. Do you anticipate another waiver?

Secretary CHAO. Well, this is a big decision, because, legislatively, the Department is constrained.

Mr. DAVIS. All right, thank——

Secretary CHAO. So we have to study it carefully.

Mr. DAVIS. And I am specifically talking——

Secretary CHAO. But I am very sympathetic to this issue.

Mr. DAVIS. Yes, and I am specifically talking about the livestock industry.

Secretary CHAO. Yes.

Mr. DAVIS. It is also my understanding——

Secretary CHAO. This is the waiver.

Mr. DAVIS. What is that?

Secretary CHAO. This is the waiver.

Mr. DAVIS. Right.

Secretary CHAO. The waiver was only for livestock.

Mr. DAVIS. OK.

Secretary CHAO. Yes.

Mr. DAVIS. Thank you very much. I appreciate the opportunity to ask you this, and we will get back with you on the waiver issue, to make sure our questions are answered.

Thank you, I yield back.

Mr. SHUSTER. I thank the gentleman. And now Ms. Titus is recognized for 5 minutes.

Ms. TITUS. Thank you, Mr. Chairman.

Ms. Secretary, welcome back to the committee. It is nice to see you. The last time you were here I asked you about the status of the National Advisory Committee on Travel and Tourism Infrastructure.

Just to remind everybody of what that is, in the FAST Act I worked with my colleagues across the aisle. We had a bipartisan amendment to the FAST Act. It created a committee to report directly to you that brought together a diverse array of experts from across the travel and tourism industry, and they were to advise you on—I quote—"current and emerging priorities, issues, projects, and funding needs related to the use of the intermodal transportation network of the United States to facilitate travel and tourism."

And travel and tourism are very important to my district in Las Vegas. But all around the country, no matter what district you represent, there is something related to tourism that is there.

Now, we thought that with infrastructure being such a priority of this President, that now would be a good time for this committee to be meeting and giving advice on how travel and tourism priorities would fit into that plan. Under your predecessor, the advisory committee was up and running, meetings were occurring, they were coming with recommendations.

In February of last year, though, following your confirmation, I led this letter with my fellow House and Senate Members who are cochairs of the Travel and Tourism Caucus. And I would like to ask that this be submitted into the record. And we were urging you to kind of prioritize that committee's work.

Unfortunately, though, nothing has happened. They haven't met, they reschedule meetings and they cancel meetings. And so, I would just like to ask you, if they are unable to continue their work, you are not kind of empowering them to continue, how can their recommendations be reflected in the infrastructure plan?

Their charter goes away June the 20th. And I wonder, are you just waiting out the clock, or are you going to be working with this committee?

And don't you think these priorities are important to consider, as we move forward with infrastructure plans?

Secretary CHAO. I know this is important to you. It was brought to my attention just before the hearing.

Now, we don't really have a good grasp over all of what is called FACAs [Federal Advisory Committee Act]. These are all boards and commissions. And so we are slowly, and I do admit slowly, going through them to see what needs to be done with them, how do we get them going. And frankly, I just haven't had enough staff to go through it. But we will take a look at it.

Ms. TITUS. Well, I hope so, because it has been a year since I have asked about this. And their time is running out, and we are putting the plan together now. And you have got experts on that committee who are ready and willing to go to work, if you will just give them the say-so.

And, you know, in addition to that, according to the same section of the FAST Act, that requires that your department consult with them on the strategic plan. And that is supposed to be submitted by the end of the year. And if they are not up and operating, they are not going to be able to have any input into that, either.

And so, I hope you will make that a priority. I have been hoping that for a while now. And it really didn't seem like it would require that much effort to see what they are doing and what they can contribute to this kind of major infrastructure overhaul that you are talking about.

Secretary CHAO. Thank you for bringing it to my attention.

Ms. TITUS. No, thank you. And I look forward to hearing back from you and Rossi Ralenkotter, who is the chair of that, who is also the chair of our Convention and Visitors Authority, to hear that progress is being made.

Secretary CHAO. Thank you.

Ms. TITUS. All right. Thank you, and I yield back.

Mr. SHUSTER. I thank the gentlelady. And without objection, the gentlelady's letter will be made part of the record.

[The letter referenced by Congresswoman Titus is on page 100.]

Mr. SHUSTER. And with that, I recognize Mr. Sanford for 5 minutes.

Mr. SANFORD. I thank the chairman. And thank you, Madam Secretary. Two quick questions on infrastructure.

One is could you give a little bit more definition of the 3-year look-back, as it relates to infrastructure? Because, for instance, South Carolina just raised its gas tax. And one of the things that I have heard from back home is questions as to the degree to which they will be recognized for doing so. A question on that front.

Secretary CHAO. No, it is an issue, because, in fact, South Carolina had a very, very good project, which was originally on the first round of some grants that were to be released. And yet, because of what they did, showing that they had initiative, they had responsibility, they were actually not eligible to receive the grant that they would have received if they were laggard, in terms of not raising any revenues at all.

So, this is one of a number of projects. But there was also balanced against this another concern that there were States that did this 10 years ago, and there were some people in this working group of agencies that thought that that was not fair to include 10 years. So the compromise was 3 years.

And this and other issues, I have mentioned to the chairman, we are more than willing to work on a bipartisan basis with both sides on how to address this and other issues of concern, because I understand South Carolina is a glaring example where you did not get a grant for a port in South Carolina. I don't know whether that is in your district.

Mr. SANFORD. Yes.

Secretary CHAO. But they took responsibility, they raised their own revenues, and then subsequently they were not eligible for the grant.

Mr. SANFORD. All right. So to be continued on that one.

The other question is actually tied to Charleston, as well. And that is one of the questions with P3s is you—in essence, they are aimed toward revenue-generating projects. And yet, if you look at flooding in Charleston, it has increased rather dramatically. So something is going on, in terms of sea level rise. We can have long debates on the why and the what, but the bottom line is that it is happening. And nuisance flooding has exacerbated, as has more damaging forms of flooding.

They have committed significant amounts of money to doing so, but it looks like they will be ineligible for many of these other kinds of grants, given the fact that there has to be a revenue-generating component to what is done. And that obviously doesn't fit with safeguarding property, as a consequence of this flooding.

Any particular ideas there, in terms of where folks in Charleston might be able to better look on the grant front?

Secretary CHAO. I am not familiar with that. It is a good point. And if you will let me, let me take a look at that, and we will get back to you on that.

Mr. SANFORD. All right. I appreciate that.

Mr. Chairman, thank you for the time.

Mr. SHUSTER. Thank you.

I thank the gentleman. Mr. Payne is now recognized for 5 minutes.

Mr. PAYNE. Thank you, Mr. Chairman.

Secretary Chao, I am going to follow up with my colleague's line of questioning, Mr. Sires, in reference to the Gateway project.

Now, this weekend the Washington Post reported that President Trump is actively seeking to undermine the Gateway project now. Now, we know this project is one of the biggest and most expensive in the country, granted. We know that hundreds of thousands of commuters and intercity travelers rely on this trans-Hudson infrastructure to get in and out of New York, daily.

Despite the President's actions, are you saying that there is no commitment to support this critical infrastructure on the Federal level?

Secretary CHAO. There is no commitment, there is no documentation on Federal funding, there is no completed application.

Mr. PAYNE. I was at that meeting in the White House, as well. I sat about two chairs away from you.

So, when the President talked about it being a good project, and it looks good, and we are going to move forward, and talked to Governor Cuomo even about that runway at LaGuardia Airport that he felt that they should get, now you are saying that none of this happened?

Secretary CHAO. No, I did not say that. I said we were polite, we were respectful, we were cordial. We made no commitments. We want to work together. There is no doubt about that. But working together also means that New York and New Jersey, two of the richest States in the country, have got to come up with more than zero financing on one project——

Mr. PAYNE. Excuse me, excuse me, it is not zero—

Secretary CHAO [continuing]. And 5 percent on the other.

Mr. PAYNE. Yes, well, I don't know where you get your information, because we have offered a 50/50 split with the Federal Government, not 80—not 10/90, not 80/20—50/50, half.

Secretary CHAO. We have——

Mr. PAYNE. You have——

Secretary CHAO. That is great.

Mr. PAYNE. You have not——

Secretary CHAO. If that is the case, that is terrific.

Mr. PAYNE. You have not heard that?

Secretary CHAO. That is great. No. We have been in discussion with the——

Mr. PAYNE. You have not heard that? You have not heard that New Jersey and New York had offered 50 percent of the——

Secretary CHAO. Well, that could have been said. But in discussions that we have been having with them, there is zero financing on the Hudson Tunnel and the Portal Bridge. It is zero financing on one by the New York/New Jersey parties, and 5 percent on the other. And they are using TIFIA loans, which they are going to get from us, as part of their downpayment.

Mr. PAYNE. Absolutely incorrect.

Secretary CHAO. Well, sir, I think we have a disagreement about the facts, then.

Mr. PAYNE. Exactly, yes. And I know this administration and their alternate facts, and how that works.

Secretary CHAO. Sir, I take exception to that. I never have said that.

Mr. PAYNE. Then take exception to that.

Secretary CHAO. And I do not want to be stern——

Mr. PAYNE. You can take——

Secretary CHAO [continuing]. But the misinformation on this project has been stunning.

Mr. PAYNE. Mr. Chairman, reclaiming my time.

Mr. SHUSTER. The gentleman has the time.

Mr. PAYNE. Let me say this. It is very unfortunate that the things you hear come out of this administration, once you leave a day later, it just dissipates into air. It never happened. It just dissipates. It is amazing.

I really suggest you look at the facts at what New Jersey has offered, New York and New Jersey have offered on this. And please, can we somewhere along the line live up to our word with this administration?

And I yield back.

Mr. SHUSTER. I thank——

Secretary CHAO. Sir, if you will put that in writing and have New York and New Jersey submit something in writing, we will be more than pleased to look at it. Thank you very much. Because currently we have nothing.

Mr. SHUSTER. I thank the gentlelady. And I believe that is the fact, that there has been no submission. So it is up to the States to submit something.

And with that, I recognize Mr. Woodall for 5 minutes.

Mr. WOODALL. Thank you, Mr. Chairman. And thank you, Madam Secretary, for being here with us. And thank you for all that you have done in partnership with my home State of Georgia. I have heard folks accuse the administration during this hearing of pushing problems down on folks. What I know is when our State was at its weakest, you all stepped in to make sure that the collapse of our major transportation corridor through the State—a collapse due to fire—you all were there, not from day one but from hour one. And I am thankful for your responsiveness.

I see, sitting behind you, Mr. McMaster and Mr. Ray. You have been served by a great team. I am pleased that within the last month you have added a new member to your team, and that Assistant Secretary by the name of Adam Sullivan. He served the Georgia delegation years and years proudly and with distinction. And my expectations for your department were already extremely high because of your leadership. But seeing the folks you are adding to that list sent it even higher.

You mentioned, when Mrs. Napolitano was asking you about the 3-year look-back, the willingness to have that conversation. I am grateful to you for sharing that. Mr. Sanford touched on it a little bit, too. Are you able to share anything from those multipartner discussions to help me to understand what characteristics the Department is looking for, as we continue to have that discussion?

I know we want to encourage more investment, and that is certainly what South Carolina did and Georgia has done. And the fear is we don't want to go back and capture investments made a decade ago that are not being influenced by the new $200 billion that is available.

Is it clear to you, as you and I sit here today, what some of those characteristics are that will determine the outcome of that conversation, whether it is a 2-year or a 3-year or a 5-year, whether it is an 80-percent credit or a 60-percent credit, is there any guidance that you can provide to me? Or is it genuinely a blank slate? And we will have that discussion going forward.

Secretary CHAO. You bring up some very good points about criteria. I think we are actually pretty open. It was just this concern about how do we give people credit, but not give them so much credit that there is nothing for them to do, going forward, and they still get the Federal dollars for a project that is already existing and up and running. So we are working forward, too.

If I may just add one thing. Yes, thank you for your compliments about the appointees at the Department. They are all doing a great job, as are the career folks. I just wanted to let you know Adam Sullivan was just sworn in yesterday, and he was nominated more than 9 months ago.

Mr. WOODALL. Nine months ago. You wouldn't know you were shorthanded, given the amount of productivity that has been coming out of the Department.

I go back and I look at the numbers. We talk about $200 billion in brandnew Federal dollars being pumped in, as if it's a "nothing" of a proposal. Of course, that is more money than the American Recovery and Reinvestment Act pumped into transportation. It is a stunning amount of money, almost as much as the chairman was able to put forward in our FAST Act, which is the biggest transportation bill that we have ever done around here.

But I am thinking about some of the regulatory challenges that the Department has dealt with. By my count, we are close to $1 billion in regulatory savings, not because we have sacrificed any of our stewardship responsibilities to the environment or to labor or to local control, but simply because of some of the efforts you all have made to spend that money more wisely.

I know the first year on the job offers lots of potential. Do you think we will continue to see those kinds of regulatory reforms, those kinds of savings that cost us nothing, as taxpayers and as stewards of the environment, but go to real dollars going back into infrastructure?

Secretary CHAO. Under the previous administration the burden of regulations on just the transportation sector alone was more than $3 billion a year. In the last year, we have taken a look at these regulations without compromising on any of the really important things to us, like the environment. And basically, we have been able to have a deregulatory approach that actually will decrease regulations by about $312 million.

Concurrent with that, of course, is the permitting, which is separate from the deregulation. And I have given some examples of the permitting processes that can be improved. And that is getting rid of sequential, duplicative processes, and many of them came, actually, from the Members of Congress, giving us suggestions and recommendations as to what we should be looking for. And so we look forward to working with the Members of Congress in ensuring that projects that really need to be online are being given the permission that they need to begin improvements.

Mr. WOODALL. Well, I don't just thank you for what you do, I thank you for how you do it. When young men and women talk to me about the discord in politics today, and they want to know what a real public servant looks like, I often give them your name. And I am grateful to you for your service.

Secretary CHAO. Thank you so much.

Mr. SHUSTER. I thank the gentleman. Mr. Lowenthal is recognized for 5 minutes.

Dr. LOWENTHAL. Thank you, Mr. Chair. And thank you, Secretary Chao, for addressing us.

I want to associate myself first with many of the comments that Congresswoman Esty made in presenting Ranking Member DeFazio's statement, and also some of the comments of Chairman Shuster and other colleagues who have highlighted some of the issues or concerns that they have with the administration's infrastructure package.

You know, unfortunately, I believe the administration has ducked the tough decisions that Congress must make, decisions on how to shore up the Highway Trust Fund, and how to move towards a sustainable path for infrastructure investment.

Secretary Chao, I am concerned that your proposal undermines a key priority of mine: to fund the Nation's system of goods movement. I was glad to hear Congressman Denham mention goods movement. Perhaps you have heard the phrase "Freight doesn't vote," which explains why a dedicated freight funding has been so hard for Congress to deal with, and very hard to be won in Congress.

The administration's infrastructure plan proposes, as I understand, a $100 billion grant program over 10 years that the States and cities can compete for at a 20-percent Federal share. This additional funding, however, is now paired with a Presidential budget request that cuts $122 billion from the Highway Trust Fund over 10 years.

As you know, the Highway Trust Fund provides dedicated formula grants for freight programs, as well as discretionary grants through the INFRA program. This proposed budget significantly scales back both.

The President's budget also eliminates the highly oversubscribed TIGER program, which has made key intermodal investments, including $30 million to improve the flow of commerce at both the Ports of L.A. and Long Beach.

So the question I have is, given the Nation's staggering need to improve freight movement and relieve congestion, how does your administration's plan advance freight projects, while at the same time eliminating guaranteed and dedicated funding for freight?

Secretary CHAO. Freight is very important, obviously. And you bring up a very good point, and I don't have an answer for you. I should. So, if you would, let me get back to you on that. But you bring up a very important——

Dr. LOWENTHAL. And I hope——

Secretary CHAO. I am remiss, not being able to answer it.

Dr. LOWENTHAL. Thank you. And I hope, while you are looking at it, you look at a proposal that I put forth in H.R. 3001, which establishes a sustainable, dedicated freight trust fund. It would make sure that we have the resources to deal with these critical investments. And I think it is consistent with what we have talked about before, in terms of user fees. I would like you at least to address that issue.

Also, next question, Secretary Chao, is the administration has said that it would like to reduce—and we have heard it here today—the environmental permitting process from 10 years to 2 years.

Yet, according to CEQ, the—the Council on Environmental Quality—the overwhelming majority of Federal projects that require environmental review—that is approximately 95 percent of those projects—proceed under categorical exclusions and are exempt from the most rigorous types of environmental review. Less than 1 percent of the projects require a more rigorous environmental impact statement, the EIS. And according to the Federal Highway Administration, the average length of that review is less than 4 years.

What I don't understand is, given these statistics, why does President Trump insist that it takes 10 years to go through the permitting process for a transportation project?

Secretary CHAO. First of all, we are not talking about environmental permitting, we are just talking about permitting, overall. As mentioned, we all want to protect the environment. But there are ways in which the permitting process is duplicative, it doesn't make sense, just from a process point of view, that we hope we can address.

The permitting process also not only includes Federal, but State and local. And the process could take 10 years.

Dr. LOWENTHAL. Yes.

Secretary CHAO. Our part can be maybe a portion of that.

So one example is in Alaska. I went up to Alaska in August, and it just so happened that the permitting process for the Sterling Highway came through after a 35-year delay, and it came from the Department of the Interior.

So are there not ways we are asking ourselves, with input from the Congress, on how we can improve the permitting process so many of these projects, transportation infrastructure projects that need to be repaired, improved, can actually begin construction and improvement? That is what we are talking——

Dr. LOWENTHAL. Thank you. And just as I yield back I will submit in writing—I am concerned about the delays and uncertainty regarding the New Starts program. I will submit that, especially about the Orange County Streetcar, which has gone through everything and is ready to go.

And also I concur with Congresswoman Napolitano regarding the 2028 Olympics in Los Angeles, and the need for infrastructure improvement.

Thank you, and I yield back.

Mr. SHUSTER. I thank the gentleman. And I have not seen your proposal on the freight rail trust fund. I would caution, though, the railroads typically don't want Federal dollars because you put a dollar of Federal money in, it costs twice as much, it takes twice as long to do it. So again, I would be interested to see your proposals. So I appreciate that.

And, with that, Mr. Babin is recognized for 5 minutes.

Dr. BABIN. Yes, sir. Thank you, Mr. Chairman, and thank you, Secretary Chao.

Any big construction projects, say nothing of a $1.5 trillion infrastructure package, relies on an efficient and cost-effective freight delivery network, especially trucks, to help build it. And for the past 8 months I have been working hard to do something about the ELD mandate, the electronic logging device, which I believe is not only hurting our economy, but making our shared goal of rebuilding our infrastructure that much harder.

And I acknowledge, though, that while there are serious issues with the costs, security, and reliability of ELDs that we are already seeing, the bigger concern here is the underlying hours of service regulations and the inflexible enforcement of them triggered by an ELD.

Professional drivers often identify the current HOS requirement as counterproductive, and an impediment to safety improvement. Crashes are up, for an example, by 56 percent since 2010. And drivers say they are often forced to drive at times of high traffic congestion, bad weather, or when they are tired or fatigued. And they want flexibility.

So while I would continue to strongly urge you, Madam Secretary, to direct a waiver from this ELD mandate for all sectors of the trucking industry—not just livestock, as we have heard today—I would like to get your perspective and hopefully your commitment on steps that we can take to modernize and add some common sense to these hours of service regulations.

And my office is working right now with outside stakeholders on a solution that would provide for the same 14-hour window of service, but with additional flexibility for drivers to take their rest hours when they want and when they need it, not as weather and traffic conditions permit. And ELD tries to tell them to do so.

Can I have your commitment to work with us and your team to explore these sorts of options, either through the regulatory or the legislative process, Madam Secretary?

Secretary CHAO. I am very sympathetic to this issue, because I come from a rural State. The ELD issue and the waivers are tied in to the hours of service, which is the underlying legislation.

Dr. BABIN. Right.

Secretary CHAO. We are very much constrained by the law. So we look forward to working with you, and there will be other people on the other side, on how to handle this.

Dr. BABIN. I understand. But even those on the other side have a problem with the hours of service. And a lot of this could be, I think, taken care of if we could give some flexibility to some of our drivers.

Secretary CHAO. It was tightened up in around 2010, 2011.

Dr. BABIN. But that is supposed——

Secretary CHAO. I would be more than glad to talk with you about all of——

Dr. BABIN. Absolutely, I would love to do so. Because, as I said earlier, traffic crashes with trucks are up 56 percent since 2010.

Another question. The State of Texas recently invested millions in a new state-of-the-art Center for Infrastructure Renewal at Texas A&M University. This focuses on all aspects of infrastructure renewal and from new materials to workforce development to cybersecurity.

Can you speak to your agency's strategic plan for engaging with industry and academia to bring innovation and sufficiently trained manpower to our Nation's infrastructure agenda, specifically your plans to partner with existing comprehensive facilities like our own Texas A&M CIR I mentioned to maximize public-private investment in partnerships to ensure innovation and sufficiently trained manpower fuel our infrastructure investments of the future?

Secretary CHAO. Well, these transportation centers, research centers and universities all across the country, are very helpful. I am afraid the Secretary of Energy has beaten you to this particular point. He has been pushing this point with Texas A&M for quite a while. So we are very much aware of it, and we are trying to work with the Energy Department.

Dr. BABIN. Excellent.

Secretary CHAO. We will also work with you, as well, on this.

Dr. BABIN. Excellent. Thank you, Madam Secretary, because the—our Energy Secretary is an alumni of Texas A&M. OK, thank you. I yield back.

Mr. SHUSTER. I thank the gentleman, and I appreciate the argument you made there. I think this ELD debate shouldn't be about the technology, it is about the rest time, it is about, you know, the—the police sleep don't say sleep at a certain time, but truckers can figure it out. And again, with this technology today, we can probably know exactly when somebody is resting and when they are not resting.

So again, I think the technology is positive. And again, I appreciate Dr. Babin for you bringing that up about the hours of rest need to be flexible for these drivers.

Dr. BABIN. Thank you, Mr. Chairman.

Mr. SHUSTER. With that, Mr. Maloney is recognized.

Mr. MALONEY. Thank you, Mr. Chairman.

Mr. SHUSTER. Mr. Huffman is recognized, sorry.

Mr. MALONEY. OK.

Mr. SHUSTER. The ranking member overrode me.

Mr. HUFFMAN. We are always getting confused with each other, Mr. Chairman.

Mr. MALONEY. Better news for me than for you, sir.

Mr. HUFFMAN. Thank you, Mr. Chairman.

And Madam Secretary, thank you for joining us here today. I want to ask you about the capital investment grant program. This is something Congress appropriated $2.4 billion for in fiscal year 2017. These Federal dollars were intended to build new transit investments selected by local communities. Projects under this program have been reviewed, highly rated, and are, in many cases, awaiting your approval.

I wonder, Madam Secretary, if you would agree with me that since Congress has spoken creating this program, funding this program, that unless and until the program is ended it is your legal responsibility to carry it out.

Secretary CHAO. Yes, absolutely.

Mr. HUFFMAN. Thank you. Because in my district, we have got a project that we are very proud of. It is the Sonoma-Marin Area Rail Transit program, or SMART. It has been moving ahead with a new regional commuter rail system that is funded almost entirely by local sales taxes and other local and regional funding sources. It opened in August 2016 with a fully operational Positive Train Control system. At a time when we are focused a lot on rail safety and Positive Train Control, this is a project that we can all celebrate and be proud of. It is, arguably, the safest little railroad in America, and a real extraordinary success story.

The only problem is it has been waiting for months for funding under a Small Starts grant to be distributed. This is a grant that was previously awarded. And although your agency has issued a no prejudice letter, we have not been able to get that funding distributed.

We talk a lot here about projects that are shovel ready, we talk about the burden of permitting and environmental review. This is a project where everything is ready. In fact, the shovels are already working, it is under construction. But for reasons we still don't understand, we just can't get those funds distributed.

So I wanted to bring this to your attention, Madam Secretary, as an example of infrastructure that everybody thinks can and should move forward, but it has the potential to be derailed. And I understand that positions are still being filled and some of the other challenges we have heard about here today. But would you agree with me a project like this, that is really right down the line the kind of thing we want to support, the kind of thing that should get its funds distributed, deserves your attention and support in a moment like this?

Secretary CHAO. I will take a look at that project, and see where it is at this point.

Mr. HUFFMAN. Thank you, that is much appreciated. And that is all I had for you, Madam Secretary. So I yield the balance of my time.

Mr. GRAVES OF LOUISIANA [presiding]. The gentleman yields back. I recognize myself for 5 minutes.

Madam Secretary, thank you very much for being here, and I want to pass on commendations from the State, Louisiana, the secretary of transportation and development, who has been through dozens of disasters over the last several years, who said that your outreach activities related to some of the 2017 disasters was far better than any other administration that they have dealt with. So I want to thank you for that.

The State of Louisiana, like many States, has a lack of investment in infrastructure. I think they have had some prioritization problems and other things over several years.

I am curious, with the administration's proposal, infrastructure proposal, what recommendations you would make to a State like Louisiana that already is suffering financial challenges, deficits, what recommendations you would make to them to ensure their ability to fairly compete for some of the infrastructure dollars that are available when we are already having financial problems.

Secretary CHAO. Well, Louisiana is a rural State, basically, except for, obviously, the major cities like New Orleans. So there is actually a title, a proposed provision within the guidelines that have been passed forward that rural America will come under a different provision, and it will be formula grant, basically.

Mr. GRAVES OF LOUISIANA. Yes, and thank you. And Secretary Wilson actually made specific mention of the rural program, as did the Governor, and how they are appreciative of that. But we also do have cities like New Orleans, Baton Rouge, Shreveport, and other areas that have more sizeable populations.

Just to give you an idea, my hometown of Baton Rouge, which only has a population of approximately 230,000 people, if I recall correctly, we were recently rated as having the 13th worst traffic in the United States, and the 106th worst traffic in the world. This is the town of Baton Rouge with, again, approximately 200,000 people in the city.

You and I spoke a few weeks ago about the fact that we have the only place in the United States where the interstate system funnels down to one lane. Anybody who is thinking about that idea, it is an awful one, please don't replicate it. It certainly contributes much to traffic. And the solution there is going to be a new bridge, among other investments, which—you are looking at probably over $1 billion.

So the rural program is good for much of our State. But when you get into these metropolitan areas, I don't think it is really going to fit or address some of the solutions there.

Secretary CHAO. So the rural areas is one part, and then the other parts, for example, like the major cities, New Orleans and Baton Rouge. It is going to be up to the State and local governments as to how they want to package and prioritize the transportation projects that they view as most important. And they would package that, send that up to the Department of Transportation, or it can be to whatever else. If it is water, energy, whatever, it would go to the other departments. And then there would be a process by which targeted investments would be evaluated and ultimately, grants given.

Mr. GRAVES OF LOUISIANA. Thank you. I want to make sure, as we move forward on this, that we continue to have discussions and understand the implications. As a former implementer of large-scale infrastructure projects, I do think it is important that both the State and Federal Government relay to one another expectations in terms of budgets, and give us the appropriate time to adapt or prepare for those additional demands.

I know that much of the work that I have done with the Corps of Engineers, it was a very difficult partnership because they would come in one year and provide funding, then we would have zero funding for a number of years following. That predictability of funding, and making sure that we convey to both Federal and non-Federal partners expectations—and giving appropriate time for budget planning, I think, is a really important component of this proposal.

One other thing, Madam Secretary, that I want to relay to you—and I know you have commented on it to some degree here in today's hearing—we need to make sure that we don't come in and put good money on top of bad. And the chairman made note a few minutes ago about the fact that some of the rail lines don't want to see Federal investment because, by complying with Federal standards, you are going to be doubling the cost of projects. In some cases, I think it can be even higher than that.

I know that there has been some talk about looking at the appropriate threshold to trigger Federal requirements like NEPA, Davis-Bacon, historic preservation or other things, and allowing for States to use their own surrogate process to respect the environment, address worker wages, and other important priorities.

I want to ensure that, as we move forward, that we are paying close attention to those types of efficiencies. Because if we are coming in and putting additional Federal dollars on top of an inefficient project development delivery system, that is not yielding taxpayers the results they deserve.

I am not sure if you want to comment on project deficiencies in the remaining seconds.

Secretary CHAO. You actually make a very good point, and we actually are in the process of dealing, for example, with Nebraska, and letting them take hold of the permitting process. There is no devolution, there is no dilution at all. But certain States have applied, and we are working with them. So that is a very good point, thank you.

Mr. GRAVES OF LOUISIANA. Thank you, Madam Secretary. I am now going to yield 5 minutes to the real gentleman from New York, Sean Patrick Maloney.

Mr. MALONEY. If I had a nickel for every time I heard that.

[Laughter.]

Mr. MALONEY. Secretary Chao, it is wonderful to be with you.

Thank you, Mr. Chairman. And I apologize, I had to step out earlier, so if some of this has been covered, I hope you will bear with me.

But can you confirm for me that the Gateway project in New York was listed as the number-one project on the Trump administration's priorities list? Do I have that right?

Secretary CHAO. I don't think so.

Mr. MALONEY. You don't think so?

Secretary CHAO. I don't think there is a list.

Mr. MALONEY. Well, I think that you identified major projects of national significance, and it was the number-one project.

But stipulating the importance of the project, you would agree with me it is an important project.

Secretary CHAO. We want to work with the States. The issue is how to fund it, and what the proportion of shares are.

Mr. MALONEY. Right. So the Washington Post reported, Secretary Chao, that President Trump recently personally requested that Speaker Ryan block the Federal funding for the Gateway project in the omnibus spending package. What can you tell us about that? Is that true?

Secretary CHAO. I read it in the newspapers, just like you did.

Mr. MALONEY. Right. My question was is it true?

Secretary CHAO. It probably is, because——

Mr. MALONEY. And can you tell us why the President is seeking to block funding——

Secretary CHAO. I think you need to ask the White House on that.

But I have already said——

Mr. MALONEY. Secretary Chao, excuse me.

Secretary CHAO. I will be more than glad to explain it, if you let me. I have just said that to you numerous times, to the New York-New Jersey delegation, and apparently my answers are not good enough, but I don't have——

Mr. MALONEY. Yes. Well, I think it is fair to say they are——

Secretary CHAO. It is the same answer, because those are the facts.

Mr. MALONEY [continuing]. Not good enough to come before Congress and to say I have to ask the White House, when you are the Secretary of Transportation.

Secretary CHAO. There is no agreement, first of all, between New York-New Jersey and the Federal Government as to the Federal and local shares in financing the projects. There is no documentation focused on this issue.

Mr. MALONEY. My question was much more narrow. My question was is the President of the United States personally intervening with the Speaker to kill this project?

Secretary CHAO. The President, yes, the President is concerned about the viability of this project, and the fact that New York and New Jersey have no skin in the game. The localities need to step up and bear their fair share. They are two of the richest States in the country. If they absorb all these funds, there will be no other funds for the rest of the country.

Mr. MALONEY. Thank you for confirming that. And is it also the case that the administration has rejected the 50/50 partnership developed by the Obama administration——

Secretary CHAO. I may be wrong, but it is my understanding——

Mr. MALONEY. Excuse me. If I could ask my question, ma'am, thank you. Proposed to eliminate CIG funds, proposed to eliminate Amtrak funds, tried to block all omnibus funding, and now, with your confirmation, threatened other lawmakers with the loss of their project, and asked the Speaker to personally kill it?

So is it fair to say that the States aren't doing enough, when this is the administration's sorry record on this project?

Secretary CHAO. Sir, that is your characterization. It takes me too much time to have to answer every single one of those misstatements. And this is said with the greatest respect.

Mr. MALONEY. Mr. Chairman, how much time do I have remaining?

Mr. SHUSTER [presiding]. What was the question?

Mr. MALONEY. How much time do I have remaining?

Mr. SHUSTER. 200——

[Laughter.]

Mr. SHUSTER. Two minutes and four seconds.

Mr. MALONEY. Well, Madam Secretary, you may have my remaining 2 minutes if you can do your best to explain why the——

Secretary CHAO. Absolutely, I will be more than glad to.

Mr. MALONEY [continuing]. President of the United States is killing the most important infrastructure project certainly in the Northeast, probably in the country, and why it has actively undermined the efforts of the previous administration to work out the very issues you just addressed. Please, take my time and tell us why this project, which is so important, is being killed personally by this President.

Secretary CHAO. Those are your words, not mine. If you want the President's stance, please go to the White House. There is no such agreement as to the Federal versus local shares. The previous administration made no commitment, except at a political rally in the heat of a campaign. There is no documentation evidencing any commitment on this vital issue. There is no completed application on the nine projects that you collectively call Gateway.

The career staff rated this project as not eligible for Federal funding because the State and local government have put in 5 percent in one, zero percent in the other. That is not how these projects are financed.

One of the projects is thinking about applying for a TIFIA loan. They are taking our loan and using it as their equity. That is like if you are getting a mortgage, you have to put 20 percent down as your equity, you go out and you get a second loan and you call that second loan your equity. Well, there are certain guidelines in which these loans are put together.

As an example, if you look at the Purple Line in Maryland, it is 38 percent Federal grants, 33 percent TIFIA loan, 20 percent State, 9 percent the private sector. And I–66, right here in Virginia, the private sector put in 42 percent, TIFIA is 33 percent——

Mr. MALONEY. Ma'am, I am familiar with how the TIFIA program works.

Secretary CHAO. Let me finish. Twenty-five percent is public activity bonds with no Federal funding.

Mr. MALONEY. Yes, I am very familiar with how the TIFIA program works, and I understand those comparisons. I am also struck by something you said, which is that we cannot ask you about the administration's positions in this room.

Secretary CHAO. No, you can.

Mr. MALONEY. But I have to ask the White House about something as important as the Gateway project?

Secretary CHAO. Please confirm that with him.

Mr. MALONEY. Is——

Secretary CHAO. Yes, please confirm that.

Mr. MALONEY. I understood you correctly on that?

Secretary CHAO. Yes.

Mr. MALONEY. Can you explain why?

Mr. SHUSTER. The gentleman's time is expired.

Secretary CHAO. That is how it works.

Mr. MALONEY. Please feel free to answer. I will stop asking.

Secretary CHAO. No, that is how it works. I don't speak for another person unless I am there, personally.

Mr. SHUSTER. I thank the gentlelady, I thank the gentleman. Mr. Smucker is recognized for 5 minutes.

Mr. SMUCKER. Thank you, Mr. Chairman.

Madam Secretary, thank you for being here, thank you for your leadership and the administration, the President's leadership in advancing an infrastructure package that is so important to our Nation's economy.

Also, I would like to thank you for the 3-year look-back provision that specifically helps a State like Pennsylvania. We just recently increased the wholesale gas tax and provided additional revenue. In fact, I would like to talk just a little bit about that if I have time.

But first a question. I had sent a letter to you last year in June of 2017 regarding the administration's position on the use of project labor agreements on highway projects that are receiving Federal dollars. And it is important to me, important to my district, because we live in a State where project labor agreements have been used to exclude great companies and exclude many folks in the workforce from participating in jobs. And the letter I had sent in June was a response to one specific project where that had occurred.

Someone from your department had replied September 7th. I have a letter here that says the U.S. Department of Transportation is currently reviewing the policy on the use of PLAs on federally funded projects issued in 2009. And it said it would keep us posted.

So I would like to ask you for an update on that review and on the administration's policy on the use of project labor agreements on federally funded projects.

Secretary CHAO. I am actually very familiar with project labor agreements, having been the former Secretary of Labor. I think actually our response back is not totally correct, because we basically have to coordinate with the White House, and also with the Department of Labor on that particular provision.

But having said that, let me try to get some clarity for you on it.

Mr. SMUCKER. Yes, I was——

Secretary CHAO. As far as I know, no decision has been made.

Mr. SMUCKER. I was pleased to see in your proposal the recognition of the need for individuals—for the workforce, essentially, to do the work that would be required—infrastructure project. And you have one particular section on page 53 that talks about empowering workers.

And you specifically talk about the need to allow workers with out-of-state skilled trade licenses to work in a particular State. And your reasoning for that I think is good, but could very much be applied to what I am talking about with project labor agreements.

You talk about preventing out-of-state professionals—you could say preventing nonunion labor—would reduce the speed of these projects, delaying the effect of the economic benefit they provide, would increase the cost of the projects by artificially limiting supply professionals available to work in these projects. And allowing that would speed project delivery, reduce project costs, provide flexibility to workers. I couldn't have described better what we are talking about with project labor agreements, which really does artificially prevent 86 percent of the workforce available in the construction industry from working on these projects, and so would provide for more inefficient use of Federal dollars.

So I would really, really appreciate you making that a priority, and establishing a policy that would prevent project labor agreements on any project with Federal funding.

Now, back to—I have just 1 minute and 20 seconds—back to what we had done in Pennsylvania. The chairman had mentioned this briefly. We, Pennsylvania, increased the wholesale—or took the ceiling off the wholesale price for gas, and really created an infusion of new dollars into an infrastructure—in our case, mostly highways and bridges—that the public really understood the need for it.

And I think the public does support additional funding for infrastructure, when they understand that—the state of the infrastructure and they understand the economic benefit. But I think it is important to talk about that. And I think, you know, all stakeholders involved, including the administration, really need to make the case for why this infrastructure funding and investment is so important.

So I guess I would like to hear from you what your plans are in that regard, what the plans are of the Department and of the administration, in terms of selling the infrastructure project to the public, who needs it.

Secretary CHAO. Well, it is certainly a very important part of the infrastructure, and it is usually coordinated out of the White House. There are many different agencies that are involved with all of this. So that certainly should be done.

Mr. SMUCKER. Well, again, thank you for your leadership on this, and I look forward to continuing to work with you.

Secretary CHAO. Thank you.

Mr. SHUSTER. I thank the gentleman. Mrs. Bustos is recognized for 5 minutes.

Mrs. BUSTOS. Thank you, Mr. Chairman and also Vice Ranking Member Esty. Thank you very much. And thanks, Madam Secretary, I appreciate you being here today.

I am sure you remember this, but last time you were here I told you a little bit about my congressional district. I am kidding, you probably don't remember.

Secretary CHAO. Well, actually, I study all of your congressional districts.

Mrs. BUSTOS. But I represent the northwestern—the entire northwestern corner of the State of Illinois. And it is mostly smaller towns, rural. It spans 7,000 square miles in 14 counties. So I would like to talk a little bit about rural America, as it pertains to infrastructure. And I really appreciate what Congressman Graves had brought up, where he raised that States are already struggling to fund roads and bridges in our rural communities.

But—so I was really happy that the administration made a decision to—well, earmark is not the right word, but to have part of the funding in the plan dedicated to rural America. And so I know specifically the plan calls for distributing rural formula funds in part based on rural lane miles. And so States like Illinois have plenty of rural roads, but also real needs in rural areas like drinking water systems, locks and dams, broadband, et cetera.

So I am wondering why the administration believes that the rural lane miles are a good way of allotting funds that are intended to be used for all kinds of infrastructure, if you wouldn't mind filling me in a little bit on that.

Secretary CHAO. I don't really have an answer. That was kind of what the group came up with. And if you think that is not a right way to do so, I am very open.

Mrs. BUSTOS. OK, OK. Maybe we can—we could put together a letter, or we could put together some thoughts, or happy to sit down with you about some of those other needs and maybe a funding formula that makes sense for some of these small towns.

Secretary CHAO. Well, the Congress is going to have a chance to mark up its own bill. So the good news is, and I really want to emphasize this, we may have differences, but we are actually quite open.

Mrs. BUSTOS. OK.

Secretary CHAO. So we want to work with you. The 3-year lookback is another issue that I have heard a great deal about. We are very open to how do we work with the Congress on all of these.

Mrs. BUSTOS. OK, I really appreciate that. I just think, when you are looking at rural America, there are a lot of needs, and they are special needs that vary from urban America. And so I really appreciate that offer to be able to work with you on that, and we will take you up on that.

OK, question 2. The plan the administration released says the rural formula would also be adjusted to reflect policy objectives. Those were the words in the plan, "policy objectives." And I don't know if you know the answer to this, but wondering if you could add a little more clarity on what that means by the policy objectives.

Secretary CHAO. We sent principles up, but we basically want to make sure that rural America has its own particular needs, and so we left it very vague. And again, it is an effort to, aside from the formula, which we thought was going to be an easy way to distribute funds, but if the Congress doesn't agree with that, then we certainly can revisit that, if that does not make sense.

And with certain goals, I think we would like to have greater economic development, more job creation, greater economic vitality, which is why broadband and veterans hospitals can be of great help in providing that part of the infrastructure for rural America, as well.

Mrs. BUSTOS. OK, all right. I have got about a minute and a half. And if we have time for this also, so the plan on—is silent, to my knowledge, on applying Federal protections like Davis-Bacon. I know in your opening statement——

Secretary CHAO. It is there.

Mrs. BUSTOS [continuing]. You mentioned that the bill has a workforce component. So I am wondering, specific to Davis-Bacon, if the administration supports the application of Davis-Bacon on the infrastructure projects that will come forward.

Secretary CHAO. The administration certainly has not disallowed it. This is a hugely important issue. There are people against it, but I, frankly, don't see how a bipartisan bill can exist, come into being, without that provision.

Mrs. BUSTOS. That is very good to hear. Let me see. So last question, then.

Locks and dams, and I—you might have addressed this a little bit ago, but my western border—not just of my congressional district, but the entire State of Illinois and, you know, up and down the Mississippi River corridor—just severe needs. And I am wanting to—if you can address at all your thoughts on the locks and dam system, how you see your department being involved with that, what you can do to help us move some of the needed improvements along in a way that is a little bit more expedient.

Secretary CHAO. I am so glad to say that that is the Army Corps of Engineers. And there are lots of concerns always addressed on that.

The chairman has a Harbor Maintenance Fund, which is a wonderful idea, which we should be replenishing and supporting to fulfill that purpose.

Mrs. BUSTOS. OK. Thanks, Madam Secretary.

Mr. SHUSTER. I thank the gentlelady. And with that, Mr. Bost is recognized.

Mr. BOST. Thank you, Mr. Chairman. Thank you, Madam Secretary, for being here. And I know it has been a long day, but I would like to go back to some other questions that got—kind of concerns.

Let me, first off, tell you that I would look forward, if you are going to work with Representative Babin on the ELD hours of service, that was my life in a previous life. I grew up in a trucking industry and then ran one for many years.

But I have a concern still on the answer that you gave on the livestock. The concern that I have is the original request on the livestock was a waiver for 5 years, and that was permitted—that was done in September. Now you answered that we have given 90 days and 90 days and 90 days. Is it possible that they can get the 5-year?

Secretary CHAO. The second 90-day has not yet been given.

Mr. BOST. OK, all right. But——

Secretary CHAO. The first waiver is not the waiver, there is a difference in term. One is a waiver, which is 90 days. One is an exemption.

Mr. BOST. OK.

Secretary CHAO. And we are evaluating——

Mr. BOST. Five years?

Secretary CHAO. Exemption is 5 years, yes.

Mr. BOST. OK, OK.

Secretary CHAO. But there are very strict criteria upon which that can occur.

Mr. BOST. OK. I——

Secretary CHAO. So I look forward to discussing it with both of you and others who are concerned.

Mr. BOST. I would like to hear on the criteria. And the reason why I would like to hear on the criteria, because we know the concerns that we have with livestock. You can naturally figure that out, OK?

When you are moving livestock, they don't care what the computer says. They are going to live and die and have good time and bad time in the back end of a vehicle being moved from point A to point B, and cause a lot of trouble and concerns for what we are trying to deal with. But we did grant the exemption—if the 5 years is an exemption—for the motion picture industry. Why did we do the motion picture industry, and what criteria was used on that, in comparison to wanting to—where livestock—I think it is probably easier to explain that—I am trying to explain that to my——

Secretary CHAO. No, it is not easy. In fact, until this was brought up to my attention, I didn't even know that that waiver had been given.

Mr. BOST. OK.

Secretary CHAO. It has been explained to me, I don't quite understand it.

Mr. BOST. OK.

Secretary CHAO. So we understand the concerns of Congress and yourself, and many, many others.

Mr. BOST. If you could get——

Secretary CHAO. What I will do is this. I actually have a confirmed PAS, Presidential appointee, Senate-confirmed, and that is Ray Martinez. Let me send him to your offices.

Mr. BOST. That would be wonderful. That would be wonderful.

Secretary CHAO. And he——

Mr. BOST. Thank you.

Secretary CHAO. Have him hear from you firsthand your concerns with this issue, and——

Mr. BOST. OK.

Secretary CHAO. Because his office would be the one that will be issuing the waiver or the exemption.

Mr. BOST. That is all we can ask for. Thank you very much for that.

I have got another direction I want to go. When the administration rolled out and talked about its proposals for our infrastructure projects and everything like that, it was kind of silent. Originally in the campaign, and when first being announced, the President had spoke up and said with a Buy America—what language would be proposed in there. But he was kind of silent with that.

What is your thoughts on the Buy America language being in there?

Secretary CHAO. Very much, of course, in support, because the President has made this very, very clear.

So there are a number of other abiding authorities that are ongoing and existent which are not mentioned specifically in the infrastructure proposal you hear from some of the others, from the Democrat side, as well. I don't know the exact term, but these are overriding authorities, and they will prevail.

Mr. BOST. OK, OK. Well, thank you for that. I am bouncing all over the place, and I am sorry for that, but these are questions that——

Secretary CHAO. Yes.

Mr. BOST [continuing]. Came up after other people asked questions. When you are this far down on the pecking order, you kind of have to add and change things around.

Early on we were talking about both the TIGER grant and the INFRA grant. And when you gave an answer you said that it has now been directed to a new department, or a new area of your department.

Secretary CHAO. It has.

Mr. BOST. And so that does not allow them to work on both at the same time, is that correct?

Secretary CHAO. Well, it is a capacity issue.

Mr. BOST. OK.

Secretary CHAO. So traditionally, these grants are processed through the modes, either Federal transit, or Federal highways, FAA. But in the FAST Act it was thought that a multimodal, intermodal approach would be best. And so they didn't know where to put it.

So they didn't put it in highways, they didn't put it in transit. They didn't put it in these modes, which have a distribution system for processing these grants. Instead, they gave it to the policy office, which, by its very name, it is not an operational office. It is a policy office. So we have had to gear up, stand up an organization to be able to administer these two grant programs.

Mr. BOST. One quick question before it runs out, then.

Secretary CHAO. Yes.

Mr. BOST. You said we went through the TIGER already. How quick do we think the INFRA——

Secretary CHAO. I hope it comes out this week.

Mr. BOST. The TIGER will be out this week.

Secretary CHAO. Yes.

Mr. BOST. But INFRA, how long——

Secretary CHAO. I hope we will switch right to that. Hopefully, June.

Mr. BOST. OK, all right, thank you very much.

Secretary CHAO. Early summer.

Mr. SHUSTER. I thank the gentleman. I now recognize Mr. Carson for 5 minutes.

Mr. CARSON. Thank you, Chairman. Thank you, Madam Secretary.

Madam Secretary, the administration contends that the procurement process is broken, and that this is a major factor as to why the FAA hasn't made more progress with NextGen. Madam Secretary, what steps can the Department take today to improve the procurement process? And what statutory burdens or impediments are slowing the transition to air traffic control, for example?

Secretary CHAO. Well, the FAA doesn't have to follow the procurement. They were carved out. But they continue to follow it. I think there were fears about litigation, so that it takes the FAA a very long time to get new equipment. There have been recently, in the last 4 or 5 years, 8 years, maybe, 15 IG reports criticizing the NextGen project and its progress. So it is a big concern.

Mr. CARSON. And lastly, like everyone here who is concerned about their district, there has been a proposal that suggests the elimination of funding for previously approved capital investment grants like the Red Line in Indianapolis.

Fortunately, there is a continued bipartisan support effort in Congress for these projects for fiscal year 2017 that has already been appropriated, yet local officials in my district are concerned about the unexplained delays in releasing these funds.

Madam Secretary, Indianapolis has two bus—rapid transit projects awaiting appropriate funds, the Red Line and the Purple Line. We are wanting to know what the holdup is. And when will the administration end the delays and objections to transit and approve these projects?

Secretary CHAO. Well, we don't like delays, and we don't intend to delay. There has been a delay? Let me take a look at that, I am not aware of that.

Mr. CARSON. Thank you, ma'am.

I yield back, Mr. Chairman.

Mr. SHUSTER. I thank the gentleman. Mr. LaMalfa is recognized for 5 minutes.

Mr. LAMALFA. Thank you, Mr. Chairman. Thank you, Secretary, for being here today and enduring what you have to with some of what goes on around here.

Let me narrow it down. I was pleased to work with Mr. Babin last year on the ELD issue, and I appreciate the comments of several of my colleagues here, Mr. Bost and others, on the issues with ELD.

Now, it is one thing for Washington several years ago to legislate ELDs, that would be great, everybody will love them. And indeed, that has worked out for probably a lot of folks, the larger outfits that are—have ability to afford and train many drivers on that. But we get down again to one size doesn't fit all. You have unique single carriers, Mom and Pop, whatever you want to call it, and industries that it doesn't always adapt well to with agriculture and livestock.

And I greatly appreciate that there has been that, you know, exemption done so far for the 90 days, but we are coming up on March 18th here, where, if nothing is done to further that exemption or have a—or, you know, the waiver, and get to an exemption status, then March 19th there is going to be a lot of haulers that have really no way to do this right.

And we come down again to the unique situation that—of hauling livestock or—maybe we can even talk about hazardous materials, or maybe other ag products. But livestock, these are animals on the hoof, on the—in a trailer. And because of unknown—you know, unknowable conditions, traffic, weather, what have you, they got to get A to B. And some of those are very long hauls, and we are talking about livestock processing, which seems to be not something that is in everybody's back yard, due to zoning. Much of this has to go on in the Midwest. And, you know, long hauls we are talking about.

So yes, I agree—I saw several colleagues shaking their heads—hours of service is a problem. We need flexibility on this. We need flexibility. It really works for the drivers and the people that are striving to do this and do it well.

So I would like to ask you, please, really, really look at—and Mr. Bost brought up the Motion Picture Association of America has a 5-year exemption now, and because—my understanding is that they do a really good job on their records of duty status, so they don't need the ELD. And so it is also well known that the livestock haulers—these are well-trained individuals, because they are hauling very valuable commodities that are perishable, they are animals. They are very well trained, and they have a tiny, tiny percentage of accidents, much lower than the average.

So we ought to look at that as a—given that good record, that they should be able to look at a similar exemption, as the Motion Picture Association—at least for this next 2 weeks, since the 18th is—they will wake up on the 19th, if there is not an additional waiver done, of being either outside the law or endangering their animals, or even, you know, themselves, going to have to do some things.

So let me ask you. Can we please look at, in the short term, an additional waiver, but a really good, hard look at a 5-year-type exemption, similar to the motion picture industry, which I would submit that the agricultural products have a heck of a lot more value, given watching the Oscars the other night, than some of the product coming out of Hollywood.

Secretary CHAO. I am very sympathetic to this issue, and we are very much aware of the March 18th deadline. We, in fact, just had a meeting on it yesterday.

As you pointed out, the hours of service is the issue. And we are very much bound, constrained, by legislation and regulations on that.

Mr. LAMALFA. We will work on that side, Madam Secretary.

Secretary CHAO. So——

Mr. LAMALFA. But for the short term, this is what we need, you know, and—I am sorry, please go on.

Secretary CHAO. So let me have also Ray Martinez and Cathy Gautreaux. We now have two people over there, and they should be really paying a visit to all of you——

Mr. LAMALFA. Well, maybe——

Secretary CHAO [continuing]. To get your input, and also to explain the difficult situation that we find ourselves, and how do we go forward.

Mr. LAMALFA. Well, I would be happy to help put together a group of my colleagues on that, and we can, you know, have a good, productive opportunity to speak about that.

Secretary CHAO. Thank you.

Mr. LAMALFA. Because—and I do appreciate it. Don't——

Secretary CHAO. But we will act before March 18th. Yes.

Mr. LAMALFA. OK.

Secretary CHAO. Yes.

Mr. LAMALFA. Good. So that——

Secretary CHAO. Absolutely.

Mr. LAMALFA. That is a commitment that we can at least find some breathing room for these folks that are—again, have mere days left. Because what we are looking at with livestock is very unique, and I think that, with the 90 days very valuable to them—I had another thought on this, as well.

Hazardous materials, I have had people speak with me about that, they are in that business, too. And we are coming down on an hours of service problem. And so, longer term, I hope we can work with you on that and get the flexibility, as long as we can get our own nonsense of politics around here beyond that.

I will finish on this. Motor carrier safety, to my knowledge, has only had maybe two meetings with folks on this. And I know part of the intent originally was that there would be the opportunity to have this education back and forth, and I don't think there has been nearly enough with that for—with the Federal Motor Carrier Safety Administration to have them hear firsthand, better than I can illustrate, what they are dealing with on the livestock and other ag and things.

So thank you for listening on that. I appreciate it.

Mr. SHUSTER. I thank the gentleman. I now recognize Ms. Wilson for 5 minutes.

Ms. WILSON. Thank you, Chairman Shuster, and—for holding this important hearing. Welcome back, Madam Secretary.

As you know, U.S. seaports are economic engines that drive growth for the Nation. U.S. seaports activity generates more than $320 billion a year in Federal, State, and local revenue. Could you please address how the President's infrastructure plan will help seaports continue to grow and support the Nation's economy, and specifically how it will help facilitate the modernization of the Nation's shipping channels?

Secretary CHAO. Well, the ports are part of the infrastructure. And so they are part of the proposals that will be addressed by the local and State governments. They are not excluded.

Ms. WILSON. OK. So you plan to fund projects that have received no allocations of Federal funds to date that put forth their own money as they partner with cities and States, like the dredge in Miami?

Secretary CHAO. The budgets for the Transportation Department will still be ongoing. So whatever monies are there for highways, transit, rail, ports are still there. The infrastructure money is on top of that. And so the ports have access to TIGER grants, they have access to these maritime grants, even. And the INFRA grants, as well.

Ms. WILSON. OK.

Secretary CHAO. On top of the regular funding that the Department puts out.

Ms. WILSON. Good, OK. Along with our Nation's roads and bridges, the majority of our public schools are now reaching the end of their 40- to 50-year life cycle. America's public schools are the Nation's second largest public infrastructure investment, after highways and bridges. But investments in school infrastructure have lagged.

Sadly, these infrastructure plans make no mention of public schools, despite the fact that the President has talked about it. Do you feel school facilities should be a part of a comprehensive infrastructure investment package?

Secretary CHAO. One of the congressmen asked about the hardening of the schools, and what is the Federal role in that. And so I spoke on how devastating the recent tragedies have been to our Nation, and I said that I will bring that concern back to the White House and to the President. He is obviously very concerned about this issue.

I don't know how this fits, but clearly the hardening of our schools is an issue that was discussed in the televised meeting that the President had with the survivors, the relatives, and——

Ms. WILSON. What I am talking about is——

Secretary CHAO. Yes?

Ms. WILSON [continuing]. Buildings, classrooms, laboratories, equipment, learning labs, updating old buildings, not necessarily just a hardening. Is that something that you would be——

Secretary CHAO. Yes, I don't know, sorry.

Ms. WILSON. Is that something that you would bring up, as far as a comprehensive infrastructure investment package, schools, aging schools that are 50 and 60 years old?

Secretary CHAO. There are many agencies that are involved in this, as I mentioned. I will be more than glad to bring it back to the White House.

Ms. WILSON. OK, thank you. My mantra in Congress has been jobs, jobs, jobs, since the first day. And I was pleased to learn that the administration's infrastructure plan contains some workforce development proposals, including expanding Pell grants to cover short-term certificate programs and increasing apprenticeships. However, the details were scant.

Can you elaborate on the administration's plan to tackle workforce development?

Secretary CHAO. We are actually going to be facing a very tight market. To build infrastructure is actually quite a skill, it is a trade skill that we don't have enough of, which is why the workforce development and retraining and training provision was put into the infrastructure proposal.

The details are to be fleshed out, in conjunction with the Congress. We sent principles, rather than legislative language, in a show of, I think, deference and also partnership with the Hill, that we want to work on these things.

Ms. WILSON. Thank you.

Chairman Shuster, I have additional questions. Can I submit them?

Mr. SHUSTER. Yes, you may submit——

Ms. WILSON. For the record? For followup? Because we are out of time.

Mr. SHUSTER. Thank you——

Ms. WILSON. Thank you so much.

Mr. SHUSTER. Thank you very much, Ms. Wilson. Mr. Westerman is recognized for 5 minutes.

Mr. WESTERMAN. Thank you, Chairman. Thank you, Secretary Chao, for your leadership and for the administration's focus on infrastructure. Hopefully we can work together to get a good package out for the country.

I represent a rural district in Arkansas with a lot of infrastructure needs. I know that we have to look at all methods in funding infrastructure projects. There is really not any private-public partnerships or toll systems that would work on the infrastructure in Arkansas.

But as we look at, you know, one particular project, Interstate 49 that passes through my district, this is part of an interstate system that reaches from the gulf to Canada. Interstate 49 goes from New Orleans up to Kansas City, and then there are two other interstate routes, on up to the Canadian border. But if you look at that whole transportation corridor, the only part that is not finished is Interstate 49 in western Arkansas.

It is about a $3.2 billion project. It is not just critical for my district and our State, but it is critical for that whole region of the country, and I would say the whole country, as we see more goods moving back and forth to the gulf and to Canada.

So, my question on that is how do we—when we get into these infrastructure projects, how do we make the case for the importance of that project? Is that one that you are aware of? And is there——

Secretary CHAO. Recognizing the unique needs of rural America, the infrastructure bill does have a provision that addresses just infrastructure in rural areas. And that is about 20 percent of the Federal funds. And it will be done on a formula basis, 90 percent of it.

Mr. WESTERMAN. So of the $50 billion that I believe you have proposed——

Secretary CHAO. $40 billion would be by formula.

Mr. WESTERMAN. OK. So that is——

Secretary CHAO. And there was some disagreement as to how that formula would go, and we are very open to discussing it.

Mr. WESTERMAN. Yes. So we would want to work with you on the formula, and how that affects rural areas.

You know, there is also another interstate, I–69, that goes from Houston to Detroit. There is less of that interstate system that is completed, but I know there is parts of it that go through Mississippi, Tennessee, and Kentucky. And, you know, I would advocate strongly for Interstate 69 in those other States, because until the whole corridor is complete, it doesn't do a lot of good for the areas that could benefit from it.

Also, I know this might be an area that—from some of your previous comments, but on the navigable waterways, the McClellan-Kerr River Navigation System on the Arkansas River is in need of repair. There is a 12-foot channel project that would take a lot of traffic off of the interstate system. The operators on that river have already self-imposed a 45-percent increase on their fuel tax. But how do we get more attention and funding on these inland waterways?

Secretary CHAO. Well, thank you very much for bringing it to my attention. And a lot of it is actually the Army Corps of Engineers. It doesn't even go through the Maritime Administration. So MARAD used to have a Deputy Administrator for inland waterways. And I have come back, 26 years later, and I don't know where that position went.

So it is important, and we need to talk more about it. We would be more than glad to work with you on it.

Mr. WESTERMAN. Yes, maybe we can work together with the Corps to make sure that these—you know, some of these structures have outlived their useful life. And 1 failure on 1 of those 13 locks and dams could shut down a lot of river traffic, disrupt the economy, and put a lot more trucks out on the interstate.

It is a big country, you have got a lot of things to look over. And I just want to offer that if there is any way that me or my office can help, please reach out to us. And thank you again for being here.

I yield back.

Secretary CHAO. Thank you for your offer.

Mr. SHUSTER. I thank the gentleman. Mr. DeSaulnier is recognized for 5 minutes.

Mr. DESAULNIER. Thank you, Mr. Chairman. My light bulb is out. I apologize, Madam Secretary.

I just want to start by saying one of the reasons I really wanted to be on this committee is its reputation as being bipartisan. And certainly you understand the nature of a bipartisan approach when it comes to this country's infrastructure. I fear, with this particular initiative—and to be honest, Madam Secretary, with the tone of this hearing—we are doing great damage to that history of bipartisanship, with that just as an observation and as an admonition maybe to all of us that we should refocus on what I think was historically the spirit of this committee.

And I will go back. I remember when my dad was a Republican member of the Massachusetts State Legislature, and he had a close friendship with Governor Volpe, who became the first Administrator of the Federal Highway Administration, and the second Secretary of Transportation. He worked for President Eisenhower and President Nixon and President Ford in those positions. And he actually advocated for raising taxes, because he knew he had to raise taxes and develop revenue, real revenue, as well as making improvements as—and I agree with you, there are regulatory and administrative improvements we can do.

I look at States like California, where I am from. We are trying to copy the Department of Transportation in Washington. It has done a remarkable job in Minnesota and Massachusetts, and I have tried to engage with some of your staff as to how we could use those laboratories of invention at the State level in that regard. So I do think there are opportunities. However, I think you have to be realistic about what the actual benefit will be.

So, my two questions. First is about what certainly seems to me, representing a largely suburban district in the bay area, where 70 percent of my constituents travel out of my district to get to work, where our congestion has increased by 80 percent in just 5 years because of our economy—the GDP in the bay area grew by 11.7 percent in 2015, and it has put enormous pressure on our infrastructure. And we were hoping for some support from the administration in this regard. I see this as more of an attack on urban and suburban commuters. It certainly seems to prejudice towards rural commuters, or rural users.

And on the history of SB 1, as my colleague from southern California pointed out you are going to look at, I will just give you a little history, having been involved in that before I came to Congress as chair of the transportation committee in both the assembly and the senate. When that passed, it had bipartisan support. It raised the gas tax, it raised the vehicle license fee. And one of the key supporters of that was Senator Cannella from northern San Joaquin Valley, the same area that my friend, Congressman Denham, represents. So he voted for that, because he knew he had to identify revenue for his suburban commuters to reach into Silicon Valley and San Francisco.

So my first question—I am going to give you both these questions so you can use time to answer both of them—is this seems like an attack on suburban commuters. We have some of the largest super-commutes in the bay area. And DC and northern Virginia has similar large super-commutes, people taking an hour and a half to 2 hours each way, because of the cost of housing and other reasons, to commute. There doesn't seem to be, other than the requirement for those commuters to raise their own tax, the State and local taxes, to pay for this with very little support from the Federal Government.

So, first question is could you answer that challenge, or that perception?

And the second one—and I think a more important question—I have is you were quoted on March 29th saying—and I read in quotes of 2017—"The problem is not money, it is the delays caused by the Government permitting process that hold up projects for years, even decades, making them risky investments."

And then in 2016, the U.S. Department of the Treasury found in a commissioned report, "A lack of public funding is by far the most common factor hindering the completion of transportation and water infrastructure projects."

So my two questions are answer the suburban-urban—seems like targeted lack of support, and then this—your quote saying, well, if we just had regulatory reform and permitting process reform, but your department is saying the opposite. And if you could answer those two questions, I would be appreciative.

Secretary CHAO. First of all, thank you for giving me the opportunity to respond. Number one, and I say this with great respect and with no intention to anger, that this is an attack on suburbia, suburban areas, which is not true, because the question can actually be turned around. For years and years and years, for decades, rural America has been ignored and forgotten. And so this infrastructure proposal tries to address the needs in rural America.

Number two, Marin County, I should not have singled them out because I would probably anger them, but some of these projects that we are talking about are in the richest areas of the country. And we have the rest of the country subsidizing them.

My quote about the problem is not funding, I think the problem is not funding, if we allow the private sector to fully participate. But in the years hence we have certainly discovered that there are Members of Congress who don't want to rely too much on public-private partnerships. If they don't want to rely too much on public-private partnerships, then funding is a problem. And the public-private partnerships, allowing the private sector, allowing the pension funds to come in and invest in public infrastructure was a way to address the funding gap.

Mr. DESAULNIER. Thank you. Thank you, Mr. Chairman, thank you, Madam Secretary.

Secretary CHAO. Thank you.

Mr. DESAULNIER. I just say I am disappointed in your response. You are making this more of a partisan issue than it should be.

Secretary CHAO. I am not making——

Mr. SHUSTER. The gentleman's time is expired.

Secretary CHAO. My whole background has never been partisan.

Mr. SHUSTER. The gentleman's time has expired.

Secretary CHAO. But it seems that whenever I say something that people don't like to hear, I am accused of partisanship. I think that is highly unfair.

Mr. SHUSTER. I thank the gentlelady. With that, Mr. Weber is recognized for 5 minutes.

Mr. WEBER. Madam Chao, Secretary Chao, thank you for being here. You came to Beaumont, which is in my district, which, by the way, is not partisan. So thank you for doing that. We appreciate that, I think the week my dad died, and I could not be there, and so I hope you will come back.

I want to address a question about TIGER grants, if I may. Beaumont moves more military personnel and equipment than—the Port of Beaumont—than any other port in the country.

And I want to read something that the Army Chief of Staff, General Mark Milley, said in his first major address. He said, "Readiness for ground combat is—and will remain—the U.S. Army's number one priority." An article on the U.S. Army's website goes on to say, "Readiness is the ability of the Army and its sister services to respond to any situation at any time with effective force, and requires not only trained troops, but an effective transportation infrastructure capable of supplying their needs, wherever and whenever they operate."

Critical to this is port capacity. Of course, that is the Army. And so I would argue that Beaumont is extremely important, from a national—the Port of Beaumont—from a national security perspective.

In the issue of TIGER grants, do you think, Madam Secretary, that maybe when TIGER grants are being considered, that national security and the readiness that General Milley talked about should be considered in awarding TIGER grants?

Secretary CHAO. I don't know the answer to that.

Mr. WEBER. OK.

Secretary CHAO. And I will take a look at it.

Mr. WEBER. All right.

Secretary CHAO. I was not aware of that. So let me take a look at it.

Mr. WEBER. Well, let me say that our area was ground zero for Hurricane Harvey flooding, the first three coastal counties of Texas: Jefferson County, Galveston County, and the southern half of Brazoria County. We have got two ports over in Jefferson County. Both of them are among the strategic seaports, been recognized as strategic seaports, Port of Beaumont, Port of Port Arthur. Neither port in southeast Texas, when it comes to Federal grants—they have just been ignored over the years.

So my question is, you know, could you take a look at that? The Sabine-Neches Waterway, which those two ports are on, is the second largest waterway in the Gulf of Mexico, second only to the Mississippi River, one of the most vital waterways in the Nation. Sixty percent of the Nation's jet fuel is produced in our district. Almost 90 percent of the Nation's LNG is exported out of the Sabine-Neches Waterway. It is huge, when it comes to national security, and even to energy.

Noting the fact that there has been a lot of Harvey destruction there on the gulf coast of Texas, we would like to see you all have a policy of awarding TIGER grants, where you would only just put one TIGER grant in one area, and one—but in a region maybe you could consider more than one TIGER grant. And maybe you might even consider the fact of the devastation from the recent Hurricane Harvey and others—I realize there is others around the country. Of course, this is my district.

So we would love to see you consider that maybe USDOT should provide assistance through the TIGER and even the INFRA programs for the region's infrastructure.

Applications and geographic locations impacted by natural disasters, we believe, should not be restricted to just one award per geographic location. Much of the southeast area—not just Jefferson County, but Galveston County and the southern half of Brazoria County, Port of Freeport was hit hard by Harvey. So we would like to have some conversation with someone from your office about maybe looking at the way those TIGER grants are awarded, and perhaps talking about the infrastructure here on the gulf coast of Texas that is so vital to energy, so vital to military readiness, and we would love to have the name of somebody in your office to reach out to so that we could have that discussion.

Would you be open to, number one, having your staff look at it——

Secretary CHAO. Absolutely.

Mr. WEBER [continuing]. And, number two, getting back with us on it?

Secretary CHAO. Sure, we will be glad to set that up.

Mr. WEBER. That is easy enough. And I appreciate you being here, because Harvey was very, very nonpartisan, and you guys helping us would help everybody. And we appreciate you.

Secretary CHAO. Thank you.

Mr. WEBER. Thank you.

Mr. SHUSTER. I thank the gentleman. Mr. Cohen is recognized for 5 minutes.

Mr. COHEN. Thank you, Mr. Chair, and thank you for having the hearing.

And Secretary Chao, it is nice to have you here and back in Government service. I thank you for your past service.

In 2016 I wrote to Secretary Foxx in support of the Tennessee Department of Transportation's application for what was then called a FASTLANE [Fostering Advancements in Shipping and Transportation for the Long-Term Achievement of National Efficiencies] grant for roadway improvements along the Lamar Avenue—not named for Lamar Alexander, but strongly supported by Lamar Alexander—corridor in Memphis. Are you familiar with the Lamar Avenue corridor project, by chance?

Secretary CHAO. I am not.

Mr. COHEN. Well, not kind of surprised that you aren't, because it is a local issue. But it is very important, nationally, as well.

Memphis, as you may well know, is known as not only the basketball school that occasionally beats Louisville, but also as America's distribution hub. We are home to the global headquarters of FedEx and a great airport, five Class I railroads, and one of the largest inland ports in America along the river, Mississippi River. In short, Memphis has one of the Nation's most significant freight corridors, and substantial importance to the national cargo network and the national economy.

There is severe congestion along Lamar Avenue, where there is a program right now with BNSF Railway and a multimodal corridor. And the lack of sufficient roadway there, the trucks are just backed up forever. And bad traffic, but also bad for the truckers to be able to get their cargo to the BNSF Railway and be loaded on to the trains, hurts the transportation of American goods. It hurts the BNSF multimodal corridor, and the Memphis International Airport right nearby, the second busiest cargo airport in the United States.

So this is important to the Nation. According to the Federal Highway Administration, the multimodal freight network there directly supports millions of U.S. jobs, and moves 55 million tons of jobs worth over $49 billion daily. System strains and inefficiencies, including congestion, is estimated to cost $1 trillion annually: 7 percent of the U.S. economic output.

Madam Secretary, at the beginning of the new administration your agency revamped existing programs in the FASTLANE grant program, now known as the INFRA grant program. What is the general purpose or mission of INFRA grants? And how would the Lamar Avenue corridor proposal fit into that?

Secretary CHAO. I don't know, because I am not in the processing or the deliberative end of cuts to all of these grants. So I am not aware of that.

The INFRA grants are recast to add in economic development as one of the criteria, as well. So let me take a look at that.

Mr. COHEN. Thank you.

Secretary CHAO. And I will be more than glad to get back to you.

Mr. COHEN. If you would, I would appreciate it. Senators Alexander and Corker both are very supportive. I am sure Representative Kustoff is, as well, and Governor Haslam was. It came from the Department of Transportation, who made the request.

Is there anything you know of, offhand, or somebody on your staff with you that you can advise us on possibly making a more compelling case for the future consideration of this grant?

Secretary CHAO. Let me check up on what the status is. And again, I will be more than glad to get back to you.

Mr. COHEN. Thank you.

Secretary CHAO. And you should also know what some of the concerns are, sure.

Mr. COHEN. And then I have questions here at the end. And I am surprised this hasn't been asked yet. What is your opinion of the NCAA's infractions on the University of Louisville basketball program?

[Laughter.]

Secretary CHAO. Oh, I am in such big trouble. It has been very sad. It has been really, really sad.

Mr. COHEN. Was the NCAA wrong to punish Louisville like they did, or were they right?

[Laughter.]

Secretary CHAO. I hope I can get a pass on that, too.

[Laughter.]

Mr. COHEN. Well, they did it——

Secretary CHAO. It has been very sad for the whole community.

Mr. COHEN. They did it to Memphis first with Calipari. And with Pitino you got it second. So I feel your pain. I see that banner up in the FedExForum, even though it is not there, and you will be able to see it in the Yum! Center, because it'll be there, even though it is not there.

Secretary CHAO. There have been wonderful young men who played in that game, and now they are not going to have their——

Mr. COHEN. Good luck in the tournament.

Secretary CHAO. Thank you.

Mr. COHEN. I yield back the balance of my time.

Mr. SHUSTER. I thank the gentleman. Now I will recognize Ms. Plaskett for 5 minutes.

Ms. PLASKETT. Thank you very much, Mr. Chairman and Ranking Member. Thank you, Secretary Chao, for being here this afternoon with us. And I especially want to thank you for coming to the Virgin Islands and Puerto Rico, and to all the places that you visited that have been affected by the 2017 hurricane season.

There has been much discussion in this hearing about, in particular, the $50 billion rural infrastructure program. And one of the questions that I have relates to—in that program it states that portion of the rural infrastructure program funds will be set aside for Tribal infrastructure and Territorial infrastructure with the remainder available to the States.

Now, the U.S. Territories have been subjected to substantial infrastructure funding cuts over the last 25 years, while the 50 States and the District of Columbia have received increases. These cuts have resulted in deterioration of our public highway system, enormous damage to our ports. I know that you have been a frequent visitor to the U.S. Virgin Islands, and I know that our Governor and others have spoken with you about that issue.

How much of the $50 billion in rural infrastructure program funding does the administration expect to set aside for Territorial infrastructure, and how might that set-aside for Territorial infrastructure be apportioned among the Territories?

Secretary CHAO. That is a very good question. I don't know. And I certainly think that your concerns are very reasonable. And so we have worked on other things in the past, especially in the aftermath of the hurricanes. So we look forward to working with you on that, as well.

Ms. PLASKETT. I would appreciate that. Because, as you know—and you may have seen and others in your agency have also seen—that much of the damage that we sustained, particularly with our roadways that are right onto—right abutting the waterways, that there was—a substantial deterioration occurred because we did not have funding over a protracted period of time to support our highway system. And that increase would really be important to us. We have experienced enormous decreases over the years, along with the other Territories: Guam, Northern Marianas, and Puerto Rico, as well.

Do you know how "rural" is going to be defined for purposes of the rural transportation infrastructure program? Will it be based on lane miles, or will it be based on population?

Secretary CHAO. I think that is a very good question, as well. There is a certain definition to that. And I have been asked this, and I have forgotten it. So let——

Ms. PLASKETT. Thank you. And will——

Secretary CHAO. Let me get back to you on that.

Ms. PLASKETT [continuing]. Your agency be the primary lead in——

Secretary CHAO. No.

Ms. PLASKETT [continuing]. Administering that, or will the Department of Agriculture or others—how will that be determined? Who will determine how that funding is distributed?

Secretary CHAO. As of now it is primarily the Department of Agriculture.

Ms. PLASKETT. OK, thank you. Good for me, I sit on the Committee on Agriculture, as well. So I will tag team you guys on that one.

But, you know, as we talk about these things, the last thing I wanted to talk with you about was resiliency. Does the White House infrastructure plan include considerations particularly for States and other areas to have found that the Federal investment on hazard mitigation has a six-to-one return on investment?

So working on resiliency is really important for the fiscal responsibility of this Nation. Are there opportunities for new funding for new infrastructure to incentivize areas in resiliency?

Secretary CHAO. You make a very good point. As of now, I think, if anything, there is a bias toward building new structures, rather than maintenance.

Ms. PLASKETT. And in that resiliency, one of the things, as well as this Federal program that you were discussing, much of it is to incentivize local and municipal areas. I know that the chairman says that in Pennsylvania they have expended all of their resources at the State level and the local level to do the matching that is necessary for the Federal Government. In the Virgin Islands, as well as in Puerto Rico, I know that we are already at deficit budgets. And so it will be really difficult for us to provide that match.

As well as are there mechanisms in your thought, in the thought of the administration or the President, in how we can add additional incentives to bring private investment to create public-private partnerships?

Secretary CHAO. Well, the U.S. Virgin Islands would be eligible for rural, that rural title. The Virgin Islands will be part of that, and 40 percent, $40 billion of that will be formula, $10 billion will be competitive. We are currently doing the formula on a lane mile basis, which, obviously, some people don't agree with.

So we will look forward to working with Congress as you rewrite this bill, or on addressing these issues.

Ms. PLASKETT. Thank you so much.

Mr. SHUSTER. I thank the gentlelady. And Madam Secretary, thank you so much for being with us today. I appreciate your frankness. Again, there are some folks that are going to submit questions in writing to you, we would appreciate that response.

But again, thanks for taking the time, and thanks for your public service. Thank you.

Secretary CHAO. Thank you.

Mr. SHUSTER. I ask unanimous consent that the record of today's hearing remain open until such time as our witnesses have provided answers to any questions that may be submitted to them in writing, and unanimous consent that that record remain open for 15 days for additional comments and information submitted by Members or witnesses to include in the record of today's hearing.

The gentlelady from Connecticut is recognized.

Ms. ESTY. Thank you, Mr. Chairman. And again, thank you, Secretary Chao. And we appreciate your persistence and resilience under this very long hearing. And thank you and to your staff for staying with us here, all the way to the end. We had a record participation, I think, of Members, which, I think, does underscore, yes, concerns, but also really a deep desire and commitment to get something done for the American people. And we can assure you we really do want to figure out a way to get to yes with the administration on something that will be good.

Secretary CHAO. Well, our intent is absolutely the same. We may have differences, but let me please emphasize again we want to work with the Congress on a bipartisan basis.

Ms. ESTY. Thank you.

And Mr. Chairman, I would like to ask unanimous consent to enter into the record letters from the following organizations to be included as part of today's hearing record: Advocates for Highway and Auto Safety and several other safety advocates; ITS America; Alabama Rivers Alliance, and a collection of other environmental advocates; Rebuild America's Schools; a letter from the National League of Cities and NATSO; and a letter from the New Democrat Coalition.

Mr. SHUSTER. Without objection, so ordered.

[The letters and statement referenced by Congresswoman Esty are on pages 101–125.]

Mr. SHUSTER. And, with that, the committee stands adjourned.

[Whereupon, at 1:17 p.m., the committee was adjourned.]

STATEMENT OF THE HONORABLE ELAINE L. CHAO
SECRETARY OF TRANSPORTATION
BEFORE THE
COMMITTEE ON TRANSPORTATION AND INRASTRUCTURE
UNITED STATES HOUSE OF REPRESENTATIVES
HEARING ON

Examining the Administration's Infrastructure Proposal

March 6, 2018

Chairman Shuster, Ranking Member DeFazio, and Members of the Committee, thank you for the opportunity to testify today regarding our new infrastructure initiative.

Infrastructure is the backbone of our world-class economy—the most productive, flexible, and dynamic in the world. It is a key factor in productivity and economic growth, which has provided millions of hard working Americans with a standard of living that is the envy of the world. Yet today, these gains are threatened by aging infrastructure that is increasingly congested, in need of repair, and unable to keep pace with technological change.

The challenges are everywhere. With respect to surface transportation infrastructure, traffic congestion and delays cost drivers nearly $160 billion annually. About one-quarter of our Nation's bridges are structurally deficient or in need of improvement. More than 20 percent of our Nation's roads are in poor condition. And the transportation needs of rural America, which account for a disproportionately high percentage of our Nation's highway fatalities, have been ignored for too long.

That's why 12 government agencies have been supporting the President on a comprehensive Infrastructure Initiative, which the President announced as a priority in the 2018 State of the Union address. Transportation is just one component. The Initiative includes, but is not limited to, drinking and wastewater, energy, broadband and veterans' hospitals as well. It is designed to change how infrastructure is designed, built, financed and maintained in communities across the country.

The goal of the President's proposal is to stimulate at least $1.5 trillion in infrastructure investment, which includes a minimum of $200 billion in direct Federal funding. The guiding principles are to: 1) use Federal dollars as seed money to incentivize infrastructure investment; 2) provide for the needs of rural communities; 3) streamline permitting to speed up project delivery; and, 4) reduce unnecessary and overly burdensome regulations. In addition, a key element of the proposal is to empower decision making at the State and local level, who know best the infrastructure needs of their communities. Half of the new infrastructure funds would go towards incentivizing new State and local investments in infrastructure. A quarter of the Federal funds will be dedicated to addressing rural infrastructure needs, as prioritized by State and local leaders. And as a former Secretary of Labor, I'm pleased to note this plan also has a workforce component, to help workers access the skills needed to build these new projects.

We're already applying these principles to one of the Department's major existing infrastructure grant programs, Infrastructure for Rebuilding America (INFRA). I'm pleased to say communities have responded positively by modifying their proposals to reflect these new criteria. This quarter, the President has generously decided to donate his annual salary to the Department's INFRA grant program. INFRA directly reflects the President's priorities by providing dedicated, discretionary funding for projects that address critical issues facing our Nation's highways and bridges. Under the INFRA program, States and localities that secure some funding or financing of their own are given higher priority access to Federal funds. In addition, INFRA also reserves at least 25 percent of its funding to be awarded to rural projects.

The Department is also implementing the President's "One Federal Decision" mandate, which will help speed up the delivery of new infrastructure and reduce costs. The new process is designed to more effectively and efficiently handle the permitting of complicated, multi-agency projects to meet the President's new timeline to complete environmental reviews in two years, while preserving environmental protections. The Department is working on a new process to handle the permitting of complicated, multi-agency projects to meet the President's new expedited time line.

In addition to permitting reform, the Department is doing its part to help grow the economy and create jobs through an aggressive regulatory reform agenda. Costs associated with our new regulations decreased by $312 million in 2017, and we're on track to decrease these costs by $500 million in 2018. So, we are on track to save taxpayers nearly $800 million in regulatory burdens in 2017–2018 alone. A new Mercatus study concluded that DOT removed more regulatory restrictions than any other cabinet department in the President's first year.

By incentivizing new investment in infrastructure, eliminating overly burdensome regulations, providing support for rural America, and streamlining the permitting process, the Department is helping to improve our quality of life and build a brighter future for all Americans.

Thank you again for the invitation to appear before you today. This Administration welcomes the opportunity to work with you on these issues of critical importance to our country's infrastructure, so our economy can continue to grow and create good jobs for America's working families.

I will be happy to answer any questions you may have.

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"Examining the Administration's Infrastructure Proposal"
Tuesday, March 6, 2018, 10:00 a.m.
House Transportation
2167 Rayburn House Office Building Washington, D.C.

Questions for the Record

Submitted on behalf of Eric A. "Rick" Crawford (AR-01):

Madame Secretary, thank you for being here today for this important discussion about our Nation's infrastructure.

I want to ask you specifically about infrastructure in rural America - like my district in eastern Arkansas. Historically, rural areas have received fewer infrastructure dollars overall than urban and suburban areas, yet rural populations contribute significantly to the Highway Trust Fund.

1. What can Congress do differently in this infrastructure bill to ensure overwhelmingly rural districts reap the benefits of this critical federal investment in infrastructure?

   Answer: *The Administration's proposal specifically dedicates $50 billion (25 percent of overall amount) to enable rural America to address its many infrastructure challenges. 80 percent of the funds will be provided to Governors via formula to fund their respective States' infrastructure priorities. The remaining 20 percent of the funds will be used for Performance Grants based on performance criteria. The program also will provide a needed boost to tribal and territorial infrastructure.*

2. Given the substantial increase in the use of electric vehicles, what can lawmakers do to ensure they are contributing to the Highway Trust Fund equally to gas vehicles?

   Answer: *The Department is closely monitoring the Highway Trust Fund. We believe the most appropriate time to discuss long-term solutions is during normal reauthorization.*

Submitted on behalf of Representative Peter A. DeFazio (OR-04):

1. Trillion Dollar Investment - The White House claims that its proposal will stimulate $1.5 trillion in new infrastructure spending through a $200 billion federal investment. However, an analysis done by the President's alma mater, the University of Pennsylvania's Wharton School, estimates that this new federal investment would lead at most to an additional $30 billion in state, local and private spending, or about two percent of the amount envisioned by the White House. The Wharton study noted, "Most of the grant programs contained in the infrastructure plan fail to provide strong incentives for states to invest additional money in public infrastructure." The study concludes your plan simply shifts state and local dollars around, but fails to increase the amount of new investment.

   a. Given the cuts to infrastructure in the fiscal year 2019 budget proposal, how can you disagree with President Trump's alma mater?

Answer: *The President's Council of Economic Advisers (CEA) analyzed the Wharton report and found the model to be an unsuitable tool for estimating the new investment in infrastructure that the President's plan will generate. According to CEA, the study did not model the Administration's actual plan and the study's parameter values were outdated.*

Cuts that are cited over a 10-year period are particularly inflated by assumptions regarding spending for certain programs beyond currently authorized levels. For example, the Department projects the Highway Trust Fund will remain solvent through at least FY2020, and solvency issues beyond that dates must clearly be addressed.

The Administration's approach is not simply to ask for money, but to drive transformational reforms in how infrastructure projects are regulated, funded, delivered, and maintained. The $200 billion proposed for the Infrastructure Initiative is layered on top of existing programs and will be structured to incentivize additional State/local/private funding, reduce the costs associated with accepting Federal dollars, and ensure that Federal funding is utilized to maximize and significantly increase total infrastructure spending.

b. Please explain to us how you get to $1.5 trillion from $200 billion.

Answer: *$100 billion in Federal funds will go to the competitive Infrastructure Incentives Program grants that match up to 20 percent of new revenue generated by the applicant that would lead to at least $500 billion and perhaps $800 billion in total new investment. Because the Administration recognizes that the infrastructure needs and capacities of rural communities are different, the proposal also allocates $50 billion towards capital investments that support projects in rural areas, including U.S. territories and Tribal communities, of which $10 billion would be reserved for performance-based grants. $20 billion will provide competitive funding for transformative technologies and techniques, which could generate up to $80 billion in total investment. $14 billion will be used to expand the capacity of existing Federal infrastructure credit assistance programs. Each dollar of Federal expenditure can support many times that number of dollars of new infrastructure investments. One of these programs, the Transportation Infrastructure Finance and Innovation Act program, has achieved a leverage ratio of 40-to-1. Assuming a slightly smaller ratio could add over $500 billion in total investment. Allocating $6 billion to broaden the use of private activity bonds can generate another $70 billion, bringing total new investments to well over $1 trillion. The final $10 billion will be used to establish a Federal Capital Financing Fund for the purchase of real property. These figures also ignore the millions of dollars we believe will be saved by our reforms to federal review and permitting, which increases the impact of our proposal even further.*

2. Passenger Facility Charge Cap - U.S. airports have $10 billion of unmet infrastructure needs each year. Yet, the Administration's proposal fails to increase or eliminate the outdated federal cap on the passenger facility charge (PFC). Increasing or eliminating the PFC cap is critical to airports financing their significant backlog of infrastructure projects, without requiring additional federal spending. Last year, I, along with Congressman Massie (R-KY), introduced a bipartisan bill to remove the outdated PFC cap and generate billions of dollars in much-needed revenue for our aging airport infrastructure. During your testimony before the Committee last June, you assured Congressman Massie that you would take a look at our bill. What is the Administration's position on increasing or lifting the PFC cap?

Answer: *The Administration is committed to working with Congress to enact a law that will enable America's builders to construct new, modern, and efficient infrastructure. We have shared our ideas with you, and want to work together as legislation moves forward.*

3. Airport Privatization - The Administration's proposal allows all U.S. airports to privatize. Under current law, up to 10 airports can privatize under a program that has been in place for more than 20 years. Yet, few communities have wanted to take advantage of the program. As we learned during the Committee's Public-Private Partnership (P3) Panel a few years ago, airlines also had little interest in privatized airports because they were worried about paying increased fees, and we all know that, if the airlines pay more, travelers will get the bill.

   a. Given this lack of interest among the aviation community, why do you believe airport privatization is a solution to airports' infrastructure needs?

   b. Who, other than Bob Poole and the Administration, thinks airport privatization is a good idea?

   Answer: *Passenger demand for air travel continues to grow and will soon outstrip the current capacity of facilities. Around the world, countries facing similar problems have adopted market-based aviation reforms. Hundreds of airports around the world have been partly or fully privatized. The example of successfully privatized major airports around the world support the notion that increased private investment in airports will allow for improved profitability and efficiency of the nation's airports.*

4. State and Local Revenues - The Administration's proposal envisions $200 billion over 10 years for a broad swath of infrastructure - transportation, broadband, wastewater, drinking water, and federal facilities. This $200 billion of "additional" funding is offset by the President's Budget, which cuts more than $168 billion from existing infrastructure investment over the same 10-year period. Thus, the President proposes very little, if any, "new" federal money. Your proposal also supports bringing in new private capital to invest in transportation, where warranted. However, we know that P3s are only successful if there is sufficient public money on the table to make a deal come together.

   a. Is it your intention to place the full burden of bringing new transportation and infrastructure dollars to the table on states and local governments? If you don't have a net increase in federal funds, then states alone have to try to leverage private capital. Do you think this is feasible?

      Answer: *The Administration's approach is not simply to ask for money, but to drive transformational reforms in how infrastructure projects are regulated, funded, delivered, and maintained. The $200 billion proposed for the Infrastructure Initiative is layered on top of existing programs and will be structured to incentivize additional State/local/private funding, reduce the costs associated with accepting Federal dollars, and ensure that Federal funding is utilized to maximize and significantly increase total infrastructure spending.*

      We recognize that private investment won't always make sense for every type of project in every state. That is why the Initiative includes a robust Federal funding program for infrastructure in rural areas. In addition to the funding components of the plan, provisions for infrastructure improvement include many policy provisions to empower

State and local officials in how they manage existing assets and develop new assets.

b. Do you agree that states have a limited ability to tax and toll their constituents, making your plan unsustainable?

Answer: *Many States have raised new revenues for transportation investments in recent years, and many more are currently considering such actions. For example, according to the Pew Charitable Trusts, more than half the States raised their gas tax between 2012 and 2017.*

In addition, 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 a way 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. 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.

5. Amtrak Funding - In 2017, there were 31.7 million trips taken on Amtrak's nationwide rail network. Amtrak's Northeast Corridor (NEC), North America's busiest rail line, operates approximately 2,200 Amtrak, commuter, and freight trains over some portion of Washington-Boston route each day. The NEC Commission estimates that a loss of all Northeast Corridor services for just one day could cost the economy an estimated $100 million. Amtrak service is a vital asset for businesses, workers, and the traveling public. Instead of investing in our passenger rail network, the President's budget proposes to cut federal funding for Amtrak by 54 percent, which according to Amtrak CEO Richard Anderson would likely shutdown the railroad. My understanding is that this Administration wants to use those cuts to pay for Trump's Infrastructure Plan. Do you think getting rid of Amtrak will benefit American workers and the travelling public?

Answer: *In 2008 Congress required States to assume a larger role in financially supporting Amtrak State-Supported services and commuter rail services that operate over the Northeast Corridor. As a result of these reforms, there is now increased participation and accountability in the delivery of State-Supported services and Northeast Corridor infrastructure improvements.*

In FY 2017, long-distance routes accounted for approximately $500 million in Operating losses for Amtrak. This is because ridership is considerably lower than urban routes – making the per passenger costs much higher. To address these losses, the FY 2019 President's Budget proposes a significant restructuring to the Amtrak network such that States assume responsibility for half of the operating costs of Amtrak Long Distance trains that benefit their localities. This proposal is one of many ideas included in the President's Budget to rationalize the Amtrak system, improve efficiency, and reduce costs.

This cost-sharing proposal will 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.

6. Buy America - I am concerned with how the Department of Transportation (DOT) is handling Buy America waiver requests. Tue Federal Highway Administration (FHWA) alone has hundreds of pending waiver requests -many of which were applied for over a year ago. Make no mistake -I am a strong proponent of Buy America laws and want to ensure that federal transportation dollars utilize the maximum amount of domestic content. I can understand if DOT is reviewing the waiver process, particularly in light of the President's April 2017 Executive Order on Buy America, which calls on each agency to "scrupulously monitor, enforce, and comply with Buy American laws, to the extent they apply, and minimize the use of waivers." However, waiver authority exists in current law in order to ensure that project sponsors can apply for and utilize waivers when they are warranted. This provision of law is not meant to unnecessarily delay projects. Project sponsors deserve feedback and communication from DOT-otherwise, this ties up federal funds with no timeline for a resolution.

   a. Is DOT undertaking a review of the waiver process?

   b. If so, will DOT brief Members of this Committee on the status?

   c. Can you explain why waiver processing has ground to a halt, and why project sponsors are hearing nothing from your Department?

   Answer: *On April 18, 2017, the President signed Executive Order (EO) 13788, Buy American and Hire American, to ensure that Federal procurement and Federal assistance awards maximize the use of goods, products, and materials produced in the United States, including iron, steel, and manufactured goods. The EO required all Federal agencies to assess the compliance with existing Buy American laws and to develop and propose policies to strengthen Buy America implementation and compliance.*

   Pursuant to the EO, and existing statute, DOT is working closely with its grantees and stakeholders to ensure that domestic content is maximized in all projects utilizing Federal assistance. DOT's modal administrations work with project sponsors to apply their statutory Buy America requirements. As part of this process, DOT's modal administrations help project sponsors to identify and locate potential domestic manufacturers for products and materials necessary to complete projects.

   Both Title 23 and Title 49 provide a process for waiving Buy America requirements. In cases where a waiver of the Buy America requirements may be applicable, DOT solicits public comment through its website, and in some cases, a Federal Register notice on whether granting a waiver is appropriate.

   DOT is committed to enforcing Buy America laws and ensuring that domestic content is maximized. Since this Administration took office, DOT has issued fewer Buy America waivers than it had in recent years.

7. Reduced Federal Investment - According to the Congressional Budget Office (CBO), federal investment for infrastructure has decreased substantially: from 2003 to 2014, there was a 19 percent decrease in federal spending adjusted for inflation, while state and local governments continue to spend far more. CBO data further shows that state and local investment is consistently above federal investment levels, and investment levels move in tandem - in other words, as federal investment levels rise, state and local investment levels go even higher. Given the fact that federal revenues have been declining for transportation since 2003, how does the Trump plan boost investment in

infrastructure if it just furthers this decline in federal share?

Answer: *The Administration's plan is in addition to existing funding programs and proposes significant Federal funding for infrastructure. We look forward to engaging with Congress on a bipartisan basis in order to address the country's significant infrastructure needs.*

8. Limiting Public Participation - In my opinion, the National Environmental Policy Act (NEPA) serves two important functions. First, the environmental review component, and second, the opportunity for the public to provide input on the impact of a proposal. In fact, public input is a fundamental strength of NEPA in that it requires agencies to provide citizens with two key opportunities for meaningful participation: first, when an agency begins a NEPA analysis, and second, when a NEPA document in released for public review and comment.

   a. Do you believe the public deserves a robust opportunity to review and provide input into public infrastructure projects?

      Answer: *It is the policy of the Administration that public involvement and a systematic interdisciplinary approach be essential parts of the development process for proposed actions.*

   b. If so, why does your proposal shorten the NEPA process and limit public input?

      Answer: *All Department projects require NEPA documentation, analysis, or review. Under NEPA, the level of review required depends on the potential significance of the environmental effects of the project. Executive Order (EO) 13807 establishes a One Federal Decision policy for the environmental review and permitting process for major infrastructure projects. One Federal Decision means that each major infrastructure project has one lead Federal agency which is responsible for navigating the project through the Federal environmental review and permitting process. It does not mean that other agencies are excluded from review. The Administration's Infrastructure Initiative builds on the EO with a One Agency, One Decision proposal. This proposal places a time limit on the Federal Government's completion of the review process. But again, it does not exclude agencies from review.*

9. Maritime and Port Infrastructure Needs - According to the DOT's Bureau of Transportation Statistics, the total value of marine freight is predicted to increase by 43 percent domestically and 67 percent internationally between 2010 and 2020. Ferry passenger transport is experiencing rapid growth in response to land-transport congestion. These increasing demands cannot be met safely, efficiently and reliably with maritime and port infrastructure that the American Society of Civil Engineer's in 2017 gave a paltry grade of C+. Yet, the Administration's infrastructure proposal is devoid of any mention of maritime infrastructure (e.g., vessels, shipyards, ports and marine terminals, etc..) despite the critical role this infrastructure plays in facilitating the foreign commerce of the United States.

   a. Why has the Administration turned away from addressing the pressing need to significantly upgrade U.S. maritime infrastructure?

      Answer: *The Administration views our ports as an integral part of our national transportation system, and, as such, ports are specifically named as eligible for an* *increasing number of Federal assistance programs. Ports compete successfully for U.S. Department of Transportation based discretionary grant programs such as TIGER, INFRA, Marine Highways, and CMAQ; technology programs such as ATCMTD and the ITS-JPO; and federal financing programs such as TIFIA and RRIF[1]. Additionally, the Maritime Administration works with port authorities, State Departments of Transportation and Metropolitan Planning Organizations to encourage inclusion of ports in all regional freight planning effort. Port planning toolkit modules continue to be developed in concert with the port industry, designed to fill a gap in port and intermodal infrastructure planning educational tools. These are made available to ports at no charge. Thirty-eight states have navigable waterways and ports within their boundaries, and the Department works with each of these.*

b. Considering the economic importance of maritime infrastructure, why is maritime infrastructure less deserving?

Answer: *As stated above, the Administration considers ports to be key components of our infrastructure, necessary for our economy.*

c. Are there initiatives that you plan to undertake to address these needs?

Answer: *The Maritime Administration (MARAD) has data-mined over 600 requests for infrastructure assistance received from ports and understands regional needs. Based on this information, strategic initiatives have been developed resulting in both technical assistance and outreach provided to the maritime industry by the Agency throughout the year. Examples of recent results include: a cooperative effort between MARAD, FHWA and the DOT's ITS-JPO addressing Jason's Law related truck parking needs near port gates. Another initiative is underway by MARAD to plot all ports, by cargo type, in a GIS based system, to better understand and inform future policy decisions related to regional port needs by industry. Once Phase I is complete, the system will layer all rail and road connectors to all ports. This system will be made available to the public for planning purposes, and will support requests to relieve regional chokepoints in the system. A third example of an effort that is in progress is development of a planning tool addressing Cyber Security threats at ports. This tool will enable ports to more easily identify and plan for impacts from Cyber-attacks, and is envisioned to be of particular value to small and medium ports that may lack in house expertise or resources to address basis issues.*

10. Real Infrastructure Program - The Administration's Infrastructure plan sets aside $40 billion for rural grants with the money allocated to the Governor of each state using a formula that uses rural road lane miles and rural population "adjusted to reflect policy objectives".

    a. What "policy objectives" does the Administration intend to meet by changing the rural population definition used by the Census Bureau?

    b. Will you guarantee that these "policy objectives" are not politically motivated, and are not intended to shift funding to rural areas that supported the President compared to rural areas that did not?

[1] Transportation Infrastructure Generating Economic Recovery (TIGER), Infrastructure for Rebuilding America (INFRA), Congestion Mitigation & Air Quality (CMAQ), Advanced Transportation and Congestion Management Technologies Deployment Program (ATCMTD), Intelligent Transportation System – Joint Program Office (ITS-JPO), Transportation Infrastructure Finance and Innovation Act (TIFIA), Railroad Rehabilitation and Improvement Financing (RRIF)

> ***Answer:*** *The Administration is very focused on the unique infrastructure needs of rural America. The intention of the rural program is to provide needed resources to areas that are clearly rural in terms of proximity to urban areas and population density. The Administration would be happy to work with Congress as it develops a formula that ensures rural funding is provided to the rural areas that need it most.*

Submitted on behalf of Congressman Bob Gibbs (OH-07):

Secretary Chao, traditionally Clean Water Act (CWA) Section 404 permits do not fall under DOT's jurisdiction, but there have been cases of permits for road construction being effectively vetoed by the Environmental Protection Agency (EPA) refusing to approve or deny the permit application.

1. Would the reforms called for in the President's infrastructure plan insure that these decisions are handled with due process and in an objective and timely manner, especially given that we will see an increase in infrastructure projects after the passage of this package?

   Answer: *The plan consolidates authority to make jurisdictional determinations for 404 permits. I defer this question to the EPA and the U.S. Army Corp of Engineers.*

The costs and delays associated with CWA Section 404 permitting - particularly with respect to mitigation requirements and jurisdictional determinations - comprise a disproportionately large part of infrastructure costs.

2. Would the President's infrastructure plan provide you with additional authority to address this issue nationwide? How would you utilize the President's proposed plan to address systematic, nationwide problems with the 404 program?

   Answer: *I defer this question to the EPA and the U.S. Army Corp of Engineers.*

As the President outlined in his infrastructure plan, greater efficiency is needed in the permitting process-specifically for CWA provisions, some of which are needed for infrastructure projects- and calls for removing EPA's 404 veto authority and clarifying the Army Corps of Engineers (Corps) authority for making final jurisdictional determinations.

3. IfCongress implements these reforms, would this eliminate future uncertainty of CWA Section 404 permits being preemptively or retroactively vetoed? Would it also allow for the continued environmental protections provided by the Section 404(b)(1) guidelines and 401 water quality certification process?

   Answer: *The plan consolidates authority to make jurisdictional determinations for 404 permits. I defer this question to the EPA and the U.S. Army Corp of Engineers.*

Submitted on behalf of Representative Eddie Bernice Johnson (FX-30):

1. Road Signs - After the FHWA's abrupt cancellation of 28 states' interim approval to use Clearview font on road signs, FHWA issued a Request for Information (RFI) seeking quantitative information related to the use of Clearview font.

a. Based on the information received through the RFI, is FHWA reconsidering its decision to terminate the use of Clearview font?

b. What is the timeline for restoring this approval to our states and municipalities?

Answer: *Division L, Section 125 of the Consolidated Appropriations Act, 2018, enacted March 23, 2018, requires FHWA to reinstate Interim Approval IA-5 for the provisional use of the alternate letter style known as Clearview as it existed before its termination. FHWA will comply with this requirement shortly.*

Submitted on behalf of Congressman Mark Meadows (NC-11):

1. The Infrastructure Initiative states, "the Administration's goal is to seek long-term reforms on how infrastructure projects are regulated, funded, delivered, and maintained ."[1] As you are aware, Executive Order No. 12866 "directed agencies, whenever feasible, to specify **performance objectives,** rather than behavior, in crafting new regulations."[2] A recent report from the Government Accountability Office (GAO) states that although "agencies may design their regulations in different ways to achieve intended policy outcomes," agency "officials reported a preference for **'performance' designs that establish an outcome..."**[3]

[1] FACT Sheet 2018 Budget: Infrastructure Initiative: (https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/fact sheets/2018%20Budget%20Fact% 20Sheet Infrastructure%20Initiative.pdt).

[2] Executive Order 12866 of September 30, 1993: (https://www.archives.gov/files/federal-register/executive- orders/pdf/ 12866.pdt).

[3] Report to the Chairman, Subcommittee on Regulatory Affairs and Federal Management, Committee on Homeland Security and Governmental Affairs, U.S. Senate. "Key Consideration for Agency Design and Enforcement Decisions." October 2017. GA0-18-22: (https://www.gao.gov/assets/690/687875.pdf).

a. Do you believe the use of outcome-based performance standards by DOT will be less prescriptive, as required by Executive Order 12866, while facilitating less costly, safer regulatory outcomes that do not stifle innovation?

Answer: *Yes, outcome-based performance standards, rather than prescriptive standards, will result in less costly, safer regulations, as they provide regulated entities with more options to ensure safety, which result in regulated entities and others being incentivized to find new and better ways to comply with regulations.*

b. Will your agency apply outcome-based performance standards to implement its infrastructure initiative?

Answer: *Yes, we will apply outcome-based performance standards to the extent feasible.*

c. What steps is DOT taking to fully comply with the performance-based regulatory reform directives contained in Executive Order 12866 and subsequent orders?

Answer: *The Department has formed a Regulatory Reform Task Force (RRTF) and named a regulatory reform office (RRO) to alleviate unnecessary regulatory burdens. As a result, there has been a significant reduction in regulatory costs imposed on the public by the Department's rulemakings. Rules issued under this Administration in fiscal year 2017 have resulted in $312 million in net present value cost savings without compromising the Department's core safety mission. This reduction in regulatory costs was accompanied by a significant increase in deregulatory actions undertaken by the Department, as reflected in the Unified Agenda of Federal Regulatory and Deregulatory Actions (Unified Agenda). The Unified Agenda, which OMB compiles twice annually, synthesizes the regulatory agenda of each Federal entity into one Government-wide plan. Under the RRTF's direction, the number of deregulatory actions in the Spring 2017 Unified Agenda increased to 36 percent of total DOT rulemakings and increased again in the Fall 2017 Unified Agenda to 48 percent of the total DOT rulemakings.*

2. Given DOT's repeated statements in favor of technology neutrality, what steps is DOT taking to reverse past efforts of the agency to lock in dedicated short-range communications (DSRC) as the preferred connected vehicle technology?

   Answer: *DOT is embracing a technology-neutral approach to vehicle-to-everything (V2X) communications by evaluating multiple potential technologies that could provide safety and mobility benefits to America's surface transportation system. Our connected vehicle research and demonstration programs gather data to address critical questions which the market can use to decide which technology is best utilized, based on performance and deployment costs.*

   In addition to work on DSRC, the Intelligent Transportation Systems Joint Program Office (ITS JPO) is leading a multi-modal team that is analyzing emerging LTE and 5G technologies to better understand their performance capabilities and applicability to the surface transportation space. Additionally, the Department has been conducting a technical assessment of the feasibility of DSRC spectrum sharing in collaboration with FCC and NTIA. While this work is ongoing, NHTSA has placed the proposed rulemaking, "Federal Motor Vehicle Safety Standard (FMVSS) 150 - Vehicle to Vehicle (V2V) Communication" on the Long-Term Actions list of the Unified Regulatory Agenda.

   Regardless of the technology used, V2X communications for collision avoidance will require spectrum and its use must be effective, affordable, ubiquitous and interoperable to achieve DOT's safety and mobility goals.

3. Will forthcoming vehicle-to-infrastructure publications from DOT's Intelligent Transportation Systems Joint Program Office continue to favor DSRC over competing technologies such as 5G wireless, in contradiction of DOT's stated policy of maintaining technology neutrality and fostering market-driven innovation?

   Answer: *The Intelligent Transportation Systems (ITS) Research Programs, including Vehicle-to-Infrastructure (V2I), are evaluating various communications technologies such as Wi-Fi, cellular vehicle-to-everything (C-V2X) and 5G to better understand capabilities and potential impacts to the transportation system, and these programs will publish their research findings upon completion. All publications of the ITS research programs are created to share research and demonstration results from DOT-funded*

ITS research: gathering, analyzing and sharing data openly to inform and to address critical questions which the market can use to decide which technology is best utilized, based on performance and deployment costs.

Submitted on behalf of Representative Rick Larsen (WA-02):

1. Structural Deficient Bridges - In May 2013, a portion of the Skagit Valley Bridge on Interstate 5 in my district collapsed into the Skagit River. Thankfully, no one died from the incident, but this was yet another dramatic wakeup calls on the state of the Nation's infrastructure. According to DOT, "about one-quarter of our Nation's bridges are structurally deficient or in need of improvement." What is the Administration's strategy to address the backlog of structural deficient bridges across the country?

   Answer: *First, let me say a structurally deficient bridge is not unsafe. Unsafe bridges must be closed to traffic. A structurally deficient bridge is in need of repair, replacement, or requires more frequent inspections. FHWA has undertaken several efforts to ensure the safety of the Nation's bridges. These efforts include:*
   - *reviewing State compliance with the National Bridge Inspection Standards and instituting corrective actions where necessary;*
   - *updating the National Bridge Inspection Program to reflect changes required by MAP-21 and the FAST Act;*
   - *providing technical assistance, including delivering bridge inspection training courses;*
   - *maintaining the National Bridge Inventory database and identifying trends in the data; and*
   - *assessing the minimum level for condition of National Highway System bridges to ensure that Federal funds are used efficiently.*

2. Public Private Partnerships - In Washington State, the Legislature directed the State DOT to study how four transportation projects would be delivered using a P3 mechanism. The Administration's infrastructure proposal calls for the elimination of Federal restrictions on P3s for transit. However, under Washington State law, potential P3 projects are subject to a rigorous evaluation process. Under the president's plan, how would the structure of P3s differ by infrastructure project type?

   Answer: *Under the Infrastructure Initiative, transit projects will be able to compete with every other mode of transportation for project funding. The Infrastructure Initiative is designed to provide additional tools and flexibility so that transit systems alongside other forms of core infrastructure projects utilize performance-based, long-term investment plans, while leveraging Federal funds with sustainable non-Federal revenue sources.*

3. Raising the Gas Tax - Washington State has incrementally raised the gas tax since 2003 to help ensure the longevity of vital state transportation and infrastructure projects. We need to see the same level of commitment from this Administration. Do you, as the Secretary of Transportation, support raising the gas tax?

   Answer: *Infrastructure and the funding for infrastructure is a bipartisan issue and all options are on the table.*

   This Administration welcomes the opportunity to work with you on these issues of *critical importance to our country's infrastructure, so our economy can continue to grow and create good jobs for America's working families.*

4. Challenges Facing Mid-Sized Cities - Mid-sized cities, including several in the district I represent, often have trouble competing for federal transportation grants because they do not have the same resources as larger cities. Which is why I introduced a bill to set aside 20 percent of the funds made available through the popular Transportation Investment Generating Economic Recovery (TIGER) grant program for smaller and medium-sized cities. However, the Administration's infrastructure proposal erodes the important role federal resources play in modernizing the Nation's infrastructure, and the fiscal year 2019 budget eliminates TIGER grants. Under the president's infrastructure plan, how will the Administration address the unique challenges mid-sized cities face?

   Answer: *We know how popular TIGER grants are with members of Congress. The intention is that going forward there would be a more holistic approach to infrastructure. Projects originally eligible for TIGER grants will have the opportunity to apply and compete for funding included in the Administration's Infrastructure Initiative. The proposal provides an additional $200 billion over the next ten years for increased Federal spending for infrastructure projects, and will provide an important capability to address our nation's urgent transportation infrastructure needs at the state and local level..*

5. Apprenticeships - Any plan to address the Nation's infrastructure challenges cannot do so without focusing on how to build the next generation workforce. Would you please elaborate on the Administration's recommendations to expand access to apprenticeships? How will the Administration maintain the federal role in ensuring the quality of apprenticeships and career and technical education (CTE) programs?

   Answer: *The Administration's Outline for Rebuilding Infrastructure in America published by the White House in February 2018, as well as the President's Fiscal Year 2019 Budget request outlines priorities regarding workforce development and career and technical education. I defer this question to the U.S. Departments of Labor and Education since they administer most of these programs.*

Submitted on behalf of Congressman John Katko (NY-24):

1. The President's infrastructure plan proposes a number of pilot projects. The plan document also refers to some pilot programs that have been successful and recommends making them permanent. So, it seems clear that pilot programs can advance the public interest and move understanding of an issue forward in a way that mere study of documents cannot. Do you agree that pilot programs have the potential to be effective in advancing knowledge in additional areas, such as pavements, safety enforcement, truck weight, delegation of federal authorities to states, and other transportation matters?

   Answer: *The data and best practices captured by pilot programs may be used as the basis of new, more expansive and flexible regulations.*

Submitted on behalf of Representative Grace F Napolitano (CA-32):

1. State Revenues - The Administration's infrastructure plan is clear that it is intended to spur state and local investment in infrastructure. My state of California recently passed a

major bipartisan transportation package with two-thirds vote of our legislature known as SB 1 that will provide $54 billion in infrastructure investment over the next decade. This is the perfect example of state level transportation investment that the Administration's infrastructure plan is encouraging. Does the Administration support California's recently passed bipartisan SB 1 infrastructure package?

Answer: *A key element of the Infrastructure plan is to empower decision making at the State and local level, as you know best the infrastructure needs of your communities. The plan also includes policy provisions to empower State and local officials in how they manage existing assets and develop new assets.*

Submitted on behalf of Congresswoman Barbara Comstock (VA-10):

1. Secretary Chao, I am very interested in the U.S. Geological Survey (USGS) 3D Elevation Program (3DEP) fact sheet for Virginia.[4] Can you provide me your thoughts on the nationwide elevation data collection program using LIDAR technology managed by USGS known as 3DEP? The President's fiscal year 2019 budget provided specific language for elevation data collection allowing for "precise planning for energy development, transportation and other infrastructure projects, urban planning, flood prediction, emergency response, and hazard mitigation." Whether for flood map risk, or infrastructure projects, or economic development, and a variety of other issues, my state stands to benefit from the President's focus on acquiring elevation and topographic data. How does the DOT budget request and Infrastructure Proposal seek to leverage the 5:1 return on investment from 3DEP in fiscal year 2019?

   Answer: *The Federal Highway Administration worked with the USGS in 2017, on a limited basis last year, on USGS's 3D LIDATR data. The issue was to attempt to extract highway elevation data for all National Highway System roadways by travel direction, possibly by utilizing the elevation data to assess how routing affects energy consumption, and explore how the elevation data could fill our roadway inventory data gap. Some progress was made.*

[4] U.S. Department of the Interior, U.S. Geological Survey. August 2013. "The 3D Elevation Program -Summary for Virginia" https://pubs.usgs.gov/fs/20-13/3052/pdf/fs2013-3052.pdf

2. Secretary Chao, can you tell me how much from your respective budget or amounts found in the Infrastructure proposal is going to help the USGS 3DEP?

   Answer: *There is nothing in the current budget or in the Infrastructure proposal set aside for the USGS 3DP.*

3. If the answer to the previous question is $0, Could the DOT's mission as connected to transportation and infrastructure projects be aided by enhanced elevation data from 3DEP? I would certainly encourage DOT to look into how just a small portion of your own budget could be utilized, just as the Federal Emergency Management Agency (FEMA), Corps, National Oceanic and Atmospheric Administration (NOAA) and National Resources Conservation Service (NRCS) chips in from their own budgets, and I would ask that the DOT work closely with USGS on this important elevation data program initiative given its connection to not just emergency response and recovery, but how as the budget funding for 3DEP is pooled with your potential future additions, that the National Flood Insurance Program (NFIP) and

"Infrastructure" could greatly benefit from such a vital geospatial dataset.

Answer: *We will look into this.*

Submitted on behalf of Representative John Garamendi (CA-03):

1. Buy America - Will funding from the Administration's proposal maintain the same Buy America requirements that exist for current infrastructure projects?

2. Buy America - More specifically, the Administration's proposal includes additional delegation authority to state agencies -- would this allow states to fund projects using a federal match without the Buy America requirements?

Answer: *On April 18, 2017, the President signed Executive Order 13788, Buy American and Hire American, to ensure that Federal procurement and Federal assistance awards maximize the use of goods, products, and materials produced in the United States, including iron, steel, and manufactured goods. The Executive Order required all Federal agencies to assess the compliance with existing Buy American laws and to develop and propose policies to strengthen Buy America implementation and compliance.*

Pursuant to the Executive Order, and existing statute, DOT is working closely with its grantees and stakeholders to ensure that domestic content is maximized in all projects utilizing Federal assistance. DOT's modal administrations work with project sponsors to apply their statutory Buy America requirements. As part of this process, DOT's modal administrations help project sponsors to identify and locate potential domestic manufacturers for products and materials necessary to complete projects.

Both title 23 and title 49 provide a process for waiving Buy America requirements. In cases where a waiver of the Buy America requirements may be applicable, DOT solicits public comment through its website, and in some cases, a Federal Register notice on whether granting a waiver is appropriate.

DOT is committed to enforcing Buy America laws and ensuring that domestic content is maximized. Since this Administration took office, DOT has issued fewer Buy America waivers than it had in recent years.

3. Global Positioning System (GPS) Backup Services - GPS backup services are critical to the safety, efficiency and carrying capacity of our Nation's transportation systems. They are essential infrastructure. The Coast Guard reauthorization bill, now near completion, clarifies DOT as the lead federal agency responsible for addressing this single point of failure. Does the Administration's infrastructure plan address this important need? If not, can you please explain why?

   Answer: *DOT takes the protection of our critical infrastructures seriously, and recognizes the potential disruptions to transportation, and to the economy, of an interruption of GPS services. Section 1618 of the 2017 National Defense Authorization Act (NDAA) already addressed the issue of GPS backup. NDAA required DOT, the Secretaries of DOD and DHS to complete a study of GPS backup requirements and conduct an analysis of alternative technologies for all critical infrastructures, including transportation. Section 1617 of the 2018 NDAA requires the Secretaries to conduct a demonstration of a GPS backup capability. DOT is working with DHS and DOD colleagues on the plan for a demonstration that is due to Congress* *in April 2018. DOT will provide all necessary technical support to implement and evaluate this demonstration project, pending appropriations. DOT continues to work with our DHS and DOD colleagues to find the most effective way to address the study requirements.*

Submitted on behalf of Congressman David Rouzer (NC-07:

In the Administration's Infrastructure Proposal, Congress is requested to repeal the long-standing prohibition on the commercialization of rest stops on Interstate highways as well as the limitation on placing tolls on Interstates. Congress enacted these restrictions to promote commerce at the communities lining Interstates. The restriction also promotes competition and ensures a level playing field among businesses located at intersections.

1. Since commercialization and tolling will redirect the sale of food, fuel and other goods and services away from the private sector in communities and redirect such commerce to state-run or sanctioned rest stops established on Interstate right-of-ways, did the Administration make any assessment or study of the impact these proposals will have on the tax revenue that the small towns and communities receive from businesses along Interstates? If so, can you provide this Committee with your findings?

   Answer: *As you note, Federal law currently prohibits most commercial activity within the Interstate right-of-way, including at Interstate rest areas. This limits infrastructure investment opportunities and the ability to generate revenues to operate and maintain Interstates. The Administration believes that amending Title 23 would provide States flexibility to determine whether commercialization is appropriate for them. Importantly, revenues generated would be reinvested in the corridor in which they are generated and would support new infrastructure investment. Local communities would also benefit from the new jobs and service opportunities created at nearby rest areas. Under this proposal, States would not be permitted to charge fees for essential services such as water or access to restrooms. I would also note that commercial services are already allowed at rest areas on toll roads that are part of the Interstate system, as well as older pre-1960 establishments that were grandfathered in when the restrictions were originally put into place.*

2. In locations where highways are tolled, drivers will naturally be inclined to use alternative routes, when possible, to avoid paying tolls. This, in turn, increases traffic on secondary roads that may not be equipped to efficiently handle it. That being the case, did the Administration assess what impact tolling of Interstates would have on traffic on secondary roads and the communities they serve?

   Answer: *Under the Administration's proposal, no one would be required to implement tolls who does not want them. Rather, we believe that decisions about tolling Interstates and other Federal-aid highways should be left to the States themselves, who are in the best position to assess the needs of their local communities. We also believe that States should have greater flexibility to use toll revenues to meet their surface transportation infrastructure needs as they see fit, including investments in nearby secondary roads, which is currently restricted under the existing Interstate tolling pilot program.*

Submitted on behalf of Representative Frederica S. Wilson (FL-24):

1. Workforce Development - Since my first day in Congress, my mantra has been jobs, jobs, jobs. As soon as I was sworn-in, I worked with the Congressional Black Caucus to host a job fair that was attended by nearly 10,000 people in South Florida. Since then, I have worked with Republicans to create the bipartisan Florida Ports Caucus to advocate for Florida's 15 seaports that support 900,000 jobs. I also co-founded the Full Employment Caucus and have introduced several workforce development bills to promote apprenticeships and direct hiring. I was pleased to learn that the Administration's infrastructure plan contains some workforce development proposals, including expanding Pell Grants to cover short-term certificate programs and increasing apprenticeships. However, the details were scant. Please elaborate on the Administration's plan to tackle workforce development.

   Answer: *Representative Wilson, I applaud your dedication and commitment to connecting individuals with jobs. As is evidenced in the Presidential Executive Order Expanding Apprenticeships in America signed June 2017, the commitment to workforce development in this Administration's Legislative Outline for Rebuilding Infrastructure in America, and the Fiscal Year 2019 President's Budget, we too are committed to connecting individuals with jobs. I defer this question to the U.S. Departments of Labor and Education.*

2. Seaports - U.S. Seaports are economic engines that drive growth for the Nation. U.S. seaport activity generates more than $320 billion a year in federal, state and local tax revenue. Seaport cargo activity accounts for more than 25 percent of U.S. GDP and supports more than 23 million American jobs. Could you please address how the President's infrastructure plan will help seaports continue to grow and support the Nation's economy and specifically, how it will help facilitate the modernization of the Nation's shipping channels?

   Answer: *The Administration considers the cargo needs of all industries in the United States, ensuring these are addressed through multiple federal assistance programs at the Department of Transportation. The many regions of our nation have differing transportation infrastructure requirements, and we work to ensure these are addressed. The President's infrastructure plan aids U.S. industry by supporting needs of all types of port and intermodal infrastructure needed by each of the differing types of cargo.*

3. Seaports - The Port Miami deep dredge to 50/52 feet was completed in 2015 by a funding agreement in which the state of Florida and Miami-Dade County advanced the entire cost. Port Miami is now the only U.S. port south of Norfolk that is deep enough to accommodate the mega container ships traversing the Panama Canal. The advance of the entire project cost, including the federal government's share, enabled the project to be completed expeditiously and at a much lower cost than it would have been if we'd waited on annual budget procedures, which inflates costs over time. Many other U.S. ports have entered into advanced funding agreements for ongoing work, including, Florida's Port of Jacksonville. How will the President's infrastructure plan support ongoing projects with advanced funding agreements to include completed projects such as Miami's deep dredge, which has received no allocations of federal funds to date?

   Answer: *Dredging programs are the responsibility of the U.S. Army Corps of Engineers, so they are better positioned to respond to questions regarding funding for specific dredging projects. We do note, however, that the Maritime Administration coordinates Federal support for land-side infrastructure projects with the U.S. Army Corps of*

Engineers. For example, MARAD ensures requests for expanded cargo handling capabilities are located in ports where the Corps' plans support expansion with needed drafts, and will continue that coordination with regard to Port Miami.

4. School Infrastructure - Along with our Nation's roads and bridges, the majority of our 100,000 public schools are now reaching the end of their 40- to 50-year life cycles. America's public schools are the Nation's second-largest public infrastructure investment after highways and bridges, but investments in school infrastructure have lagged. Education infrastructure-which includes buildings, classrooms, laboratories, and equipment, among other items--are crucial elements of learning environments in schools, community colleges and universities. Has the Administration considered the idea that high-quality school infrastructure facilitates better instruction, improves local employment, and equips a growing workforce with 21st century skills for those who would ultimately work on our roads and bridges?

   Answer: *The Infrastructure Initiative focuses funding eligibility on a wide-ranging group of traditional government-owned assets and does not include traditional public infrastructure such as schools and libraries. Although schools are not included in the Administration's infrastructure proposal, the Administration certainly acknowledges the importance of our nation's school system.*

5. School Infrastructure - Last year, I cosponsored H.R. 2475, the *Rebuild America's Schools Act,* which would help invest federal funds to build and modernize school facilities so they are safe, healthy, and modern -by helping with school construction and repair to improving access to broadband. Improving our physical infrastructure is critical for growing our economy and allowing us to remain globally competitive. However, it is our schools that are essential for ensuring that the next generation can achieve the American Dream and lead our country to face the challenges of tomorrow. Sadly, the Administration's infrastructure plan makes no mention of public schools, despite the fact that President has talked about rebuilding our schools on a number of occasions. Do you see school facilities as a part of a comprehensive infrastructure investment package?

   Answer: *The Infrastructure Initiative focuses funding eligibility on a wide-ranging group of traditional government-owned assets and does not include traditional public infrastructure such as schools and libraries. Although schools are not included in the Administration's infrastructure proposal, the Administration certainly acknowledges the importance of our nation's school system.*

6. Transportation Equity - Our Nation's history of inequitable transportation and development investments has resulted in gross injustices:

   - Twenty percent of African American households, 14 percent of Latino households, and 13 percent of Asian households live without a car, compared to five percent of white households.
   - Nearly two-thirds of rural community residents have limited transportation options.
   - Nearly one in five Americans has a disability and relies on accessible transportation infrastructure.
   - While one in 10 civilian jobs is transportation-related -women, communities of color, low-income people, and people with disabilities lack access to jobs and contracting opportunities in the industry.

Equitable infrastructure policy has the potential to foster economic mobility, ensuring that everyone in the community can participate in and benefit from the local economy. At the beginning this year, DOT disbanded its Advisory Committee on Transportation Equity. That committee was charged with making "recommendations that provide timely, comprehensive, inclusive advice to the Secretary on transportation opportunity public policy issues that advance the principles of providing opportunity and access to everyone."

a. Why was the Advisory Committee on Transportation Committee disbanded?

b. Would you consider reinstating it?

Answer: *The Advisory Committee on Transportation Equity was established in 2016 to provide advice and recommendations about comprehensive, interdisciplinary issues related to transportation equity. The Department determined to sunset the Committee. Please be assured, the Department will continue to handle the important work of equity and access in transportation.*

7. Climate Change - The Trump budget would drastically cut EPA's programs on climate change. Funding for the agency's Office of Science and Technology would be cut by more than a third, from $762 million to $489 million. Funding for prosecuting environmental crimes and for certain clean air and water programs also would drop significantly. The "One Agency, One Decision" structure for environmental reviews seems to me a dilution or bypass of such reviews rather than "streamlining" as the Administration would like to call it. There are also numerous rollbacks on CWA. The President claimed that he valued clean water during his campaign, but how do you respond to his continuing and apparent efforts to roll back on and even eliminate environmental protections?

   Answer: *The Executive Order (EO) 13807 established a One Federal Decision policy for the environmental review and permitting process for major infrastructure projects. One Federal Decision means that each major infrastructure project has one lead Federal agency which is responsible for navigating the project through the Federal environmental review and permitting process. It does not mean that other agencies are excluded from review. The Administration's Infrastructure Initiative builds on the EO with a One Agency, One Decision proposal. This proposal places a time limit on the Federal Government's completion of the review process. But again, it does not exclude agencies from review or bypass any reviews. Streamlining the inefficiencies in the permitting process while maintaining environmental safeguards will enable Americans to benefit from infrastructure projects, including those that make our water cleaner, sooner. I defer questions regarding EPA's budget and CWA to EPA.*

8. Climate Change - I represent a coastal district in Florida. We have seen predictions of considerable sea-level rises, some of which have come from this Administration. A new study undertaken by the University of Florida found that between the years 2011 and 2015, sea level rose more than six times faster in the southeast United States than the global average sea level rise. Sea-level rises will have grave impacts on coastal communities such as my district and we have to prepare for resulting changes in geography, infrastructure and emergency management, but such concerns have not been addressed in the budget. What's the Administration's plan to address such problems from coastal communities and states like mine?

Answer: *We have started a third round of resilience studies, in addition to providing technical assistance to State DOTs and MPOs regarding integration of resilience into planning and project development. We are also moving forward with an effort to identify best practices by States in building resiliency in their response to emergency events. These practices will be captured and shared with Federal, state, and local agencies through regular outreach events.*

9. Climate Change - In my home state of Florida, climate change and infrastructure cannot be separated. We have to protect our roads, bridges, and seawalls to resist sea rises. The Trump plan does not address this problem. What do you see as steps to handle these challenges?

Answer: *The Infrastructure Plan is designed to change how infrastructure is designed, built, financed and maintained in communities across the country. The proposed Infrastructure Incentives program will provide Federal matching grants to State and local governments that raise additional revenue for infrastructure investment, including investment in resiliency projects. In addition, the FAST Act and the Statewide, Nonmetropolitan, and Metropolitan Transportation Planning rule (May 27, 2016) added resiliency and reliability of the transportation system as a Statewide and Metropolitan Transportation Planning factor. This requires States and MPOs to carry out a continuing, cooperative, and comprehensive transportation planning process that provides for consideration and implementation of projects, strategies, and services that will improve the resiliency and reliability of the transportation system and reduce or mitigate stormwater impacts of surface transportation. States and MPOs are required to consider in their planning process any reasonable alternatives for facilities that have been repeatedly damaged by an emergency event.*

10. Highway Trust Fund - The Highway Trust Fund, which is the source of funding for federal highway and transit formula programs, is projected to run out of money after fiscal year 2020. How does this new budget proposal plan to address the fund's insolvency?

Answer: *The Department is closely monitoring the Highway Trust Fund. We believe the most appropriate time to discuss long-term solutions is during normal reauthorization.*

11. Congestion Mitigation - The ability to move people and goods in our large cities on the interstate system is very important to the economic health of our country, yet they are clogged during most hours of the day with commuter traffic and in most cases it is no longer feasible to widen these highways. The average U.S. commuter spends 42 hours in traffic per year and loses more than $900 from traffic congestion. Could you elaborate on how the Administration's plan would help to address congestion in cities like Miami, Florida?

Answer: *The Administration's Legislative Outline for Rebuilding infrastructure in America describes a number of funding and financing programs that will advance projects across America, including congestion mitigation projects in cities like Miami, Florida. The proposal will achieve these goals by empowering states and local decision makers who are in the best position to understand their needs, removing barriers that will serve to stimulate private infrastructure investment, and improving the efficiency of the environmental review and permitting process that will speed up project delivery while protecting the environment.*

12. Underserved Communities - This budget plan leaves key decisions of what needs to be built or repaired, like the water pipes in Flint, Michigan, to the states and underserved communities and that puts them in a difficult place since private investors are most likely to fund projects that will pay financial dividends. What will be done to incentive investors to invest in underserved communities?

Answer: *Infrastructure finance reforms described in the proposal create more flexibility for states and local governments to fund projects across all types of communities. Additionally, through reform of the inefficient environmental review and permitting process, these critical projects will be able to be delivered quicker and at lower cost while still ensuring environmental protection. These reforms will also offer greater predictability that will serve to incentivize further private investment in infrastructure projects.*

13. Underserved Communities - This Administration is forcing already underserved communities of color like Flint, Michigan, to compete for federal resources that are critical and long overdue. High pollution, deteriorating roads, diminishing home values, and poisonous water are problems that disproportionately affect black communities. Trump's plan would force these cities to compete for limited infrastructure funds while wealthy corporations profit off building private prisons, immigration detention centers, and implementing new tolls and fees on basic services, like clean water, which many working families will not be able to afford. How would you respond to this?

Answer: *Infrastructure finance reforms described in the proposal create more flexibility for states and local governments to fund projects across all types of communities. Additionally, through reform of the inefficient environmental review and permitting process, these critical projects will be able to be delivered quicker and at lower cost while still ensuring environmental protection. These reforms will also offer greater predictability that will serve to incentivize further private investment in infrastructure projects.*

14. Financing - President Trump's budget plan will pay off private investors at the expense of local governments and taxpayers. The plan requires more state investments to draw down federal money, which could hurt Florida. There is a proposal (HB 7001) in the Florida legislature to allow for a super-majority vote of both houses to increase any state tax or fee. The proposal has passed the House and it likely to pass the Senate. If Senators agree, then the proposal will appear on the November general election ballot and will require approval of 60 percent of voters. If it is approved, then it would be that much harder for the state to find extra revenue to foot the bill for new or improved infrastructure. What can be done to reduce the burden on states?

Answer: *The Infrastructure proposal is designed to change how infrastructure is designed, built, financed and maintained in communities across the country. The Infrastructure proposal describes multiple programs that work together to increase the amount we invest as a society into infrastructure. The largest of these programs is the Incentives program, at $100 billion. Designed as a discretionary grant program, the primary criterion that will be used to evaluate applications is how well the applicant leverages these dollars with non-Federal investment from State, local, and private sector* *partners. The Incentives funding program is meant to incentivize and reward communities that proactively invest in infrastructure. Recent ballot initiatives that provide transparency to votes to the use of funds, such as public infrastructure, have had notable success.*

This leverage selection criterion is similar to a criterion under a program we launched last year, called INFRA. We are currently assessing INFRA applications and aim to make selections later this Spring. 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.

Another example is the Transportation Infrastructure Finance and Innovation Act (TIFIA) credit program. In recent years, each $1 of Federal funding has allowed TIFIA to provide approximately $14 in credit assistance, and support up to $40 of total infrastructure investment, including other State, local, and private sector investments.

Submitted on behalf of Congressman Randy K Weber (I'X-14):

1. Secretary Chao, can you share insights as to why the ports of Beaumont and Port Arthur, despite applying every year since 2009 (a total of 22 applications altogether) have not received a single TIGER/FASTLANE grant, despite positive technical scores? Given that the Sabine-Neches Waterway, which connects to Beaumont and Port Arthur's ports, is one of the largest energy production regions in the world and one of the most vital waterways in the Nation, this oversight seems especially perplexing.

   Answer: *The level of competition for both the TIGER and INFRA grant programs is fierce. As a result, the Department is only able to fund less than 10 % of all applications received on an annual basis. Due to the overwhelming demand for these programs, over 90% of all applicants are not selected for award. However, the levels of funding for this round of INFRA and the next round of TIGER have increased to $1.5 billion respectively. This will be the largest amount of combined annual funding for these two programs, and will allow the Department to select more projects for award. The Department will continue to provide rigorous and fair evaluation of all applications received.*

2. Does DOT criteria for selecting grant locations factor into consideration significant areas that have not received grants for many years, especially if those grant applications have been highly competitive? Southeast Texas has not been awarded any TIGER/FASTLANE grants since 2009 (the beginning of the first grant program, TIGER).

   Answer: *Each round of competition follows unique selection criteria defined by Congressional requirements and specific criteria outlined in the Notice of Funding Opportunity. Geographic diversity has been a consistent selection criteria used in the TIGER selection process. The Department treats every round as a unique opportunity and considers the geographic diversity of awards for that specific round.*

3. When there is widespread damage caused by natural disasters, has DOT considered awarding multiple grants for a single geographic location (i.e., impacted region)? There will undoubtedly be multiple applications from Southeast Texas, given the

impact of Hurricane Harvey.

Answer: *The Department has made multiple awards to a single state of geographic region in prior rounds. However, these decisions are dependent upon the applications submitted, and how well they address the discretionary grant selection criteria.*

4. Secretary Chao, are you familiar with the Houston-to-Dallas high-speed rail project, and can DOT provide an update on where they stand with moving this project along? The Dallas-to-Houston High-Speed Rail Project ticks all the boxes for an ideal INFRA proposal: it is transformative, ground-up rather than top-down, leverages private sector funds, and can take advantage of the expansion of federal loan programs. They are not seeking federal grants. The Federal Railroad Administration has held 11 public hearings from one end of the route to the other, concluding with a final hearing on March 5, 2018.

Answer: *The Texas Central Railway High-Speed Rail project is a privately funded, proposed new passenger rail system that would operate within a fully sealed corridor of roughly 240 miles between Dallas and Houston, with a travel time of approximately 90 minutes. The Department's Federal Railroad Administration (FRA) is the lead agency with primary responsibility for preparing the Environmental Impact Statement (EIS) for the proposed project. The Draft EIS was published on December 22, 2017, and presented FRA's environmental analysis of alignment alternatives and station locations. During the public comment period, which ended on March 9, 2018, FRA held 11 public hearings in each County along the proposed route, and in Houston near the proposed station locations. Currently, FRA is evaluating the feedback and comments received on the project and is drafting the Final Environmental Impact Statement.*

Additionally, FRA has received a petition from Texas Central Railroad (TCR), the private project sponsor, for a rule of particular applicability (RPA) to govern its operations. Specifically, TCR has stated it intends to base its system on JR Central's Tokaido Shinkansen operation. This includes, but is not limited to, the trainsets, signal system, track structure, operations, and maintenance practices that would be tailored to the proposed operating environment. As is required when proposing regulatory changes (such as an RPA), FRA would notify the public of the proposed change through a notice published in the Federal Register and provide opportunity to comment.

5. Secretary Chao, would you please share thoughts on the nationwide elevation data collection program using LIDAR technology managed by USGS known as 3DEP? President Trump's fiscal year 2019 budget provided specific language for elevation data collection allowing for "precise planning for energy development, transportation and other infrastructure projects, urban planning, flood prediction, emergency response, and hazard mitigation." Whether for flood map risk, infrastructure projects, or economic development and a variety of other issues, my state stands to benefit from the President's focus on acquiring elevation and topographical data. I would certainly encourage DOT to look into how just a small portion of your own budget could be utilized-just as FEMA, the Corps, NOAA, and NRCS contribute from their own budgets-and I would encourage ask that DOT work closely with USGS on this important elevation data program initiative given its connection not only to emergency response and recovery, but how-given how budget funding for 3DEP is pooled with your potential future additions-the NFIP and "Infrastructure" could greatly benefit from such a vital geospatial dataset.

Answer: *The Department is the co-chair and civilian government lead of the Position, Navigation, and Timing (PNT) Executive Committee. The PNT Executive Committee coordinates national civilian requirements, policies, and budgets related to positioning needs. The Department will explore whether 3DEP can address current or future transportation positioning requirements.*

6. How does the DOT budget request and Infrastructure Proposal seek to leverage the 5:1 return on investment from 3DEP in fiscal year 2019?

   Answer: *The DOT budget and Infrastructure Proposal does not currently rely on the 3DEP program.*

7. How much from your respective budget or amounts found in the Infrastructure Proposal is going to support the USGS 3DEP?

   Answer: *The Department does not currently have an Infrastructure requirement for 3DEP positioning. However, if a requirement is determined, the Department will analyze whether and to what degree resource sharing is warranted.*

8. Could DOT's mission as connected to transportation and infrastructure projects be aided by enhanced elevation data from 3DEP?

   Answer: *The Department's infrastructure and transportation programs largely depend on local project sponsors to determine their local survey and positioning requirements. At present, the Department is not aware of requirements for 3DEP data to meet its mission.*

Submitted on behalf of Congressman Alan Lowenthal (CA-47):

1. Transit New Starts Program - Like many of my colleagues, I am concerned about the delays and uncertainty regarding the New Starts program. In my district, the first phase of the Orange County Streetcar will connect downtown Santa Ana with Garden Grove. While modest, this project is the start of a new paradigm for transit in the County, and Orange County Transportation Authority (OCTA) hopes to enter a Full Funding Grant Agreement with Federal Transit Administration in April to begin construction this summer. If they do not enter an agreement soon, the county faces schedule delays and cost increases. This project has been in the New Starts process since 2015, and my constituents have committed over $57 million of local sales tax revenue to make it a reality. Will you commit to moving this project forward in April?

   Answer: *As proposed projects become ready for a funding agreement commitment, FTA will review current and future year funding resources, coordinate with project sponsors, and determine appropriate next steps.*

2. Funding for Freight Programs - As you know, the Highway Trust Fund provides dedicated formula grants for freight programs, as well as discretionary grants through the Infrastructure for Rebuilding America (INFRA) grants program. The Administration's budget would significantly scale back both. The budget also eliminates the highly oversubscribed TIGER program, which has made key intermodal investments, including over $30 million to improve the flow of commerce at the Ports of Los Angeles and Long Beach. Given the Nation's staggering needs to improve freight

movement and relieve congestion, how does your Administration plan to advance freight projects while eliminating guaranteed and dedicated funding for freight at the same time?

Answer: *The Administration's FY 2019 Budget requests $46 billion for highway infrastructure and safety programs at levels that match the authorized amounts in the FAST Act. Both the National Highway Freight Program (freight formula funds out of the Highway Trust Fund) and the INFRA grants program would continue to be funded at the authorized levels set by the FAST Act.*

In addition, the President's Infrastructure Initiative would provide ample opportunities to fund freight projects. For example, the rural program could benefit freight projects that help move agriculture and energy products from the country's heartland to our coastal ports for export. Freight projects also typically involve significant private sector investment, and these projects would be well-suited for the expanded infrastructure financing programs under this new initiative.

Submitted on behalf of Congressman John Faso (NY-19):

1. Can you please provide greater clarity on the proposed $50 billion for rural infrastructure? Specifically, how do you plan to define 'rural' and will your agency administer these funds, or will others like the United States Department of Agriculture be involved? How do we guarantee that rural communities are not left behind as part of this proposal?

   Answer: *The Administration is very focused on the unique infrastructure needs of rural America. The intention of the rural program is to provide needed resources to areas that are clearly rural in terms of proximity to urban areas and population density.*

   The President's Infrastructure Outline states that the statute would create a "rural formula," calculated based on rural lane miles and rural population adjusted to reflect policy objectives. Each State would receive no less than a specified statutory minimum and no more than a specified statutory maximum of the Rural Infrastructure Program formula funds, automatically.

   In addition, funds made available to States under this program would be distributed as block grants to be used for infrastructure projects in rural areas with populations of less than 50,000.

2. As you are aware, Federal Motor Carrier Safety Administration (FMCSA) has received and granted several exemption requests regarding the electronic logging devices mandate. One exemption request still pending comes from the Owner-Operator Independent Drivers Association (OOIDA). OOIDA's exemption ensures only those motor carriers defined by the Small Business Administration (SBA) as a small-trucking business would qualify for the exemption. Further, the application stipulates that only motor carriers with a record of no at-fault crashes would be exempted and those with an 'Unsatisfactory' safety rating FMCSA would not be eligible. As a result, OOIDA's exemption request ensures that qualifying truckers are limited to those who have maintained safe driving records throughout their career. OOIDA's exemption request solicited over 4,000 comments, mostly positive, from truckers across the country. Similarly, I have heard from many constituents on this issue looking for relief. Given the upcoming April 1st expiration of the current 'soft enforcement' policy,

do you have a timeline when DOT will make a determination on OOIDA's exemption request?

Answer: *The Department acknowledges the concerns of small businesses subject to the FMCSA Electronic Logging Device (ELD) rule. In accordance with the statutory authority concerning applications for exemptions and the implementing regulations, FMCSA sought public comment on the OOIDA's exemption request and the Agency anticipates issuing a decision in the near future.*

While the Department would like to have resolved all pending requests for ELD exemptions (a total of 19) prior to April 1, it is not possible to do so given that all but one of the requests were submitted within 12-weeks of the December 18, 2017, compliance date. The Agency is working to process the exemption applications as quickly as possible.

Submitted on behalf of Congressman Stacey E. Plaskett (VI-Delegate):

1. Rural Infrastructure Program - Before the Committee, you mentioned that eligibility for the Administration's Rural Infrastructure Program would be based on rural lane miles. How specifically will "rural" be defined in order to determine a community's rural lane miles?

   Answer: *There are currently numerous Federal definitions for what constitutes "rural." The President's Infrastructure Outline states, that a "rural formula" would be calculated based on rural lane miles and rural population adjusted to reflect policy objectives. The Administration would be happy to work with Congress as it develops the rural funding formula.*

2. Rural Infrastructure Program - Why would a community's rural lane miles be the best standard of eligibility for the Rural Infrastructure Program?

   Answer: *Under the Infrastructure plan, funding available for States would be provided to the Governor of each State via a formula based on total rural lane miles in a State in relation to total rural lane miles in all States and a ratio based on the total adjusted rural population of a State in relation to the total adjusted rural population of all States. Each State would receive no less than a specified statutory minimum and no more than a specified statutory maximum of the Rural Infrastructure Program formula funds, automatically. The Administration would be happy to work with Congress as it develops the rural funding formula.*

3. Rural Infrastructure Program - While rural lane miles may be a good indicator of needs in terms of road projects, will this standard for the Rural Infrastructure Program take equitable account of water project or broadband needs of rural communities (or other infrastructure projects that are unrelated to roadways)?

   Answer: *The President proposes to dedicate $50 billion in Federal funds to enable rural America to address its unique infrastructure challenges, rebuilding and modernizing bridges, roads, water and wastewater assets, water resources, waterways, power generation assets, and broadband. The bulk of these funds under the President's plan will be made available to Governors, through a formula, to choose the investments that respond to the unique rural needs of their respective States. States may then apply for the remaining rural funds, which will be distributed as rural performance grants based on performance criteria, including increased investment in broadband.*

Donald M. Payne, Jr.
Member of Congress

Statement for the Record

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
FULL COMMITTEE HEARING ON
"EXAMINING THE ADMINISTRATION'S INFRASTRUCTURE PROPOSAL"

At the March 6, 2018 Transportation and Infrastructure full Committee hearing, Secretary of Transportation Elaine Chao and members from the New York and New Jersey delegations had sharply contrasting viewpoints on if and how the Federal government should pay for a share of the Gateway project. The following verbal exchanges took place at the hearing; however, the Secretary made modifications to her statements prior to publication of the official hearing transcript. [Editor's note: Please see page III for Committee rule XIV regarding the keeping of records and account of remarks.] The following exchange took place between Mr. Sires and the Secretary:

> SIRES: So I'm just wondering if you support any kind of help for these tunnels? Because I've been there ...
>
> CHAO: New York and New Jersey can come up with larger than zero or 5 percent...
>
> SIRES: Well right now, they're willing to commit 50 percent of the project.

I had the following exchange with the Secretary:

> PAYNE: I don't know where you get your information, because we have offered a 50/50 split with the federal government. Not 80/20, not 90/10...50/50, half.
>
> CHAO: We have ...
>
> PAYNE: You have not ...
>
> CHAO: If that is the case, that is terrific.
>
> PAYNE: You've not heard that?
>
> CHAO: No, we have been in discussion with ...
>
> PAYNE: You've not heard that? You have not heard that New Jersey and New York had offered

50 percent ...

CHAO: Well, that could have been said, but in discussions that we've been having with them, there's zero financing on the Hudson -- I getting-- I might be getting-- it's the Hudson Tunnel and the Portal Bridge, it's zero funding on one by the New York, New Jersey parties and five percent on the other. And they're using TIFIA loans which they are going to get from us as part of their down payment.

PAYNE: Absolutely incorrect.

CHAO: Well sir, I think we have a disagreement about the facts then.

And Mr. Maloney and the Secretary also had differing views of the facts in this exchange:

MALONEY: Well, Madame Secretary, you may have my remaining two minutes if you can do your best to explain why the president of the United States is killing the most important infrastructure project certainly in the Northeast, probably in the country. And why it has actively undermined the efforts of the previous administration to work out the very issues you just addressed. Please, take my time and tell us why this project which is so important is being killed personally by this president?

CHAO: Those are your words, not mine. If you want the president's stance, please go to the White House. There is no such agreement. The previous administration made no commitment except at a political rally in the heat of a campaign.

There's no documentation evidencing any commitment. There's no pending application on the nine projects that you collectively call Gateway. The career staff rated this project as not eligible for federal funding because a state and local government have put in 5 percent in one, 0 percent in the other. That's not how these projects are financed.

One of the projects is thinking about applying for a TIFIA loan. They're taking that loan and making it their part that state is taking our loan and using it as their equity. That's like if you have -- you're getting a mortgage and you have to put 20 percent down as your equity. You go out and you get a second loan and you call that second loan your equity. Well, there are certain guidelines in which these loans are put together...

In light of these exchanges I ask that the attached Washington Post Fact Checker article from March 12, titled, "Trump administration uses fuzzy logic to derail $11 billion tunnel plan for New York and New Jersey" be included in the hearing record so that members may get greater context.

Fact Checker Analysis

Trump administration uses fuzzy logic to derail $11 billion tunnel plan for New York and New Jersey

By Salvador Rizzo

"The president is concerned about the viability of this project and the fact that New York and New Jersey have no skin in the game. They need to step up and bear their fair share. They are two of the richest states in the country."

— Transportation Secretary Elaine Chao, discussing the Gateway project at a House hearing, March 6, 2018

The "Gateway project" is code for a new rail tunnel connecting New Jersey and New York. Supporters say it's sorely needed because the existing, waterlogged tunnels under the Hudson River are 108 years old and nearly unusable.

Chao once called Gateway an "absolute priority," but she changed her tune after The Washington Post reported that President Trump, amid a feud with Senate Minority Leader Charles E. Schumer (D-N.Y.), is asking Republicans to kill funding for the tunnel.

Now, the Department of Transportation says New Jersey and New York want a fantasyland funding deal. Chao complained to lawmakers that under the states' proposal, the federal government would be providing 100 percent of the money for the Gateway tunnel and 95 percent of the money for a related project: replacing the Portal Bridge in New Jersey. (That's another 108-year-old structure near Manhattan that services trains traveling up and down the East Coast.)

"They're putting in less than 5 percent on one and zero in the other," Chao testified before the House Transportation and Infrastructure Committee.

The states, however, since 2015 have proposed to split Gateway costs 50/50 with the federal government. "Fifty percent is more than the federal government usually asks for such projects, so she's just dead wrong," Schumer said. "She doesn't know her facts, or she's dead wrong."

What we have here is a black-and-white disagreement over basic facts. Do New Jersey and New York really want a full ride from the federal government, as Chao says?

The Facts

Train delays and derailments are a fact of life for hundreds of thousands of riders shuttling daily between New Jersey and New York. This congestion dominoes up and down the East Coast, since the Hudson River tunnels are a choke point for all Amtrak trains traveling through New York to other cities such as Boston or the District.

With few exceptions, political leaders in New Jersey and New York have long recognized this situation as a budding crisis. A previous tunnel project, called Access to the Region's Core (ARC), had been slated for completion this year. But then-Gov. Chris Christie (R-N.J.) canceled it in 2010, citing disputed cost overruns, at a time when the tea party was flexing its muscle over federal spending.

The Gateway project, announced in 2011, became the region's next big hope.

New Jersey and New York are seeking funding for the first phase: Building the new rail tunnel and replacing the Portal Bridge. The new tunnel is estimated to cost $11.1 billion. If it gets funded, construction would run from 2019 to 2026. Replacing the Portal Bridge would cost another $1.56 billion and is slated to be done in 2023.

Without a new tunnel, the economic and environmental impact in the region would be severe, according to several experts and a 2012 study by the Government Accountability Office. But with Trump and Republicans from other parts of the country opposed to Gateway, securing the funds will be an uphill climb.

Chao has two primary concerns with the states' funding proposal and we're going to unpack each of her arguments. We reached out to DOT officials and aides for several lawmakers from New Jersey and New York. Because of the sensitivity and ongoing nature of the Gateway negotiations, these officials spoke to The Fact Checker on the condition of anonymity.

'New York and New Jersey have no skin in the game'

According to Chao, the two states are asking the federal government to provide the full $11.1 billion for the new tunnel. However, the states committed to funding 50 percent of Gateway costs in 2015, according to a letter signed by Gov. Andrew M. Cuomo (D-N.Y.) and Christie, and identified $5.55 billion in local funds to cover their share in December 2017.

The key here is that Chao is including two kinds of federal funds: grants and loans. As anyone with a credit card or a mortgage knows, loans are not free money.

The most recent funding proposal from the states asks for 50 percent of Gateway funds in the form of federal Capital Investment Grants and the other 50 percent in the form of federal loans under the Railroad Rehabilitation and Improvement Financing (RRIF) program or the Transportation Infrastructure Finance and Innovation Act (TIFIA).

The state of New York is offering to cover $1.75 billion for an RRIF loan over 35 years with a line item in its yearly budget, according to a Dec. 13 letter from Robert F. Mujica, the state's budget director, to the Federal Transit Administration. The governor's office would propose this appropriation and make "good faith" efforts to secure legislative support every year, Mujica added.

New Jersey Transit is proposing to cover the cost of a $1.9 billion RRIF loan over 35 years with a new fee on its riders, specifically "a per-passenger trip charge for all NJ Transit rail passenger trips each way across the Hudson River." This surcharge would start at 90 cents in 2020, then increase to $1.70 in 2028 and $2.20 in 2038, according to a Dec. 13 letter from then-N.J. Transit Executive Director Steven Santoro.

The Port Authority of New York and New Jersey, a transit agency jointly run by both states, would take responsibility for another $1.9 billion loan. In February 2017, the agency's board of commissioners authorized a 10-year capital plan that includes "a commitment to support debt service payments on $2.7 billion ... of low-cost borrowing for Phase 1 of the Gateway program." (The agency would spend $2.4 billion on the tunnel loan, including accrued interest and fees, and the other $300 million on a loan for the Portal Bridge.)

Moving on to the Portal Bridge, the states' plan is for New Jersey to contribute $29.7 million in revenue from its gas tax fund and bond $336.5 million through its economic development authority. The Port Authority would kick in $21.5 million from its revenue and take out a TIFIA loan worth $284 million. This adds up to $671.8 million, or 43 percent of the total $1.56 billion cost. The federal government would cover the rest under the states' proposal. [Note: We first reported these numbers based on a February 2017 document, but we updated them to reflect some tweaks in November 2017.]

Let's take stock of what we have here. New York is proposing to spend $1.75 billion of its taxpayers' money on the Gateway tunnel. For its share, New Jersey says it will hike N.J. Transit fares to gather $1.9 billion. The Port Authority has put itself on the hook for an additional $1.9 billion. It all adds up to $5.55 billion, or 50 percent of the tunnel's $11.1 billion price tag as currently estimated.

Granted, the states would be asking the federal government to front this $5.55 billion, but they've identified specific funding sources to pay back the money over 35 years. Every time the states made a payment toward the loans, that would be "skin in the game." They would also have to secure these loans with collateral.

Regarding the Portal Bridge, the states would cover $51.3 million, or 3 percent of the cost, in revenue from the Port Authority and New Jersey's gas tax fund. New Jersey would use state bond proceeds to cover 21.5 percent of the cost, and the Port Authority would be on the hook for an additional 18 percent using a federal loan.

Asked about Chao's comments, a DOT official said New Jersey, New York and the Port Authority have not applied for any of the loans they're listing. (That doesn't mean they won't apply.)

"There's no documentation evidencing any commitment," Chao said at the House hearing. "There's no pending application on the nine projects that you collectively call Gateway. The career staff rated this project as not eligible for federal funding because the state and local government have put in 5 percent in one, 0 percent in the other. That's not how these projects are financed."

The 50/50 split was negotiated under the Obama administration. Under Trump, the deputy FTA administrator, K. Jane Williams, called it a "non-existent" agreement. In a Dec. 29 letter to Mujica, Williams wrote that a previous version of the Gateway tunnel plan proposed to use federal assistance for only 83 percent of the cost, as opposed to 100 percent.

A DOT official told The Fact Checker the states' funding proposal has other holes. For example, the federal loans would require a fee, or down payment, between 2 percent and 30 percent depending on what types of funds the states used to pay back the loan and what they used as security. "If I was able to go to the bank and I was able to buy a house with 0 percent down, that's a pretty sweet gig," the official said.

A Senate Democratic aide said these concerns put the cart before the horse. The Gateway parties are aware of the need to cover fees once they reach the stage of applying for loans, the aide said. It's impossible to set aside money for loan fees before knowing what those fees will be, the aide added.

'It has always been this way. Loans are not counted as equity.'

There's another prong to Chao's argument. States can't count these federal loans toward their share of the total project cost, she said in response to questions from Sens. Cory Booker (D-N.J.) and Kirsten Gillibrand (D-N.Y.) during a Senate hearing March 1.

"We are not anxious for a fight on this," Chao told Gillibrand. "But for New York and New Jersey to consider funds, debt that we have given them, as part of their equity back to us is something that we disagree with."

Booker said Chao appeared to be changing the rules of the game. "This would crush every area of our country if you shifted that to what you represented," he said.

This issue is not as clear-cut as Chao makes it out to be.

The TIFIA statute, under which New Jersey and New York are proposing to borrow some of the Gateway funds, says "the proceeds of a secured loan under this chapter may be used for any non-federal share of project costs ... if the loan is repayable from non-federal funds."

The DOT official pointed out that the statute says TIFIA funds *may* be used — not *shall* be used — for the local share of a project. But it's clear there's discretion here and federal officials could choose to count TIFIA funds toward New Jersey and New York's share of the Gateway project.

The TIFIA statute, the DOT official said, also says "federal assistance" may account for no more than 80 percent of a project. Loans and grants are both types of "federal assistance," the official added.

A Senate Democratic aide pointed out that the Trump administration in July 2017 issued a "notice of funding opportunity" for a new infrastructure grant, called INFRA, in the Department of Transportation. That notice says "funds from federal credit programs, including TIFIA and RRIF, will be considered non-federal funding."

Gateway does not involve INFRA grants, but the Senate Democratic aide said Chao is sending mixed messages by saying TIFIA and RRIF loans don't count toward the local share in Gateway's case, but do count in other cases.

"There has never been to our understanding in the history of the CIG [Capital Improvements Grant] program a partner who came in and said, 'We want a big grant, and we want you to finance the rest of the money in loans,'" the DOT official said.

Is there a magic number for what a local partner should contribute to a big project? The DOT official said it varies but gave three examples. A high-speed rail project in California received a $647 million grant, representing nearly one-third of the total project cost. The Maryland Purple Line is requesting one-third in a grant and one-third as a loan from the federal government. The Honolulu light rail is seeking $1.5 billion as a grant, representing nearly 15 percent of the total project cost.

For what it's worth, before Christie killed it, the ARC tunnel was also a 50/50 split between the states and the federal government, according to the GAO. But the states did not plan to rely as heavily on loans for that project. Schumer says the typical split for a project like Gateway is 80 percent federal government, 20 percent local.

The Pinocchio Test

Supporters call Gateway the most important infrastructure project in the United States. Chao's comments suggest New Jersey and New York are trying to get it free. She said the states are offering to pick up 5 percent of the cost of the Portal Bridge project and none of the tunnel's $11.1 billion outlay.

However, the states have identified $5.5 billion to cover 50 percent of the tunnel's cost over 35 years. They've proposed to cover $671.8 million, or 43 percent, of the Portal Bridge replacement. Much of this money would be loaned by the federal government, but the states would have skin in the game from the moment they secured those loans, and every time they made a payment.

Chao adds that New Jersey and New York can't even use federal loans for their share of the project costs, but a federal statute makes clear that TIFIA funds could be used. To encourage use of a different grant program, the DOT specifically says RRIF and TIFIA loan proceeds count as the local share of a project.

As any big developer in New York City knows, major infrastructure projects are often financed with large amounts of debt. Spreading out Gateway funding over 35 years would ensure that several generations of New Jerseyans and New Yorkers share the cost of a tunnel that is likely to be used for many decades.

Chao broadly mischaracterizes and then dismisses the states' funding proposal, giving the impression that New Jersey and New York are offering no money for the tunnel when in fact they've outlined billions of dollars in proposed funding. She also suggests the states are playing fast and loose with the rules by counting federal loans toward their share of the Gateway costs, but a federal statute and DOT materials suggest this is par for the course.

It's fair to ask why the states are not ponying up any cash, up front, for the tunnel. But Chao's spin takes this to another level, perhaps to give cover to Trump as he seeks to derail the Gateway project. For her sweeping mischaracterizations, Chao earns Four Pinocchios.

Four Pinocchios

(About our rating scale)

Salvador Rizzo
Salvador Rizzo is a reporter for The Fact Checker. He previously covered New Jersey politics, courts, state finances and Gov. Chris Christie, with stints at the Star-Ledger, the Bergen Record and the Observer. Follow

Congress of the United States
Washington, DC 20515

February 28, 2017

The Honorable Elaine Chao
Secretary
United States Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Secretary Chao,

As the leaders of the House and Senate Travel and Tourism Caucuses, we urge you to continue to support and prioritize the work of the National Advisory Committee on Travel and Tourism Infrastructure (NACTTI). NACTTI was authorized under the *Fixing America's Surface Transportation (FAST) Act* (P.L.114-94) and held its first meeting in December of 2016. It is composed of leaders and experts from across the travel and tourism industry who are charged with providing information, advice, and recommendations to the Secretary of Transportation on matters relating to the impact of intermodal transportation on travel and tourism activities.

Travel and tourism generates over $2.1 trillion for the nation's economy and supports more than 15.1 million jobs. Still, policies related to investment in transportation infrastructure often do not account for the needs of travelers. The President has made infrastructure a priority for his administration. It is imperative that travel and tourism perspectives are part of this important discussion. We thank you for your attention to this matter and appreciate your commitment to seeing the NACTTI continue through this administration.

Sincerely,

Dina Titus
Member of Congress

Amy Klobuchar
United States Senator

Brian Schatz
United States Senator

Gus Bilirakis
Member of Congress

Roy Blunt
United States Senator

Dean Heller
United States Senator

March 5, 2018

The Honorable Bill Shuster, Chairman
The Honorable Peter DeFazio, Ranking Member
Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Shuster and Ranking Member DeFazio:

As you prepare for tomorrow's hearing, "Examining the Administration's Infrastructure Proposal," our coalition of consumer, health, and safety groups, families of truck crash victims and survivors, law enforcement, first responders, truck drivers, rail labor, short lines and regional railroads, and railway suppliers and contractors writes to urge you to oppose any attempt to increase federal truck size and weight limits. Congress has rejected these unsafe proposals in the past and should reject them again given the unabated rise in truck crashes and decline in the condition of our nation's infrastructure. These efforts include proposals to increase truck lengths, to permit heavier trucks, and to grant industry and state-based exemptions or so-called "pilot programs." Given the state of our infrastructure and truck safety, allowing bigger trucks on the roads will significantly diminish any legislation to rebuild America's roads and bridges and improve public safety. We respectfully request that this letter be included in the hearing record.

Truck crashes, and the resulting injuries and fatalities, continue to go up. From 2009 to 2015, truck crashes increased by 45 percent in the U.S. Additionally, 2016 data showed that truck crash fatalities rose 5.4 percent from 2015, totaling 4,317 deaths. In 2015, the most recent year for which crash and injuries figures are available, there were 415,000 truck crashes and more than 300 people were injured each day in crashes involving large trucks. These grim statistics are unacceptable, and they come with a cost. In addition to the trauma and grief that thousands of Americans suffer due to truck crashes, all American taxpayers experience the effects of commercial motor vehicle crashes by footing the $118 billion in costs.

Permitting the operation of larger trucks will undermine efforts to improve the United States' infrastructure. Nearly 40 percent of our 615,000 bridges in the National Bridge Inventory are 50 years or older and one out of 11 is structurally deficient. Our roads do not fare much better. The U.S.'s roads continue to receive a grade of "D" from the American Society of Civil Engineers, and 20 percent of highway pavement is in poor condition. To make matters worse, there is a significant and growing backlog of rehabilitation needs. Increasing truck size and weight will exacerbate these problems, dilute potential benefits from investments in infrastructure and divert rail traffic from privately owned freight railroads to our already overburdened public highways.

The public does not want bigger and heavier trucks. There is overwhelming opposition to any increases to truck size and weight. In a nationwide poll released just last month, 7 of 10 respondents opposed longer and heavier trucks. A letter signed by over 1,000 local government officials that was sent to Congress urging rejection of any attempts to increase truck size and weight echoed the public sentiment. During the last Congress, both the House and Senate voted against attempts to allow bigger and heavier trucks in strong bipartisan votes. The U.S. Department of Transportation (U.S. DOT) recommendation remains the same: no changes should be made to federal truck size and weight laws. The only thing that has changed is that truck crash deaths went up and the quality of our infrastructure went down.

Longer and heavier trucks are less safe and more damaging to our infrastructure. The U.S. DOT Comprehensive Truck Size and Weight Study found that introducing double 33-foot trailer trucks, known as "Double 33s," would be projected to result in 2,478 bridges requiring strengthening or replacement at an estimated one-time cost of $1.1 billion. This figure does not even account for the additional, subsequent maintenance costs which will result from longer, heavier trucks. These longer trucks also come with operational difficulties such as requiring more time to pass, having larger blind spots, crossing into adjacent lanes and swinging into opposing lanes on curves and turns, and taking a longer distance to adequately brake.

In 2016, violations related to tires and/or brakes accounted for five of the top ten most common vehicle out-of-service violations. Not surprisingly, trucks heavier than 80,000 pounds have a greater number of brake violations, which are a major reason for out-of-service violations. According to a North Carolina study by the Insurance Institute for Highway Safety (IIHS), trucks with out-of-service violations are 362 percent more likely to be involved in a crash. This is also troubling considering that tractor-trailers moving at 60 mph are required to stop in 310 feet – the length of a football field – once the brakes are applied. Actual stopping distances are often much longer due to driver response time before braking and the common problem that truck brakes are often not in top working condition. Moreover, increasing the weight of a heavy truck by only 10 percent increases bridge damage by 33 percent. The Federal Highway Administration (FHWA) estimates that the investment backlog for bridges, to address all cost-beneficial bridge needs, is $123.1 billion. The U.S. would need to increase annual funding for bridges by 20 percent over current spending levels to eliminate the bridge backlog by 2032.

Bigger trucks have never resulted in and will not result in fewer trucks. Following every past increase to federal truck size and weight, the number of trucks are on our roads has gone up. Since 1982, when Congress last increased the gross vehicle weight limit, truck registrations have more than doubled. The U.S. DOT study also addressed this assertion and found that any potential mileage efficiencies from the use of heavier trucks would be offset in just one year.

Improving the safety and integrity of our Nation's infrastructure is a goal that we all share. It should not be hindered and hampered by attempts to increase or circumvent truck size and weight limits. We urge you to reject any and all proposals to put bigger and heavier trucks on our roads.

Sincerely,

Catherine Chase, President
Advocates for Highway and Auto Safety

Joan Claybrook, Chair
Citizens for Reliable and Safe Highways (CRASH) and
Former Administrator, National Highway Traffic Safety
Administration

James P. Hoffa, General President
International Brotherhood of Teamsters

Jeff Solheim, 2018 President
Emergency Nurses Association

Linda Bauer Darr, President
American Short Line and Regional Railroad Association

John Risch, National Legislative Director
SMART-TD (UTU)

Jack Gillis, Director of Public Affairs
Consumer Federation of America

Dave Tennent, Executive Director and CEO
Railway Engineering-Maintenance Suppliers Association

Dawn King, President
Truck Safety Coalition

Janette Fennell, Founder and President
KidsAndCars.org

Andrew McGuire, Executive Director
Trauma Foundation

Dominick Stokes, Vice President for Legislative Affairs, Federal Law Enforcement Officers Association

E. Michael O'Malley, President
Railway Supply Institute

Steve Owings, Co-Founder
Road Safe America

Chuck Baker, President
National Railroad Construction and Maintenance Association

Brad Roseberry, Vice President
Coalition Against Bigger Trucks

Jennifer Tierney, Board Member
CRASH Foundation

Jason Levine, Executive Director
Center for Auto Safety

Daphne Izer, Co-Chair
Parents Against Tired Truckers

Kim Telep
Harrisburg, PA
Volunteer, Truck Safety Coalition
Wife of Bradley Telep
Killed in a truck crash 8/29/12

Melissa Gouge
Washington, D.C.
Volunteer, Truck Safety Coalition
Cousin of Amy Corbin
Killed in a truck crash 8/18/97

Randall Higginbotham
Memphis, TN
Volunteer, Truck Safety Coalition
Father of Michael Higginbotham
Killed in a truck crash, 11/18/14

Ron Wood
Washington, D.C.
Volunteer, Truck Safety Coalition
Son of Betsy Wood, Brother of Lisa Wood Martin,
Uncle of Chance, Brock, and Reid Martin
Killed in a truck crash 9/20/04

Laurie Higginbotham
Memphis, TN
Volunteer, Truck Safety Coalition
Mother of Michael Higginbotham
Killed in a truck crash, 11/18/14

Debra Cruz
Harlingen, TX
Volunteer, Truck Safety Coalition
Injured in a truck crash 8/8/08

Cindy Southern
Cleveland, TN
Volunteer, Truck Safety Coalition
Wife of James Whitaker, sister-in-law Anthony Hixon and aunt of Amber Hixon
Killed in a truck crash 9/18/09

Lisa Shrum
Fayette, MO
Volunteer, Truck Safety Coalition
Daughter of Virginia Baker, Step-daughter of Randy Baker
Killed in a truck crash 10/10/06

Kate Brown
Gurnee, IL
Volunteer, Truck Safety Coalition
Mother of Graham Brown
Injured in a truck crash 5/2/05

Monica Malarczyk
Hastings-on-Hudson, NY
Volunteer, Truck Safety Coalition
Injured in a truck crash 12/29/15
Son of Ryszard and Anita Malarczyk
Killed in a truck crash 12/29/15

Michelle Novak
Delevan, NY
Volunteer, Truck Safety Coalition
Aunt of Charles "Chuck" Novak
Killed in a truck crash 10/24/10

Peter Malarczyk
Hastings-on-Hudson, NY
Volunteer, Truck Safety Coalition
Injured in a truck crash 12/29/15
Son of Ryszard and Anita Malarczyk
Killed in a truck crash 12/29/15

Wanda Lindsay
New Braunfels, TX
Volunteer, Truck Safety Coalition
Wife of John Lindsay
Killed in a truck crash 5/7/10

Ed Slattery
Lutherville, MD
Board Member, PATT
Husband of Susan Slattery
Killed in a truck crash 8/16/10
Sons Matthew & Peter Slattery critically injured in a truck crash 8/16/10

Morgan Lake
Sunderland, MD
Volunteer, Truck Safety Coalition
Injured in a truck crash 7/19/13

Larry Liberatore
Severn, MD
Board Member, PATT
Father of Nick Liberatore
Killed in a truck crash 6/9/97

Tami Friedrich Trakh
Corona, CA
Board Member, CRASH
Sister of Kris Mercurio, Sister-in-Law of Alan Mercurio, Aunt of Brandie Rooker & Anthony Mercurio
Killed in a truck crash 12/27/89

Tina Silva
Ontario, CA
Volunteer, Truck Safety Coalition
Sister of Kris Mercurio, Sister-in-Law of Alan Mercurio, Aunt of Brandie Rooker & Anthony Mercurio
Killed in a truck crash 12/27/89

Alan Dana
Plattsburgh, NY
Volunteer, Truck Safety Coalition
Son of Janet Dana, Uncle of Caitlyn & Lauryn Dana, Brother-in-law of Laurie Dana
Killed in a truck crash 7/19/12

Beth Badger
Columbus, GA
Volunteer, Truck Safety Coalition
Daughter of Bill Badger
Killed in truck crash 12/23/04

Vickie Johnson
Hartwell, GA
Volunteer, Truck Safety Coalition
Wife of Curt Johnson, Step-mother of Crystal Johnson
Killed in a truck crash 10/1/09

Marc Johnson
Hartwell, GA
Volunteer, Truck Safety Coalition
Brother of Curt Johnson
Killed in truck crash 10/1/09

Marchelle Wood
Falls Church, VA
Volunteer, Truck Safety Coalition
Mother of Dana Wood
Killed in a truck crash 10/15/02

Sandra Lance
Chesterfield, VA
Volunteer, Truck Safety Coalition
Mother of Kristen Belair
Killed in a truck crash 8/26/09

Frank Wood
Falls Church, VA
Volunteer, Truck Safety Coalition
Father of Dana Wood
Killed in a truck crash 10/15/02

Santiago Calderon
Arcata, CA
Volunteer, Truck Safety Coalition
Injured in a truck crash 4/10/14

Michelle Lemus
Los Angeles, CA
Volunteer, Truck Safety Coalition
Injured in a truck crash 4/10/14

Amy Fletcher
Perrysburg, OH
Volunteer, Truck Safety Coalition
Wife of John Fletcher
Killed in a truck crash 1/24/12

Jane Mathis
St. Augustine, FL
Vice President, TSC
Board Member, PATT
Mother of David Mathis
Mother-in-Law of Mary Kathryn Mathis
Killed in a truck crash 3/25/04

Jackie Novak
Hendersonville, NC
Volunteer, Truck Safety Coalition
Mother of Charles "Chuck" Novak
Killed in a truck crash 10/24/10

Paul Badger
Davidson, NC
Volunteer, Truck Safety Coalition
Son of Bill Badger
Killed in truck crash 12/23/04

Nancy Meuleners
Bloomington, MN
Volunteer, Truck Safety Coalition
Injured in a truck crash 12/19/89

Linda Wilburn
Weatherford, OK
Board Member, PATT
Mother of Orbie Wilburn

Warren Huffman
Odessa, MI
Volunteer, Truck Safety Coalition
Brother of Tim Huffman
Killed in a truck crash 5/6/13

Henry Steck
Homer, NY
Volunteer, Truck Safety Coalition

Tammy Huffman
Odessa, MI
Volunteer, Truck Safety Coalition
Sister-in-law of Tim Huffman
Killed in a truck crash 5/6/13

Bruce King
Davisburg, MI
Volunteer, Truck Safety Coalition
Son-in-law of Bill Badger
Killed in truck crash 12/23/04

Ashley McMillan
Memphis, TN
Volunteer, Truck Safety Coalition
Girlfriend of Michael Higginbotham
Killed in a truck crash 11/18/14

Bernadette Fox
Davis, CA
Volunteer, Truck Safety Coalition
Best friend of Daniel McGuire
Killed in a truck crash 7/10/14

Killed in a truck crash 9/2/02
John Ramsey
Edneyville, NC
Volunteer, Truck Safety Coalition

Julie Branon Magnan
South Burlington, VT
Volunteer, Truck Safety Coalition
Injured in a truck crash 01/31/02
Wife of David Magnan
Killed in a truck crash 01/31/02

Christina Mahaney
Jackman, ME
Volunteer, Truck Safety Coalition
Injured in a truck crash 7/19/11
Mother of Liam Mahaney
Killed in a truck crash 7/19/11

Steve Izer
Lisbon, ME
Board Member, PATT
Father of Jeff Izer
Killed in a truck crash 10/10/93

cc: Members of the U.S. House Committee on Transportation and Infrastructure

ITS AMERICA

March 5, 2018

The Honorable Bill Shuster
Chairman
Committee on Transportation and Infrastructure
United States House of Representatives
Washington, DC 20515

The Honorable Peter DeFazio
Ranking Member
Committee on Transportation and Infrastructure
United States House of Representatives
Washington, DC 20515

Dear Chairman Shuster and Ranking Member DeFazio:

In anticipation of the Committee on Transportation and Infrastructure upcoming hearing to examine the Administration's infrastructure proposal, the Intelligent Transportation Society of America ("ITS America")—the nation's leading association focused on the technological modernization of our transportation system through the research and deployment of intelligent transportation systems—offers its recommendations for an infrastructure bill. ITS America's unique membership includes cities, states, Metropolitan Planning Organizations, established and emerging private sector companies in the automotive and technology industries, research organizations and academic institutions.

Once the envy of the world, our increasingly outmoded roads, bridges, transit, freight, and intercity passenger systems are struggling to move the nation's technology-driven economy. Investment in far-sighted intelligent transportation technologies will enable scarce infrastructure funds to reach farther and with longer-lasting results. As owners, operators, builders, innovators, and users of transportation infrastructure, we urge Congress to pass, and the Administration to support, an infrastructure bill that prioritizes investments in intelligent transportation technologies. ITS America recommends that an infrastructure bill should:

- *Leverage existing FAST Act programs:* Increase funding for FAST Act programs. Intelligent transportation technologies, including vehicle-to-infrastructure, are eligible uses of most FAST Act highway program funds. Specifically increase funding for the Intelligent Transportation Systems Program, Advanced Transportation and Congestion Management Technologies Deployment Program, Technology and Innovation Deployment Program, and for the Surface Transportation Block Grant program, and Congestion Mitigation and Air Quality program – flexible programs that often fund intelligent transportation deployment activities.

- *Create grants for emerging technologies that support congestion relief:* Provide new funding for intelligent transportation deployment activities that support congestion relief. The program would include both formula and grant funding. Eligible projects would include capital and operational investments that improve system safety and performance. Examples include priced managed lanes; transportation demand management programs; strategic transit investments; advanced parking, freight delivery, and incident management systems; and programs to support the deployment of connected and autonomous vehicles, including vehicle-to-vehicle and vehicle-to-infrastructure communications technologies.

- *Expand opportunities for smart communities:* Build on the successes of the 2015 Strengthening Mobility and Revolutionizing Transportation (SMART) Cities Challenge administered by the U.S. Department of Transportation by including new federal funding to expand opportunities for communities – large and small/urban and rural – to compete for resources that will fund innovative and sustainable smart transportation projects. Projects should emphasize maturing technologies and performance goals. Incentivize the connection of smart cities and assist in the advancement of testing and deployment of autonomous vehicles. These investments have a great return on investment versus traditional infrastructure investments.

ITS AMERICA

- *Increase development of Electric Vehicle (EV) charging infrastructure:* Additional development of EV charging station corridors based on federal and state incentive projects as well as public private partnerships. Continue to look at new technologies such as inductive charging to speed the deployment of EVs.

- *Develop additional opportunities for broadband deployment:* Provide new federal funding for broadband in unserved areas—both rural and metropolitan—to support the deployment of intelligent transportation applications that depend on connectivity.

- *Provide investments to stabilize the Highway Trust Fund and more resources for intelligent transportation technologies:* Provide new and long-term investments to stabilize the Highway Trust Fund, increase federal funding for intelligent transportation technologies, and provide a multi-faceted approach to leveraging public and private resources.

The nation is entering a technology revolution that will define the way people, goods, and services move for decades to come. It is a new transportation era as dramatic as the period where the car supplanted the horse and buggy. The nation must deploy intelligent transportation technologies on a large scale to remain competitive in an increasingly global economy. ITS America believes the infrastructure plan is the vehicle to increase the nation's investment in the transportation technologies that will shape mobility for decades to come.

We thank the Committee on Transportation and Infrastructure for its leadership on the FAST Act, which made technology investments eligible across highway programs. We stand ready to work with the Committee on an infrastructure bill that builds on those investments.

Sincerely,

Shailen Bhatt
President and CEO
ITS America

Cc: U.S. House of Representatives Committee on Transportation and Infrastructure
Ron Thaniel, Vice President, Legislative Affairs, ITS America, rthaniel@itsa.org

1100 New Jersey Avenue SE, Suite 850, Washington, DC 20003

*Alabama Rivers Alliance**Alliance for the Great Lakes*
*Alliance of Nurses for Healthy Environments**American Rivers*
*Arkansas Public Policy Panel**Clean Water Action**Clean Water Network*
*EarthJustice**Endangered Habitats League**Environment America*
*Environmental Law & Policy Center**Freshwater Future**GreenLatinos*
*Gulf Restoration Network** Healing Our Waters- Great Lakes Coalition*
*Hip Hop Caucus**Illinois Council of Trout Unlimited**Junction Coalition*
*Kentucky Resources Council**Kentucky Waterways Alliance**Lake Champlain Committee*
*League of Conservation Voters**Milwaukee Riverkeeper**National Medical Association*
*National Parks Conservation Association**National Wildlife Federation*
*Natural Resources Defense Council**Ohio Conference of the NAACP*
*Ohio Environmental Council**Ohio River Foundation**PolicyLink*
*Puget Soundkeeper Alliance**Rural Coalition**Sierra Club*
*Southern Environmental Law Center**Utah Rivers Council**Waterkeeper Alliance*

March 6, 2018

The Honorable Bill Shuster
Chair
Transportation and Infrastructure Committee
2165 Rayburn House Office Building
Washington, DC 20515

The Honorable Peter A. DeFazio
Ranking Member
Transportation and Infrastructure Committee
2164 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Shuster and Congressman DeFazio:

On behalf of our organizations and our millions of members and supporters, we write to submit recommendations to address America's water infrastructure needs and challenges. As the Transportation and Infrastructure Committee considers legislation addressing our nation's water infrastructure crisis we urge you to implement our recommendations to help ensure clean water for all.

As the Committee develops infrastructure legislation, we recommend focusing on the following themes regarding water infrastructure:

1. Significantly increase funding for our nation's wastewater, drinking water, and stormwater infrastructure by growing existing funding sources and developing new and innovative funding sources.
2. Ensure that infrastructure legislation requires, incentivizes, and supports resilient natural and nature-based solutions.
3. Incorporate measures to ensure affordability of clean water at both the consumer and community level.
4. Prioritize investment to address the greatest need.
5. Ensure that all current environment, health, and safety protections are retained and effectively and fully enforced.

1. **Significantly increase funding for our nation's wastewater, drinking water, and stormwater infrastructure by growing existing funding sources and developing new and innovative funding sources.**

   The Environmental Protection Agency has estimated that more than $650 billion must be invested in water infrastructure over the next twenty years to meet current environmental protection and public health needs ($384 billion for drinking water systems and $271 billion for sewage systems and stormwater). In order to meet these needs the federal government must increase its investment in drinking water, wastewater, and stormwater infrastructure. This includes creating new and innovative sources of water infrastructure funding while also increasing existing sources of funding such as the Clean Water and Drinking Water State Revolving Funds as well as the Water Infrastructure Financing and Innovation Act funds.

   Not only is investment in water infrastructure good for communities, it is good for our overall economy. According to the Economic Policy Institute, $188.4 billion spent on water infrastructure investments over five years would yield $265 billion in economic activity and create 1.9 million jobs. However, there must be an increase in overall environmental investments so as not to increase water infrastructure funding at the expense of other environmental programs.

2. **Ensure that infrastructure legislation requires, incentivizes, and supports resilient natural and nature-based solutions.**

   Natural and nature-based solutions are alternatives to traditional grey infrastructure solutions and include such things as source water protection, protection and restoration of floodplains and fish and wildlife habitat, measures to increase water use efficiency, living shorelines, modifying or removing structures like levees and culverts to help restore natural hydrology, and green storm water infrastructure. For example nature-based solutions can mean planting trees and restoring wetlands rather than building a costly new water treatment plant, or choosing water efficiency and conservation instead of building a new water supply dam, or restoring floodplains instead of building taller levees. These solutions that protect, restore, and replicate natural systems and use water more efficiently have a wide range of social, economic, and environmental benefits.

   For example, healthy wetlands and floodplains provide important protections from storms and floods in addition to providing vital fish and wildlife habitat. During Hurricane Sandy, wetlands prevented $625 million in flood damages in 12 coastal states and reduced damages by 20 percent to 30 percent in the four states with the greatest wetland coverage. The purchase of 12,000 acres of easements along the 45-mile Iowa River corridor saved local communities an estimated $7.6 million in flood damages as of 2009.

   Communities across the country are proving that natural and nature-based solutions can solve their water resources needs while also saving money, growing the economy, and improving lives at the same time (see report *Naturally Stronger* attached). Any infrastructure legislation should prioritize the implementation of natural and nature-based solutions either on their own or integrated with traditional grey infrastructure as these solutions can transform and restore our environment, invigorate our economy, confront inequities, and ensure adaptability and reliability in the face of climate change.

3. Incorporate measures to ensure affordability of clean water at both the consumer and community level.

Communities of color and low-income communities are disproportionately impacted by contaminated water that results from outdated, inadequate or failing infrastructure. This is due in part to the fact that rate payers in these communities cannot afford to have an increase in their water bills to pay for improvements to their water infrastructure systems. Access to safe, clean water and reliable wastewater and stormwater systems should not be a privilege for the few. No one should have to suffer from lead contamination, untreated sewage, or polluted runoff as these problems have severe impacts on the health, safety, and economies of our communities.

The federal government along with utilities and states need to ensure high caliber drinking water, wastewater and stormwater services are affordable to all by adopting and supporting low-income customer assistance programs and water conservation assistance as well as water affordability programs that include equitable rate structure and strategies that reduce system-wide capital and operating costs borne by all customers. Water equity matters – access to safe drinking water and reliable stormwater management and effective wastewater systems is a prerequisite for healthy, thriving communities, where everyone participates, prospers, and reaches their full potential.

4. Prioritize Investment to address the greatest need

Investments in infrastructure should be targeted to communities that have been shortchanged for far too long. Water infrastructure funding must be prioritized for communities that have critical infrastructure needs and lack the ability to meet those needs by raising rates or repaying funds from local sources. Infrastructure investments should be directed to water systems with the greatest water quality problems, based on a comprehensive review of available data and research.

5. Ensure that all current environment, health, and safety protections are retained and effectively and fully enforced

Effectively addressing our water infrastructure crisis requires the full suite of protections provided by the nation's environmental laws, including the National Environmental Policy Act (NEPA), the Clean Water Act, the Endangered Species Act, and the Safe Drinking Water Act. These long-standing environmental laws were passed with strong bi-partisan support out of the recognition that all Americans want and need clean water, clean air, and a healthy environment.

These laws enable us to look before we leap and identify the best and most environmentally-sustainable, long-term solution for our water infrastructure needs. For example, reviews under NEPA provide critical public and expert input and transparency that lead to better, more effective water resources projects and substantial savings for federal taxpayers. Such reviews give the public a critical say in projects that can have profound impacts on their lives and livelihoods. NEPA reviews do not delay projects that are in the public interest. Project delays are caused by poor planning, lack of interagency coordination, and long-standing funding constraints. Several Congressional Research Service reports conclude that lack of funding is the primary obstacle for project completion and has the greatest impact on project delivery timelines.

Our organizations strongly oppose all efforts to roll back, undermine, or eliminate the nation's environmental, health, and safety protection laws. Such efforts will result in infrastructure projects that damage the healthy natural systems that drive our economy, protect our communities, and improve our lives.

Measured against these important principles, the Trump administration's "Legislative Outline for Rebuilding Infrastructure in America" fails at every turn. Instead of providing meaningful funding opportunities, the plan would put the financial burden on state and local governments as well as private entities. Instead of providing for an equitable distribution of funds, the plan proposes financing options that will prohibit low-income communities from securing infrastructure investments. Instead of prioritizing natural and nature-based solutions or addressing the most pressing community needs, the plan has no prioritization system. Instead of protecting our waters and our environment, the plan would ensure greater levels of pollution and degradation by aggressively rolling back and eliminating critical and longstanding environmental protections. The administration's plan is not the way forward in fixing our nation's infrastructure crisis.

We respectfully request that you take our recommendations into consideration when developing any water infrastructure legislation. The Transportation and Infrastructure Committee has the ability to create meaningful water infrastructure legislation that provides robust funding, promotes natural and nature-based solutions, and provides clean, affordable water for all while protecting our environment and our communities. The undersigned groups hope that you take the opportunity to do so.

Sincerely,

Alabama Rivers Alliance
Alliance for the Great Lakes
Alliance of Nurses for Healthy Environments
American Rivers
Arkansas Public Policy Panel
Clean Water Action
Clean Water Network
EarthJustice
Endangered Habitats League
Environment America
Environmental Law & Policy Center
Freshwater Future
GreenLatinos
Gulf Restoration Network
Healing Our Waters- Great Lakes Coalition
Hip Hop Caucus
Illinois Council of Trout Unlimited
Junction Coalition
Kentucky Resources Council
Kentucky Waterways Alliance
Lake Champlain Committee
League of Conservation Voters
Milwaukee Riverkeeper
National Medical Association
National Parks Conservation Association

National Wildlife Federation
Natural Resources Defense Council
Ohio Conference of the NAACP
Ohio Environmental Council
Ohio River Foundation
PolicyLink
Puget Soundkeeper Alliance
Rural Coalition
Sierra Club
Southern Environmental Law Center
Utah Rivers Council
Waterkeeper Alliance

REBUILD AMERICA'S SCHOOLS

A National Coalition

American Federation of Teachers □ Council of The Great City Schools □ National Education Association
International Union of Operating Engineers □ National Parent Teacher Association □ □ National School Boards Association
AASA, The School Superintendents Association □ National Association of Elementary School Principals □
National Association of Secondary School Principals □ NAACP □ National Association of Federally Impacted Schools □
American Institute of Architects□ □ Organizations Concerned About Rural Education □ National Rural Education Association
Californians for School Facilities

SCHOOL DISTRICTS
Akron, OH
Aldine, TX
Birmingham City, AL
Birmingham Public, AL
Boston, MA
Broward County, FL
Brownsville, TX
Chicago, IL
Cincinnati, OH
Clark County, NV
Compton, CA
Corpus Christi, TX
Dayton, OH
Detroit, MI
Escambia, FL
Houston, TX
Jefferson Parish, LA
Jersey City, NJ
McAllen, TX
Memphis, TN
Miami-Dade, FL
Milwaukee, WI
Minneapolis, MN
Montgomery, AL
Nashville, TN
Newark, NJ
New Orleans, LA
New York, NY
Norfolk, VA
Oklahoma City, OK
Omaha, NE
Pharr-San Juan-Alamo, TX
Philadelphia, PA
Providence, RI
Richmond, VA
Rochester, NY
Savannah-Chatham, GA
St. Louis, MO
St. Paul, MN
Toledo, OH
Tulsa, OK
Ysleta, TX

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PHONE 202-462-5911
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RebuildAmericasSchools@comcast.net

March 5, 2018

The Honorable Peter DeFazio
Ranking Member, Transportation and Infrastructure Committee
U.S. House of Representatives
Washington, D.C. 20515

Dear Ranking Member DeFazio:

Rebuild America's Schools (RAS) appreciates the Transportation and Infrastructure Committee hearing on The Administration's Infrastructure Initiative. Rebuild America's Schools supports investing in our national road, bridge, highway infrastructure including state and local school facility infrastructure. The need to modernize our nation's schools is extensive. School infrastructure needs are beyond the capacity of state and local communities. A 2013 Center for Green Schools Report State of Our Schools estimated that nationally schools face $271 billion in deferred maintenance costs. The Report estimated a $542 billion cost to bring schools into good repair over the next ten years.

The American Society of Civil Engineers 2017 Infrastructure Report Card rated Schools with a D+. Summarizing "Every school day, nearly 50 million K-12 students and 6 million adults occupy close to 100,000 public school buildings.... While state and local governments make significant investment in public K-12 schools infrastructure and schools play important civic, educational, and public safety roles in communities, the nation continues to underinvest in school facilities, leaving an estimated $38 billion annual gap. As a result, 24% of public school buildings were rated as being in fair or poor condition."

Rebuild America's Schools appreciates the emphasis in the Administration's Infrastructure Initiative on federal and state and local partnerships and state and local decision making. Today, states and local governments across the county are investing in school facility infrastructure advancing student achievement, success and career development while producing local construction jobs. Under the Administration's Infrastructure Initiative, federal, state and local governments should be able to decide to invest in schools as a priority. Federal partnerships will supplement state and local efforts to renovate, repair, modernize and build schools and classrooms promoting student success and generating jobs in local communities.

Rebuild America's Schools supports federal investments through Grants, Tax Credit Bonds, Low interest loans, Infrastructure Banks and other financial incentives. Rebuild America's Schools supports The Rebuild America's Schools Act (H.R. 2475) sponsored by Congressmen Scott, DeFazio and 112 House colleagues authorizing federal grants and bonds to renovate, repair, and construct public school infrastructure. The Rebuild America's Schools Act would provide federal financial support to partner with state and local projects renovating, repairing, modernizing and building schools and classrooms.

Rebuild America's Schools looks forward to working with the Committee and the Administration to:

- Advance federal investments in our nation's infrastructure and school facilities.
- Invest in our nation's schools with state and local partners.
- Assist with Grants, Tax Credit bonds, Low interest loans, Infrastructure Banks.
- Renovate, repair, modernize and build technologically advanced, efficient, modern schools.
- Advance student achievement, success and 21st Century workforce preparation.

Thank you, for your work on this critical issue and your co-sponsorship of the Rebuild America's Schools Act. Investing in our national infrastructure will assist state and local community across America. Investing in school facility infrastructure will advance student achievement, success and career development while producing local construction jobs. Rebuild America's Schools stands ready to assist as Congress works to improve our nation's school infrastructure.

Sincerely,

Bob Canavan

Robert P. Canavan
Chair, Rebuild America's Schools

Submission for the record

to the

Committee on Transportation and Infrastructure

of the

United States House of Representatives

on behalf of

NATSO, Representing America's Travel Plazas and Truckstops

and the

National League of Cities

for the Hearing:

Examining the Administration's Infrastructure Proposal

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The National Association of Truckstop Operators (NATSO), representing America's travel plazas and truckstops, and the National League of Cities (NLC), representing cities across America, submit this joint statement for the record with respect to the House Committee on Transportation and Infrastructure's (the Committee) March 6, 2018, hearing regarding "Examining the Administration's Infrastructure Proposal."

By way of background, NATSO is a national trade association representing travel plaza and truckstop owners. The NLC serves as a resource and advocate for more than 19,000 cities, villages, and towns throughout the United States. Working in partnership with the 49 state municipal leagues, the NLC is dedicated to helping city leaders build better communities.

Many of the communities that the NLC represents are located in close proximity to an Interstate highway, and, thus, are home to NATSO's membership. Indeed, more than 90 percent of NATSO members are located within one-quarter mile of the U.S. Interstate Highway System. Improving the quality and efficiencies of America's roads and bridges would directly benefit both NATSO members and the cities and towns that the NLC represents. We are therefore pleased that the Committee is considering ways to enhance investment in America's infrastructure.

Off-highway businesses, most of which are small, family-owned companies, strongly support efforts to increase investment in infrastructure, including removing unnecessary obstacles to efficiently and effectively completing transportation infrastructure projects. The travel center industry, similar to many restaurants, convenience stores, hotels, and other businesses, relies on Interstate traffic to survive. Improving the quality and efficiencies of America's roads and bridges would directly benefit our industry and the U.S. economy at large.

The comments that follow, however, focus on an aspect of the Administration's infrastructure proposal that calls for repealing the prohibition on offering commercial services at rest areas located on the Interstate System right-of-way. This prohibition was enacted when the Interstate highway system was first developed in order to avoid state-approved monopolies on the Interstate system that harm off-Interstate businesses and, consequently, local governments that depend on these employers and property taxpayers. We urge members of the Committee to reject this aspect of the Administration's proposal.

Policy Background

When Congress created the Interstate Highway System in 1956, Congress and community leaders were concerned that local businesses, jobs, and tax bases would shrink as motorists and truck drivers bypassed their cities and towns. For this reason, Congress enacted 23 U.S.C. 111, which prohibits Interstate System rest areas from offering commercial services such as food and fuel. A later clause "grandfathered" existing commercial establishments *in existence* before 1960 within an Interstate System right-of-way under certain conditions; these are located primarily in the northeastern United States.

For almost sixty years, businesses have now clustered near the Interstates at the interchanges along the Interstate System to provide services to Interstate travelers. A drive along the nation's Interstate highways demonstrates the wisdom of Congress's decision. There are approximately 100,000 businesses located less than a quarter-mile from the Interstate at exit interchanges, directly marketing to highway travelers. These businesses employ more than two million people and contribute billions of dollars annually in state and local taxes.

Commercial Services at Rest Areas Hurts Local Communities

At first glance, offering more robust services at Interstate rest areas seems like an easy way for state departments of transportation to acquire additional revenue. As a practical matter, however, it amounts to simply "robbing Peter to pay Paul." Commercial services at rest areas will not *increase* the amount of commercial transactions that take place; it will simply *transfer the point of sale* away from the competitive off-highway environment to the one government-selected business entity that pays the state the largest amount of money to rent space that is on the shoulder of the highway.

Researchers at Virginia Tech have examined the issue and found that if commercialization were permitted in the 611 counties with non-commercial rest areas, the result would lead to:

- 46 percent decrease in fuel sales;
- 44 percent decrease in restaurant sales; and a
- 35 percent decrease in truck service business sales.

In total, this would amount to over $55 billion in annual sales for interchange businesses in these 611 counties.[1]

Commercialization of rest areas *undermines the small businesses that have played by the rules and the communities that depend on off-highway businesses as a vital part of their tax and employment base.* Commercial services at rest areas effectively displaces property tax payers located in cities and towns adjacent to Interstates with a business entity at rest areas that *pays no local government property or sales tax*; the entity that receives exclusive access to the public right of way simply pays rent to the state transportation department. With the decrease in the tax base, the *localities impacted by new state-supported rest areas will likely be less able to pay for their own infrastructure needs, furthering the nation's infrastructure gap.*

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[1] Patrick O'Brien, Ray Pethtel, Jie Luo, Gene Hetherington, John Provo, Renee LoSapio, and Eftila Tannelari. "The Impact of Commercial Rest Areas on Business Activity at Interstate Highway Interchanges." Virginia Tech University, 2011.

Commercial Services at Rest Areas Hurts Small Businesses

Convenience of location and ease of access is essential to the ongoing viability for the local small businesses that invested in highway-adjacent locations to serve travelers. Inserting commercialized rest areas into today's system upends their business model and creates a non-competitive market where the state-supported enterprises have an outsized advantage. *It is simply impossible for off-highway businesses to compete in such an environment.*

The off-highway travel centers, convenience stores, and restaurants – most of which are run by small business franchisees – are not seeking to *avoid* competition, but rather to engage in *fair* competition pursuant to the clear rules set down by Congress. Were one to stop at nearly any Interstate exit where rest areas are not commercialized, one would find a plethora of businesses competing next door and across the street from one another. The notion of a "competitor" having such an advantageous, on-highway location, however, is not fair competition but, in fact government-sanctioned monopolization.

And the winners in these scenarios will not be local businesses, as these companies will simply not be able to win a contract bid to run commercialized rest areas. In reality, such contracts will be awarded to large, multinational companies that specialize in these types of franchise operations. As a supporter of commercializing rest areas recently acknowledged in a Wall Street Journal op-ed: "[N]umerous rest-area renovations could be bundled together and bid out as a group, providing the scale needed to attract global operating companies while providing appealing opportunities for institutional investors."[2]

Any infrastructure plan Congress considers should seek to improve efficiencies and job opportunities for *small businesses* and *local communities*; not "*global operating companies*" and "*institutional investors.*"

Commercial Services at Rest Areas Undercuts Other Infrastructure Priorities, Including Increasing Truck Parking and Alternative Fuel Investments

NATSO members and their facilities are an important part of the solution to other pressing infrastructure and policy concerns, including efforts to expand truck parking capacity and increase investments in alternative fuel infrastructure at retail fuel outlets along the Interstate System.

In order to achieve these policy objectives, it is imperative for Congress to recognize both the important role that travel centers will play – NATSO members provide approximately 90 percent of truck parking capacity in the United States and are the

[2] R. Richard Geddes, "Why Some Stops Are a Cut Above the Rest." The Wall Street Journal, Feb. 19, 2018.

primary venues for vehicles traveling on the Interstate system to refuel – as well as the business environment within which these companies operate.

Traditional sources of profit for travel plazas – such as fuel sales – are contracting. As vehicle fuel efficiencies improve, the motoring public needs less fuel to travel the same distances. Moreover, truck driver salaries have not kept up with inflation over the past thirty-five years. According to one analyst, truckers' wages have been slashed by nearly a third since 1980, accounting for inflation.[3] As a practical matter, this means truckstop operators' primary customers have far less money to spend in travel plazas' stores and restaurants. These stores and restaurants are a critical component to a truckstop's success. Their importance to the industry's bottom line will only grow in future years, as vehicles become even more efficient.

The travel center industry is especially susceptible, therefore, to being unfairly undercut by government-sponsored competition that is conveniently located on the right-of-way. If such options were to be made available, motorists would begin to gravitate toward these types of establishments. That would make it more difficult for the travel plaza industry to grow and make expensive investments in truck parking and alternative fuel infrastructure.

Attesting to this point, a recent study comparing the number of truck parking spaces and truck parking facilities on stretches of the Interstate with commercialized public rest areas with stretches of highway with non-commercialized rest areas found substantially more parking spaces in non-commercialized corridors than commercialized corridors. The study, which accounted for variables such as vehicle miles traveled, found there were 6.57 truck parking spaces per mile in non-commercialized Interstate segments compared with just 3.88 in commercialized areas – almost 70 percent more truck parking spaces in non-commercialized corridors.

In terms of truck parking facilities, there are 235 facilities in commercialized Interstate segments, equal to one facility every 12.8 miles. For non-commercialized areas, that number skyrockets to 1,123 total facilities, which is approximately one facility every 8.4 miles. In light of stringent hours-of-service regulations combined with the forthcoming Electronic Logging Device (ELD) mandate, that 4.4 mile difference can be critical when a driver is running out of hours and desperately looking for a spot.

The same principle applies to alternative fuel facilities – such as electric vehicle (EV) charging stations – as well. The best way to enhance the prevalence of such facilities is to create a regulatory environment where private sector refueling facilities believe they can make money by investing in such infrastructure. Truckstops in

[3] James Jaillet, "Trucker Pay has plummeted in the last 30 years, analyst says." Overdrive Magazine, March 4, 2016.

particular are enticing targets for EV charging stations because they have a variety of food and convenience options for customers to utilize while their vehicles are being charged. Truckstops will not invest in such infrastructure, however, if they know that the government is going to be competing with them by placing such equipment at Interstate rest areas.

The private sector does not enter markers where they know they will be competing with the government. Members of the Committee are urged to examine retail fuel stations that are located in close proximity to government-funded EV charging stations; it is unlikely that any such stations contain EV charging infrastructure. Conversely, were one to examine the geographic area surrounding retail fuel stations and restaurants that *do* currently offer EV charging infrastructure, one would discover that there is likely *not* a prevalence of government-sponsored charging stations nearby.

Conclusion

NATSO and the NLC are pleased that the Committee takes seriously the need to invest in the nation's infrastructure. We urge the Committee to pursue policies that will improve, rather than undercut, the ability for small businesses and the communities that rely on them to prosper and grow.

Please do not hesitate to reach out to either NATSO or the NLC if we can be of further assistance throughout this process.

Congress of the United States
Washington, DC 20515

March 06, 2018

Secretary Elaine Chao
The U.S. Department of Transportation
1200 New Jersey Ave, SE
Washington, D.C. 20590

Dear Secretary Chao,

The New Democrat Coalition has long called for a comprehensive, bipartisan transportation and infrastructure plan designed to bring our country into the 21st Century and enable American businesses to grow, workers to earn more, and communities to thrive. We must seize the moment and deliver critical and overdue improvements for the communities we represent around the nation. This is a goal we believe we share with President Trump, you, and the rest of the Administration. President Trump has called for "both parties to come together to give us the safe, fast, reliable, and modern infrastructure our economy needs and our people deserve."[1] Immediately following this call for action, the New Democrat Coalition Infrastructure Task Force released four pillars for an infrastructure deal that we believe could have widespread, bipartisan support. Our plan calls for modernizing America's infrastructure through updated funding and financing, creating an infrastructure bank to expand financing opportunities for state and local governments, creating incentives in communities of need to build and maintain infrastructure, and encouraging innovation and reform.

We write to you today to highlight the plan's fourth pillar—regulatory innovation—a concept for which the President has expressed strong support. As you know, Congress made regulatory reform a key part of the landmark Fixing America's Surface Transportation (FAST) Act of 2015. This Act was the first long term highway bill to navigate its way through Congress in a decade, and it included many transformative policy changes within the Department of Transportation permitting process, including significant streamlining of major infrastructure projects. We respectfully request that the Department of Transportation take immediate action in implementing existing law to expedite project approvals and build the infrastructure Americans need.

In President Trump's State of the Union address to Congress, he asked that "any bill must also streamline the permitting and approval process—getting it down to no more than two years, and perhaps even one,"[2] a priority also expressed in the White House's recently released infrastructure plan. As you know, the yet-to-be realized reforms in the FAST Act could help accomplish this goal. The U.S. Department of Transportation, with the support of Congress, has

[1] State of the Union Address, 2018
[2] Ibid

authority today to take action on bipartisan streamlining reforms authorized in the MAP-21 and FAST Act transportation bills that could reduce unnecessary delay in the project review and approval process. In order to immediately begin improving the federal permitting process and avoid duplicative efforts, we urge you to prioritize the progress of the FAST Act and use the tools already at your disposal. For example, the Administration could fill the open role of Executive Director of the Federal Permitting Improvement Steering Council, provide funding for the Council, and fund other key elements of the FAST Act that would accelerate project approvals. Additionally, you could finalize the two outstanding rulemakings and complete the guidance documents necessary to implement changes from the FAST Act and MAP-21 to the environmental review process at FHWA and FTA. This would allow the Administration to make immediate progress on expediting projects and aligning with state efforts to move high priority projects along the permitting process.

The New Democrat Coalition Members represent communities around the nation in both rural and urban areas, and we understand the potential a large transportation and infrastructure deal could have on driving economic growth and improving the lives of all Americans. We agree there are other possible reforms to the regulatory and permitting process that can be pursued, including reasonable and responsible legal deadlines on agencies for review and decision making; however, we must prioritize implementing the outstanding reforms of the FAST Act. We also believe that direct federal investments, distributed equitably, is key to ensuring bipartisan support for any infrastructure proposal. We look forward to working with you and the White House in meeting our nation's dire infrastructure needs including providing additional resources to invest in vital infrastructure projects across America, and stand ready to work with you and offer viable proposals. Thank you for your attention to this request and we await your reply.

Sincerely,

John K. Delaney
Member of Congress

Elizabeth H. Esty

Elizabeth Esty
Member of Congress

Stacey E. Plaskett
Member of Congress

Norma J. Torres

Norma Torres
Member of Congress

Julia Brownley Member of Congress	Cheri Bustos Member of Congress	Salud O. Carbajal Member of Congress
Derek Kilmer Member of Congress	Rick Larsen Member of Congress	Bradley S. Schneider Member of Congress

Enclosure: New Democrat Coalition 21st Century Infrastructure Task Force's Four Pillars for an Infrastructure Deal

NEW DEMS

New Democrat Coalition 21st Century Infrastructure Taskforce
Four Pillars for an Infrastructure Deal

The New Democrat Coalition is determined to increase long-term federal investments in all types of infrastructure. Supporting the movement of people, goods, energy, and information through our infrastructure is crucial to driving investment in our communities and maintaining America's economic competitiveness. This investment is vital to both the jobs created to build and maintain our infrastructure, as well as those supported and bolstered by a strong and healthy infrastructure system that facilitates the efficient movement of workers, goods, services, and ideas. Modernizing our infrastructure is important to Americans in every part of the country. We know that infrastructure projects are consistently evaluated as one of the best returns on government investments, and that Americans would rather spend more time doing the things they love than sitting in traffic wasting time and money.

As New Dems, we believe any new proposal must include new revenue, new financing, new funding, regulatory streamlining, and encourage life-cycle funding in innovative infrastructure projects that are built to last.

1. **Modernize America's infrastructure**
   The Task Force proposes modernizing revenue sources and protecting infrastructure funds from being looted for other purposes. We support securing dedicated, sustainable revenue to keep the Highway Trust Fund solvent well into the future, and increasing federal investment that ensures America's infrastructure keeps pace with growing demand. We are considering a variety of funding options including mileage based user fees, raising or indexing the gas tax, user fees on electric vehicles or batteries to create parity with gasoline powered vehicles, slightly increasing the corporate tax rate and dedicating the incremental revenue gains towards infrastructure, and both expanded and new bond programs.

   Finally, we must think strategically and expand our focus beyond up-front costs, using life-cycle cost analysis to account for the operating and maintenance needs of an asset across its entire life-cycle. Short-sighted investment will only leave Americans with an ever-deeper backlog of deferred maintenance and costly repairs.

2. **Create an infrastructure bank to finance projects**
   The Task Force supports investing seed funding to capitalize an infrastructure bank that could leverage its funds for everything from roads to water to broadband projects. The bank would be accessible to states, localities, and regional groups, and would be able to loan them money with favorable terms, as well as offer bond insurance. Importantly, an infrastructure bank is self-sustaining, able to make additional loans for new projects as money is paid back.

3. **Create incentives for communities most in need of building and maintaining their infrastructure**
   The Task Force supports grant programs that specifically target areas in desperate need of revitalizing their infrastructure, including those recovering from natural disasters, communities with higher rates of unemployment and poverty, and rural areas.

   We also support creating new avenues to fund infrastructure projects in communities that have been left behind and in areas that have traditionally struggled to attract infrastructure funding for projects that have holistic community support. New Dems also believe in working with public and private sources to encourage joint investment into all types of infrastructure projects.

4. **Encourage innovation and reform**
   The Task Force recognizes the importance of continued regulatory streamlining in a way that balances expedited construction with appropriate environmental and safety safeguards. First and foremost, we believe the administration must work to implement the numerous streamlining provisions already passed into law by Congress in the FAST Act transportation bill. In addition, we support encouraging the use of regional partnerships and public-private partnerships where appropriate.

   Furthermore, as we revitalize old infrastructure and invest in new projects, we must encourage the adoption of new, innovative technologies that bolster safety and efficiency to create the infrastructure system of the future.

March 13, 2018

The Honorable Bill Shuster
Chairman
Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, DC 20515

The Honorable Peter DeFazio
Ranking Member
Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Shuster and Ranking Member DeFazio:

As the House Transportation and Infrastructure Committee begins to consider infrastructure legislation, several pieces of President Trump's proposed agenda will be debated. The below-signed associations—representing restaurants throughout the country—ask your Committee to preserve the longstanding laws that prohibit commercial activities on the interstate right-of-way as well as the prohibition for installing tolls on existing Interstate Highways. The Trump Administration's plan, as proposed, would repeal these longstanding restrictions, jeopardizing consumers, thousands of existing small businesses and the local communities that depend on those businesses.

When Congress created the Interstate Highway System in 1956, community leaders feared that local businesses, jobs, and tax bases would shrink as motorists bypassed their cities and towns for the convenience of an on-highway rest area. For this reason, Congress prohibited interstate rest areas from offering commercial services, such as foodservice.

The promise of this law came to fruition, and today thousands of restaurants operate at interstate exit interchanges catering to interstate travelers. These restaurants provide local jobs and are significant taxpayers, making them a vital part of the communities in which they operate.

The Administration's proposal would allow states to operate rest areas in direct competition with existing restaurants. These state-operated commercial rest areas would unfairly drive away customers who normally patronize our businesses, undercutting the existing communities and businesses the current federal law helped to create. According to a recent study of the issue, if commercialization were permitted at state rest areas, restaurants can expect their sales to decline by 44 percent.

The local communities that rely on our locations as a vital component of their tax base will also suffer. Local towns and communities would receive no benefit for restaurant sales located at interstate rest areas as those tax dollars would now go into state treasuries. Nationwide, interstate exit-based businesses, including restaurants, pay more than $22.5 billion annually in local tax revenues — funds that help support schools, police and fire departments and other vital public services.

A similar scenario will play out if states are allowed to toll the Interstate Highways that are currently traveled on toll free.

Studies show that motorists seeking to avoid paying tolls will divert off of tolled interstate Highways, siphoning business away from existing restaurants. At the same time, that traffic diversion will increase traffic onto secondary roads that were not meant to handle the same level of traffic as the Interstate Highway System.

We appreciate and value Congress's support for small businesses and their employees. However, tolling existing interstate highways and allowing commercialization at state owned rest areas will significantly harm the small businesses that we represent.

Thank you for your interest and leadership.

Sincerely,

Franchise Business Services (representing BWW franchisees)
Franchise Management Advisory Council (Taco Bell franchisees)
International Franchise Association
National Council of Chain Restaurants
National Franchisee Association (Burger King franchisees)
National Restaurant Association

AEM
ASSOCIATION OF
EQUIPMENT MANUFACTURERS

AGRICULTURE
CONSTRUCTION
FORESTRY
MINING
UTILITY

March 6, 2018

The Honorable Bill Shuster
Chairman
Transportation and Infrastructure Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Peter DeFazio
Ranking Member
Transportation and Infrastructure Committee
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Shuster and Ranking Member DeFazio,

On behalf of the more than 950 members of the Association of Equipment Manufacturers and the 1.3 million men and women across the United States whose jobs depend on the equipment manufacturing industry, I want to express my thanks to you and the committee for holding today's hearing on the Trump administration's infrastructure framework. We hope that today's testimony from Secretary Chao helps to advance the introduction of legislation to make good on the administration's goal of stimulating at least $1.5 trillion in new infrastructure investment over the next 10 years.

You have a historic opportunity to pass legislation that sets the course of American infrastructure in the next century. AEM welcomes the Trump administration's framework as a good starting point for this effort, and we hope that the United States Senate builds upon the framework in the coming weeks and months.

The equipment manufacturing industry believes that our elected leaders must seize this opportunity to reclaim America's infrastructure advantage over our global competitors. Over the past three years, AEM held discussions with member company executives, leading academics, elected officials and problem-solvers across the country about how to modernize our infrastructure. The key priorities that emerged from these discussions are outlined in a report called *The U.S. Infrastructure Advantage™*.

- Our next infrastructure plan should focus on networks and systems – not one-off projects. The plan should recognize that our infrastructure is interconnected and that all the components need to work together seamlessly.
- Our infrastructure must maximize smart technology. Elected officials should ensure that any infrastructure plan accommodates new technologies, and is developed with emerging technologies in mind.
- Our infrastructure system must adequately connect urban and rural communities. Any infrastructure plan should ensure that our infrastructure assets – from roadways to waterways, from locks and dams to ports and multimodal terminals– work to connect every corner of our nation. This includes broadband deployment in rural areas and improved energy and utility infrastructure.

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- We applaud the focus of past surface transportation reauthorizations to streamline the project delivery process and support the Trump administration's efforts to make additional reforms to ensure consistency and predictability in the process of modernizing our infrastructure.
- We urge you to reaffirm the vital role the federal government plays in supporting our nation's infrastructure. Public-private partnerships are an important tool to leverage investment in combination with federal dollars. However, this tool alone is insufficient when it comes to the scope and breadth of America's infrastructure needs. A commitment to provide the additional federal funds needed to support our nation's infrastructure needs must be the foundation of any new infrastructure plan.

These are straightforward and achievable priorities within the scope of the infrastructure legislation we hope will soon develop and advance. At the same time, our industry would like to underscore for you the persistent need to address the solvency of the Highway Trust Fund and other existing federal programs that support infrastructure investment.

Our industry stands ready to work with you to develop an infrastructure plan that benefits all Americans. Thank you for your continued leadership in helping America reclaim its infrastructure advantage, and continue to grow the U.S. economy for decades to come.

Sincerely,

Dennis J. Slater

Dennis Slater
President
Association of Equipment Manufacturers

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