TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2019

WEDNESDAY, APRIL 11, 2018

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 2:31 p.m. in room 192, Dirksen Senate Office Building, Hon. Susan M. Collins (chairman) presiding.

Present: Senators Collins, Blunt, Boozman, Capito, Daines, Reed, Murray, Feinstein, Schatz, Murphy, Manchin, and Leahy.

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

STATEMENT OF HON. ELAINE L. CHAO, SECRETARY

OPENING STATEMENT OF SENATOR SUSAN M. COLLINS

Senator COLLINS. The Subcommittee will come to order.

Today, I am pleased to welcome the Secretary of Transportation, Elaine Chao, who will testify on the President's fiscal year 2019 Budget Request.

I'm also very pleased to be joined today by my friend and our Ranking Member, Senator Jack Reed.

Unlike previous years when we faced uncertain budget allocations for many months, we are fortunate to begin the fiscal year 2019 appropriations process with new budget caps enacted by Congress in February. The budget agreement provides additional funding for the next—over 2 years for critical national defense programs as well as for domestic priorities, such as rebuilding our infrastructure, addressing the opioid epidemic, and providing for our nation's veterans.

Thanks to the increased budget caps, Senator Reed and I were able to include an additional $12.6 billion for THUD programs in the fiscal year 2018 Omnibus bill as we worked with our colleagues on both sides of the aisle and both chambers as well as the Administration.

This increased funding will provide much-needed support for our nation's crumbling infrastructure. In fact, our bill was the first down payment on the Administration's Infrastructure Initiative.

I certainly hope that we can continue this good work in 2019 as we evaluate the Administration's proposals and receive input from members on both sides of the aisle.

The Administration's 2019 budget request includes $76.8 billion for the Department of Transportation, a substantial reduction from the $87.1 billion for this year, and $200 billion over 10 years, for a government-wide infrastructure initiative.

I would note, however, that the budget was put together prior to the agreements on the budget caps.

The budget, unfortunately, fails to address the greatest threat to our Nation's infrastructure and that is the ever-growing insolvency of the Highway Trust Fund. Rather than offering a solution to this problem, the Administration's budget reflects a cut of $122 billion over the 10-year budget window for critical highway and transit formula programs.

I'm also concerned that the Administration has not offered up its own solution to the insolvency of the Highway Trust Fund. Since 2008, Congress has provided more than $140 billion in general fund transfers to sustain critical funding from the Highway Trust Fund.

Rather than focusing on this issue, the Administration is instead advocating a new set of grant programs. Half of this overall funding would be devoted to the Incentives Grant Program which would slash the Federal cost-share of highway projects from the current 80 percent to 20 percent and require State and local governments to raise their own revenue to make up the shortfall. This formula would penalize low-income and rural States in particular, but I find it difficult to conceive of many states or local governments that would choose to apply for Federal funds that only provide a 20-percent cost share.

While I'm pleased to see the rural set-aside in the infrastructure proposal, I want to reiterate that this cannot be a substitute for funding from the Highway Trust Fund. Without a fix to the Highway Trust Fund, my concern is that the Administration's infrastructure proposal would simply lead to the abdication of the Federal role in transportation and lead to devolution to the states. I do not believe that that is a feasible approach.

The Administration has also proposed to eliminate the highly effective and popular TIGER Competitive Grant Program, which, as the Secretary correctly noted at a recent ribbon-cutting, can help grow local economies, create jobs, and make travel easier.

Again, I recognize that a lot of these decisions were made prior to knowing what the allocations were going to be.

This program offers funding for states and local governments that would not otherwise be able to fund critical infrastructures in our nation's roads, bridges, ports, and railways.

The budget request, once again, proposes to reduce funding for other key programs that serve rural communities, such as the Essential Air Service Program and Amtrak's Long Distance Routes. Maine benefits greatly from the EAS Program because of the long geographic distances between our small communities and hub airports that connect to the national transportation system.

Several members of this committee have also expressed concern with the Administration's request to eliminate the Transit New Starts Project and are particularly concerned about how the Administration will use funding provided by Congress in the Omnibus.

Communities often wait years to receive approval for these projects after rigorous evaluation process and any delays will lead to cost increases. I know that the Secretary personally is deeply concerned about eliminating unnecessary delays and cutting red tape for all infrastructure projects and so I hope that the department will be able to move the projects to completion more quickly going forward.

For the Maritime Administration, the budget proposes to reduce funding for the Maritime Security Program, which is critical for our nation's domestic sealift capabilities as well as training for merchant mariners at the U.S. Merchant Marine Academy and the six-state Maritime Academies.

I am encouraged that the budget provides funding for the new Training Vessel Program and to address sexual assault and harassment at the Maritime Academy. I fully expect the Academy to continue implementing the necessary reforms to keep our cadets safe.

In aviation, Congress recently extended the authorization for the FAA through the end of this fiscal year and provided necessary increases to both NextGen and the Airport Improvement Program.

Unfortunately, the budget request once again includes efforts to privatize the FAA. It's imperative, in my judgment, that Congress retain annual oversight of the FAA in order to maintain the safety and efficiency of our Nation's airspace, particularly in rural communities that rely on general aviation.

Now, according to recent reports, the President no longer supports moving this proposal forward, and I hope that the Secretary will be able to clarify the Administration's position today.

Madam Secretary, I very much look forward to hearing your testimony. I appreciate your being with us, and I now turn to Senator Reed for his opening statement.

STATEMENT OF SENATOR JACK REED

Senator REED. Thank you, Chairman Collins. Secretary Chao, thank you very much for being here, and we look forward to your testimony today. Chairman Collins, again, I'm pleased that you're moving quickly to advance the business of this subcommittee on the heels of your tremendous work on the 2018 bill, which passed with such bipartisan support just 2 weeks ago.

We're now turning our attention to 2019 without missing a beat, and we're in a great position to start our work. Thank you, Madam Chairman.

As a result of the bipartisan budget agreement that President Trump signed, we set aside sequester spending levels and freed up significant amounts of new defense and non-defense discretionary dollars.

This agreement allowed for us to invest an additional $8 billion in infrastructure and safety programs at the Department of Transportation, as compared to 2017. Under Chairman Collins' leadership, we have worked to distribute these new resources responsibly and equitably across highways, transit, rail, and aviation, with a conscious effort being made to meet the needs of both urban and rural communities.

With all of the rhetoric about the importance of investing in infrastructure, the Omnibus actually delivered the goods, and the THUD Bill was the centerpiece of that effort.

In completing the 2018 process, our subcommittee blocked many of the House's efforts to include controversial poison pill riders that are unrelated to appropriations and detract from the real work that we need to do to keep the department moving forward. On a bipartisan basis, Congress rejected the Administration's proposed elimination of funding for TIGER grants and discretionary rail and transit grants and instead provided the highest-ever single-year appropriations for those programs.

The additional resources for rail and transit in particular will allow for real progress to be made on the state of good repair backlog on the Northeast Corridor, while also providing freight, passenger, and commuter railroads with desperately needed funding for positive train control implementation.

For 2019, the bipartisan budget agreement provides a second year of sequester relief and added funding that should allow for the committee to return to regular order and for the subcommittee to make smart infrastructure investments.

After having worked so hard and successfully to get here, I hope that the Administration will refrain from undermining our progress by floating rescission packages, musing about vetoes, or continuing to play politics with major infrastructure and safety projects.

I also hope that we can dispense with the Administration's 2019 budget proposal which recycles many of the same cuts and policies that we rejected in 2018.

As we review the accomplishments of this subcommittee, it is somewhat discouraging to see how slowly this Administration is moving to deploy funding provided in previous years. For months, and in some cases for more than a year, this Administration has been sitting on hundreds of millions of dollars that could have been put to work on infrastructure and safety projects around the country.

For all of its talk about project streamlining, the Administration needs to streamline its own process and quickly deploy these dollars.

I'm especially concerned because we seem to be encountering a refusal to follow the directives of Congress and public law when it comes to transit projects. Congress has provided the certainty of a continued partnership between Federal and local governments to address population growth and congestion challenges through the transit Capital Investment Grants Program, and yet important transit projects, which meet statutory requirements, have significant local investment, and have Federal funding available, have been unnecessarily delayed. This is unacceptable and doesn't square with the commitments made before this subcommittee last year.

We need to have confidence that DOT will follow the directives of this subcommittee to evaluate and issue grants in accordance with the law.

Finally, I must express my concern about the rollback of safety and environmental regulations by this Administration. Public safety is supposed to be the highest priority at the Department of

Transportation, but we have seen example after example of safety regulations being deferred, canceled, or retracted in deference to industry rather than the public good, and this needs to change.

Madam Secretary, one other area where I hope we can make progress is on a broader infrastructure package, which includes not only transportation but other public resources, like our crumbling public school buildings.

While I appreciate that the Administration has finally put forth a plan, it fails to cover all of our many infrastructure needs and simply offers false hope by promoting tolls and other funding gimmicks that will burden every-day Americans in order to entice private sector investment with guaranteed profits.

Furthermore, while the Administration's plan promises $200 billion in new Federal funding over 10 years, the Administration actually intends to slash Federal funding for existing transportation programs by more than $360 billion over the next decade. Yet again, we see a disconnect between rhetoric and reality.

We need real Federal investment in our airports, bridges, transit systems, and ports in order to create jobs and strengthen our economy now and into the future. That is exactly what our 2018 bill did, but we need a partner to see this vision executed and implemented. I hope that we can move forward together to meet these mutual goals. We may disagree from time to time about how to get there, but I hope we can work together to accomplish these goals.

This subcommittee has spoken, Congress has spoken, and now we need to move forward. Again, Secretary Chao, thank you for appearing before us today. I look forward to hearing your testimony and your response to questions.

Thank you, Madam Chairman.

Senator COLLINS. Thank you very much.

Secretary Chao, we're delighted to have you with us this afternoon, and please proceed with your statement.

SUMMARY STATEMENT HON. ELAINE L. CHAO

Secretary CHAO. Thank you, Chairman Collins, Ranking Member Reed, and Members of the Subcommittee.

I appreciate the opportunity to appear and discuss the President's fiscal year 2019 budget request for the Department of Transportation.

As mentioned, I look forward to working with all of you to continue our joint efforts to provide the American people with safe and reliable transportation systems.

The President's budget request and his Infrastructure Proposal work together to provide bold new ideas for using our financial resources wisely, creatively, and expanding our partnerships with state and local governments, and encouraging private sector involvement where appropriate and allowing them to be involved where appropriate.

These changes provide a path forward to improving our transportation infrastructure quickly without dramatic increases in Federal spending that would stifle economic growth and job creation.

The President is requesting $77 billion for the Department of Transportation. About 80 percent of these dollars will be applied to fully funding the fourth year of the FAST Act, Fixing America's

Surface Transportation Act, as well as funding the authorized levels of FAA's Airport Improvement Program. The remaining 20 percent of the budget funds the Department's discretionary programs.

While not in the original budget-released materials, the President's Budget Request also includes $300 million to support the replacement of two of the oldest ships in the Maritime Administration's School Ships Fleet. These new assets, these new ships will enable us to continue to meet the training needs of our future merchant mariners as the current ships are retired.

The President's Budget Request calls for changes in several major programs. For example, the President's request does not continue the current manner of funding for the TIGER Grant Program or for new projects proposed in the Federal Transit Administration's Capital Investment Grants program.

The types of projects traditionally funded through these programs are ideal candidates for the new programs outlined in the President's Infrastructure Proposal, and as you begin your consideration of the President's Budget Request and his Infrastructure Proposal, we will continue to focus on our new responsibilities.

The recent passage of the fiscal year 2018 Omnibus Appropriations Act includes significant funding increases, well over $12 billion, to many of the Department's core programs.

The Department is assessing the requirements in the Act and is identifying the steps needed to responsibly administer this funding and the new programs provided on a timely basis, as dictated by the Congress.

Thanks again for the opportunity to appear before you today to discuss the President's fiscal year 2019 Budget, and I look forward to continuing our partnership on transportation issues on behalf of the country, and I'll be happy to answer any questions that you may have.

[The statement follows:]

PREPARED STATEMENT OF HON. ELAINE L. CHAO

INTRODUCTION

Chairman Collins, Ranking Member Reed, and members of the Subcommittee—thank you for the opportunity to meet today to discuss the President's fiscal year 2019 Budget request for the Department of Transportation. Together, the President's Budget request and his recently-released Infrastructure Initiative proposal provide new opportunities to rethink and retool our approach to transportation funding for the future. Both proposals recommend funding alternatives that use modern investment strategies and leverage Federal dollars by building more equitable partnerships with State, local, and private sector entities.

The President's Budget requests $76.8 billion to support transportation programs in fiscal year 2019. About 80percent of this funding supports the Department's Trust-funded mandatory programs. This includes the $57.4 billion proposed for surface transportation programs, as authorized by the Fixing America's Surface Transportation (FAST) Act and the $3.4 billion proposed for the Federal Aviation Administration's Airport Improvement Program. All together, the President's request includes a 4 percent increase for the Department of Transportation's mandatory programs.

The remaining 20 percent—or $15.9 billion—funds the Department's discretionary programs. In order to ensure that the Department is maximizing the return on its Federal transportation investments, the President's request does not continue funding for some transportation grant programs but instead leaves open the possibility that projects within these programs could be better considered under the President's new Infrastructure proposal.

ADDRESSING OUR INFRASTRUCTURE NEEDS

Consistent with the President's Budget request, his Infrastructure proposal provides a bold new approach for addressing our infrastructure needs across the broad spectrum of Federal programs. It tackles the complex problems of improving infrastructure by focusing on better ways to finance, manage, and use our current and future transportation assets. The proposal also calls for advancements in the permitting process that streamline and shorten timeframes so that projects can get underway quickly. The President's Budget includes $200 billion that will

leverage State, local, and private investment resulting in at least $1.5 trillion of new infrastructure investment over 10 years. His proposal includes the following programs:

—Incentive Grants ($100 billion) to encourage State, local and private investment by awarding incentives to project sponsors that propose innovative approaches to generate revenue for infrastructure investment, prioritize maintenance, modernize procurement practices, and generate a high return on investment.

—Rural Infrastructure ($50 billion) to address the significant need for investment in rural infrastructure. Most of the funds would be provided to States by a formula distribution, with the remaining funds distributed based on performance. This includes a set aside for federally recognized Tribes and Territories.

—Transformative ($20 billion) for bold, innovative projects with potential to dramatically improve America's infrastructure.

—Infrastructure Credit programs ($14 billion) to boost innovative finance programs such as the Transportation Infrastructure Finance and Innovation Act and the Railroad Rehabilitation and Improvement Financing programs.

—Private Activity Bonds (PABS) ($5.9 billion) to expand the flexibility and eligibility of PABs as an additional project financing tool.

This comprehensive action plan will quickly address the Nation's infrastructure needs by using modern financing tools and business practices that have already proven successful in State and local projects, consistent with the President's vision.

NEW DIRECTIONS

With these new Infrastructure Initiative proposals in mind, and in order to incentivize changes in the way States and local communities finance projects, the President's fiscal year 2019 Budget request does not include funding for certain discretionary grant programs. Instead, the President's request proposes a different model that would spur States and localities to raise new dedicated funding for infrastructure, incentivized by competitive Federal grant awards. Projects that had previously been funded by Federal discretionary grants would now benefit from the additional dedicated state and local funding raised.

One such program is the Federal Transit Administration's Capital Investment Grants program. The Capital Investments Grants program supports transit projects that primarily benefit specific local communities. Under the President's Infrastructure proposal, if States and localities raise their own dedicated revenues, the Administration would reward them with competitive grants and other incentives. We expect this approach will broaden the options available for funding transit projects in the future and will provide State and local entities more autonomy in deciding which transit-related infrastructure projects to pursue. Consistent with this approach, the President's Budget request limits funding in this program to projects with signed, Full Funding Grant Agreements.

The President also recommends redirecting the Transportation Investments Generating Economic Recovery (TIGER) grant program into a more comprehensive infrastructure program with both rural and incentives components. The programs comprising the Infrastructure proposal are a more effective approach for supporting projects like those eligible for TIGER assistance,

which would make even better use of these vital infrastructure dollars. The programs empower State and local governments to construct projects based on local priorities and needs, leverage each Federal dollar by incentivizing the creation of new revenue sources dedicated to infrastructure that can sustain lasting investment and maintenance over the long-term, and encourage more innovative and efficient approaches to project financing and delivery.

OTHER REFORMS

The President's Budget request also proposes reforms that would provide efficiencies and reduce costs. For example, the trains that support Amtrak's Long Distance routes are very expensive to operate and maintain, and account for much of Amtrak's $500 million in operating losses. Typically, few passengers rely on this service and many trains have excess capacity. At the same time, we recognize that some States and local communities value this transportation option. In an effort to create an equitable partnership, the President's Budget request proposes to share the costs of operating Amtrak's Long Distance services with those States that provide fifty percent of the funding needed to continue these services.

Reforms are also proposed for the Essential Air Service (EAS) program. EAS provides scheduled air service to rural communities that otherwise would not be profitable. Although initially envisioned as a temporary program, EAS is now almost 40 years old. Many EAS flights are not full and have high subsidy costs per passenger. What began as a small program is now nearly $300 million per year. The President's Budget request proposes reforms to the discretionary portion of the EAS program that will save approximately $57 million. These reforms would impose new distance requirements to small, medium and large hubs, would cap subsidies at $250, and would eliminate certain waiver provisions. Together, these reforms will ensure that EAS resources are directed to those airports with the highest demonstrated need.

Throughout the development of the President's Budget request, we have taken a hard look at funding directed towards research. Some of the research currently conducted in the Department's programs is replicated in the private sector or reconfirms established findings. This duplication and focus on existing transportation systems represents a missed opportunity for change. The President's request addresses this concern by significantly reducing funds provided for research programs. Remaining research funds will be directed towards new and emerging technologies that will help inform decisions regarding transportation systems in the future.

Finally, I want to highlight the President's Budget includes $300 million for the Maritime Administration's School ships fleet replacement program. While this request is not included in our current budget materials, it will be part of a forthcoming Budget Amendment that you will receive soon. We recognize the importance of the school ships to the state maritime academies, and will be exploring options for acquiring the necessary replacement ships over the coming months.

Thank you again for the opportunity to appear before you today to discuss the President's fiscal year 2019 budget. I will be happy to answer your questions.

Senator COLLINS. Thank you very much, Secretary Chao.

LOCAL NEED FOR TRANSPORTATION FUNDING

Madam Secretary, in your statement, you mentioned the TIGER Grant Program.

The tremendous need for this program was once again demonstrated this past year by the fact that the department received 452 applications requesting more than $6 billion in funding for TIGER projects. You only had $500 million, but I think that shows the demand is there and how popular and flexible this program is.

In the Omnibus bill, as a result of that demand, we tripled funding for TIGER from $500 million to $1.5 billion in order to better meet our Nation's infrastructure needs.

Given your experience with this round of TIGER grant applications and the increased budget caps for fiscal year 2019, why would the Administration not want to stay with a winner, with a grant program that communities and States are very familiar with and that has been used for such good purposes across our country?

Secretary CHAO. Well, as you mentioned in your opening remarks, the President's budget request was put together before the conclusion of the Omnibus. So there's a complete disconnect between what the Omnibus ultimately asked the Department to do and the actual budget.

So we're going to have to work with those discrepancies throughout the whole year, but it is clear that the TIGER grants are very popular with members and we've been given a billion dollars more and we need to be able to process that and get it out to the various local and state governments that need them, that have applied within the time as specified by the Congress. So we're committed to doing that.

Senator COLLINS. Thank you.

I know, Madam Secretary, that you have been a very strong supporter of our Merchant Marine Academies and I want to personally thank you for the inclusion of additional funding for training vessel replacement in the President's Budget Request.

You and I have talked about how absolutely vital those training ships are and they are reaching the end of their useful life. We were able to provide $300 million in the Omnibus which will take care of the first vessel.

The estimate that we've been told by the department is that it will be delivered—that's going to be the New York Merchant Marine Academy vessel. That it will probably be delivered in December of 2021. That means you're going to still have a problem with the current vessel's life having to be extended.

Do you see the need that there will have to be additional repairs to keep the current vessel going until we can get a new one in place?

Secretary CHAO. I think it was a bit confusing as to what the $300 million was for. So in fact, the $300 million is already put into the Omnibus, and the President's request is for another $300 million. So it's actually for the second ship, and there was a proposal to have $300 million for both ships but take two old cargo ships, refurbish them and do it that way.

So there are a number of options, but the most optimal route would be to have two new ships.

Senator COLLINS. I totally agree, yes.

Secretary CHAO. Given again their age and we're having young merchant mariners go on these ships.

Senator COLLINS. And in many cases, these vessels were already used to begin with when they were converted. So my hope is that the first ship can serve as a model for the subsequent ones and, as you say, there should be sufficient funds to have two new ones.

Given that the Maritime Administration has limited experience with ship construction and large procurements, how will you ensure that the agency can carry out this procurement successfully?

Secretary CHAO. I think that's a very important question, which I am concerned about as well. Admiral Buzby, the Head of the Maritime Administration, has assured me that in fact they have been receiving a number of inquiries from interested shipyards that are mostly devoted currently to military construction but nevertheless that they are interested, and two ships add to the economy. It adds actually to the ease of building the second ship because of the experience built in the first ship. So it's actually better to build two at the same time.

Senator COLLINS. Thank you.

Senator Reed.

TRANSIT PROGRAMS

Senator REED. Thank you very much, Madam Chairman, and thank you again, Madam Secretary, for your work at the department. I would like to begin with the transit Capital Investment Grants Program.

The program has absolutely critical strong bipartisan support. It was reauthorized by a Republican Congress through 2020, and last year, as you know, this subcommittee appropriated the highest level of funding in the history program on a bipartisan basis. However, it seems that the money's not getting awarded, and while you have indicated in the past that you would distribute whatever funding was provided, the funding seems not to be getting out there.

Will you recommit to your philosophy of awarding the funding provided, because one of the rationales we've heard for the delays is that the localities don't have all of the funding appropriated.

We appropriate funding on an annual basis, and to turn around and ask a locality to perhaps reserve multiyear funding, doesn't seem to make any sense. FTA's practice in the past has been if you meet the requirements of the program then, appropriations would be available without this other requirement.

Secretary CHAO. I think transit programs are very important. They form part of our transportation infrastructure and the intermodal needs of our communities and help to improve the quality of life for commuters. So I don't think there's any disagreement about that.

The issue is how do we process the Capital Investment Grant (CIG) grants, and we have worked very hard to get them out as quickly as we can. In the first year, we did have problems with getting leadership in place for the Department, so that took some time, and I think for any new Administration coming in, they would want to take some time to understand the programs and make sure that the new Administration's goals and objectives are incorporated into these new programs, as well.

So that is what has happened, and we have always wanted to work with Congress on the CIG, but it's hard to answer questions on a hypothetical basis because a lot of these programs, also, they have their—sometimes it's not us. There are other programs that perhaps are not ready. They're moving from one stage to another.

So we do this on a case-by-case basis, but I think we all agree that this program has its purposes. We understand the will of Congress, and we hope to—I think we've done actually pretty well, better than I think you told us, but——

Senator REED. Well, this new Administration should be reaching its stride now. Can we expect, that all of the funds that we've appropriated, and, as I said, it's the largest amount of funding for CIG, in the history of the program, will be expeditiously deployed so that next year this question will not be before us because you will have awarded all of the funding?

Secretary CHAO. It is my goal to do the will of Congress.

Senator REED. Thank you.

Secretary CHAO. So you have given us the money and we're going to look at these specific projects, and I hope they'll be ready.

Senator REED. Thank you.

Just another question, somewhat related to transit, is that we've had a great debate about the Northeast Corridor, the rebuilding of it, and this year, the focal point was the Portal Bridge in New Jersey.

Some people have dismissed that as a local project, but living in Providence, Rhode Island, at least Jamestown, Rhode Island, Cranston, Rhode Island, the Northeast Corridor is a regional-national-international thoroughfare. New York is not the financial capital of the world because people can't get there.

So I would hope that we could go ahead and move forward with the money that's been specifically provided to make these improvements not just to the Portal Bridge but the Northeast Corridor. Is that something that you are going to do expeditiously for us?

Secretary CHAO. I always want to do things expeditiously, but, unfortunately, the North Portal Bridge did not receive a good rating. So that is what is holding that one up. It's actually not eligible to advance—to go further in the funding process.

Senator REED. And where are they failing in their rating, Madam Secretary?

Secretary CHAO. It's on the financing and actually it's a rating that we don't do. It's actually done by the career staff.

Senator REED. I'm under the impression that the State and localities are putting out 50 percent——

Secretary CHAO. 21 percent.

Senator REED. We're told.

Secretary CHAO. Well, actually, they're putting up 21 percent. They're using RRIF and TIFIA loans, but they're using our funds as part of their equity, and this is a perpetual disagreement on how to work this project.

Senator REED. It is, but this is a critical part of the infrastructure of the Northeast Corridor, not just this project but there are many other projects, and I would guess that this is not the first time that in transportation projects multiple sources, including multiple Federal sources, have been used.

So I would ask you to look carefully again and see if we can get this project moving, and, again, I represent Rhode Island, but it will have an impact on my constituents if they can't get into New York and out of New York.

Thank you, Madam.

Senator COLLINS. Thank you, Senator Reed.

Senator Murray.

Senator MURRAY. Well, thank you very much, Chairman Collins and Ranking Member Reed, and let me, before I start, I just want to thank both of you for your really hard work on the fiscal year 2018 Spending bill. It was a bipartisan compromise and I really appreciated you rejecting the harmful policies and making significant new investments. It made a difference to my state and we appreciate the work that you did.

Madam Secretary, I want to follow up on Senator Reed's questions on the CIG Program because that is critical to all of our states and I was really pleased with Monday's announcement on the $43 million grant to Community Transit for Swift Bus Rapid. That was good news, but, as we talked about, it was long overdue, and we also talked about the Lynnwood Link Extension and the Tacoma Link Extension.

Here's the thing. These transit agencies have worked in good faith for years with DOT. Congress provided the Federal funding and yet projects like these and across the Nation, as you heard, have been stalled at DOJ.

You told this subcommittee last year you would follow congressional direction and execute these CIG grant agreements that have received Federal funding and I have to say a lot of us are still frustrated and I heard you just answer Senator Reed that you will follow the law and advance these CIG projects through the grant agreements as directed by Congress, correct?

Secretary CHAO. Yes.

Senator MURRAY. Specifically, on the Lynnwood Link Extension, will you commit to moving forward with their full funding grant agreement?

Secretary CHAO. What is the question?

Senator MURRAY. It's the Lynnwood Link Extension that we talked about. Its ready.

Secretary CHAO. I probably should be more familiar with that. I am not.

Senator MURRAY. Could you get me an answer on that, and a timeline?

Secretary CHAO. I can't promise anything. It's on a case-by-case basis. So if it's ready——

Senator MURRAY. It is ready.

Secretary CHAO. And it is—there's funding available, then we will certainly take another—we will take a look.

Senator MURRAY. Okay. If you could get back to me on a timeline on that?

Secretary CHAO. Sure.

[The information follows.]

The project sponsor has remaining steps to complete before the Lynnwood Link project can be considered for a Full Funding Grant Agreement, including obtaining all funding commitments.

Senator MURRAY. And similarly on the grant agreement for the Tacoma Link Extension, can you give me a timeline for that one?

Secretary CHAO. Of course.

[The information follows.]

As proposed projects become ready for a funding agreement commitment, FTA considers each project on its own merits and advances them through the process as appropriate. The Tacoma Link Extension was sent for Congressional review.

Senator MURRAY. So you will follow up with me? Okay. I appreciate that.

SEXUAL HARASSMENT OF AIRLINE PASSENGERS

Last year, I shared with you a story from a constituent of mine who bravely told me about being sexually assaulted on a long distance flight. In the past year, I've heard more and more disturbing reports of sexual assault and sexual harassment that occurs on airplanes, and the Association of Flight Attendants conducted a survey of nearly 2,000 flight attendants and found that one out of five flight attendants have experienced a report of passengers on passengers on sexual assault while they were working on the flight and the more I've looked into this, the clearer it has become that there's really a serious lack of guidance on adequate responses to in-flight sexual assault and growing support for addressing this problem.

So I introduced legislation, the SAFE Act, with Senator Casey and I worked with this subcommittee, and I thank them for this, to include language in the fiscal year 2018 Spending bill to take a step forward and specifically we directed DOT and FAA to establish Federal rules and guidelines to make sure that our flight crews can properly respond and address sexual assault and harassment when it happens on the airplane, including training and reporting and data collection.

This has to be done within a year, deadline of March 23rd, 2018. Are you aware of this, and are you working on it?

Secretary CHAO. I'm aware of it because you are aware of it and so you have brought this up on a number of occasions.

First of all, let me say I think that is horrible what—these incidents and so we need to be very vigilant and we need to do something about that and so we've just gotten the instruction from the Omnibus and that was just last week. So, of course, we will proceed.

Senator MURRAY. Okay. The deadline's March 23rd, a year from now, so I want you to work on meeting that deadline.

And the first step in that is creating the National In-Flight Sexual Assault Task Force. I know you just got it, but are you starting to work on how to put that together and how to establish it?

Secretary CHAO. As I mentioned, we just got the $12 billion, plus all of the Omnibus requests and requirements, and we're in the process of going through them and going forward.

Senator MURRAY. Okay. I'll be following that very closely.

Secretary CHAO. Of course.

Senator MURRAY. So I look forward to hearing from you on that.

And, finally, in the last few seconds, I know that the Chairman talked about the TIGER Program. This is an incredibly successful program. For every Federal dollar invested, TIGER generates $3.6 of additional investment from private, State, and local resources.

I am concerned about the execution of this. Congress does provide the guidelines for the TIGER Program. It's in law, and I want to make sure that you follow the congressional intent on this. It's very clear. The rules are very clear, and we want to make sure that this is given equitably across the country as established in the guidelines.

Secretary CHAO. Of course, it is my intent to carry out the wishes of Congress.

Let me also point out, though, even with the best of intent, there are very, very tight timelines, but, of course, we will try to meet those deadlines.

I might also bring up another point and that is a lot of these TIGER grants are actually taken out. They're implemented by the Policy Office and in the past, the Policy Office was not an operating unit. So with the FAST Act and all the money that's going through the Policy Office, I might just ask members of this committee to take a look at whether that is the right place for——

Senator MURRAY. Well, one of the reasons it was done that way was to make sure that there was equitable distribution of funds and appropriate balance in the country to meet rural and urban needs and investment in a variety of transportation modes, which we felt was really important parameters to put into it. So, you know, I'm happy to talk to the Chairwoman, but I think it's really important that we keep the guidelines.

Secretary CHAO. Well, perhaps we can talk about that, too.

Senator MURRAY. Thank you.

Senator COLLINS. Senator Blunt.

ENVIRONMENTAL PERMITTING

Senator BLUNT. Thank you, Chairman.

Secretary, it's great to see you here. I think I want to get into a couple of topics here quickly.

One is just on the process of permitting. I want you to talk a little bit about the Memorandum of Understanding that creates a lead agency, as I believe it to be the case. We got a couple of Surface Transportation Board members before the Commerce Committee today or potential board members to be confirmed and one of the things we mentioned there was some Commerce language over the last couple of Congresses in the Highway Bill and the Railroad—relates to railroads, as well, where you're replacing things that are already there.

Obviously the law, I think, now recognizes that obviously the impact process should be a lot less to put something right back where something already was than to build something for the first time, but generally any thoughts you might have on how that Memorandum of Understanding would work where they'd be a lead agency and how we get away from an environment where it takes three to five times as long sometimes to get a project approved as it does to build the project.

Secretary CHAO. Well, Senator, you have expressed this concern about the delays in construction of new highways, bridges, and you're, of course, very vigilant about your own state and the delays that have taken place there, as they do all across America.

So something needs to be done and yesterday, the President announced the One Federal Decision, which is the culmination of, as you mentioned, a Memorandum of Understanding between 16 different agencies within the Federal Government whereby one lead agency will be given the responsibility to coordinate and corral other agencies to a particular project.

Not all projects will come under the Transportation Department. So it will depend on which lead agency will take the responsibility and that will make a big difference, but because the Transportation Department is much more focused on construction of projects, we probably would be much more likely to focus on the construction and the timeline of projects than some other agencies.

But I think with this new Memorandum of Understanding, there's a much better process in place to select one agency to expedite a lot of these permitting delays and when I talk about permitting delays, we are not leapfrogging or compromising on any standards at all but to take a look at the process by which permitting occurs and can we not have the process be more commonsensical, avoid duplicative processes, and require that processes occur concurrently rather than sequentially.

In the Department of Transportation alone, there's also an inability to share surveys and information among sister agencies. So one mode can be conducting a study and another mode is going to have to conduct the same study and they can't share information.

Senator BLUNT. Will that be eliminated by the lead agency concept?

Secretary CHAO. We certainly hope so, that that will be improved, and then certainly this is within one department, so you can imagine what happens throughout the whole government, throughout all these Executive Branch agencies.

Senator BLUNT. And while you're concurrent, the lead agency, as I understand from what you're saying, in a position where they can encourage concurrent efforts going on in all the agencies involved.

What if you have an ultimate foot-dragging agency that just can't seem to come to a conclusion that everybody else has already come to?

Secretary CHAO. The lead agency——

Senator BLUNT. The lead agency decide that, well, we're moving forward?

Secretary CHAO. The lead agency decides.

RURAL INFRASTUCTURE NEEDS

Senator BLUNT. And on rural infrastructure, I know in every discussion I've seen so far, the Administration's proposed a significant percentage of all of those discussions, whatever the amount of money was talking about to go to rural infrastructure.

Just generally, your sense of the challenge of rural infrastructure compared to other infrastructure.

Secretary CHAO. Well, rural America has been long neglected for decades and when people talk about rural infrastructure, it's not as if only people who live in rural America use these roads.

I mean, we have roads lead from one place to another. So people transiting from one place to another through rural regions will also use those roads, and in the past, there have been—it's been as low as seven percent, the percentage of funding that rural roads and bridges received.

So at this point, we are just talking about catch-up and we are talking about equity and fairness. Rural America has a lesser number of people but a disproportionately high number of accidents, traffic accidents, and so we need to address those issues with better infrastructure, with repairing and restoring our rural infrastructure.

Senator BLUNT. Good. I appreciate that. I would just say for your staff to think about. In Missouri, we have 3 percent of the rural population. We have 4 percent of the rural road mileage in our State, and I think we have more bridges than any other State. I know we'd be in the top two or three. We've got one county that has 4,000 people, our very smallest county, and it has 40 bridges. So without the cost bridge-sharing program, there's no way that that county could begin to think about maintaining half the bridges they currently have, let alone take care of the 40 bridges they currently have.

Thank you, Chairman.

Senator COLLINS. Thank you, Senator.

Senator Murphy, you're next, but I wondered if you would like to wisely yield to your Ranking Member of the Full Committee, who has a very brief statement he'd like to make.

Senator MURPHY. I appreciate you believing that I am wise. Certainly.

Senator LEAHY. Your fellow Irishman appreciates it.

First off, I would say, Madam Chair, that I'm not in any way asking funds for the same dirt road that goes by our home in Vermont where my wife and I spent part of our honeymoon 56 years ago. It's been the same dirt road for 56 years ago. So right now I'm not looking for any funds for that road.

But I have a lot of other roads. We fought very hard for transportation programs, Republicans and Democrats worked together on the Appropriations Act. We worked with the White House, had an agreement with everybody on it. The President signed the Budget Agreement.

The press now reports that he's changed his mind, having agreed with us with this, and he's going to send a package of rescissions. I'm of the school that you make an agreement, you stick with it.

The Administration has said and you've certainly said eloquently the need for infrastructure improvement. The President hasn't sent us a plan, a real plan, but we increased funding, Republicans and Democrats working together, for an infrastructure needs to increase it by at least $18 billion. Funding for TIGER grants, for example, is going to help 75 more communities across the country that will create an additional 13,000 jobs just that, the TIGER grants.

It increased investments in the Federal Highway Administration, 33,150 jobs. The highways and bridges, et cetera, that Blunt spoke about, and it's going to help with those. Of course, you can go on with a whole lot of others, the air transit, and so on.

Are you going to recommend to the President that he rescind any of this infrastructure investment?

Secretary CHAO. I don't think so.

Senator LEAHY. I hope you don't. We'll certainly back you if you don't. I just want you to know that. We have a lot of funding in here for rural areas, which really get hurt. They don't have the population but, again, those roads do connect with other roads that go to heavy populations.

Will you ensure that both rural and urban see across-the-board increase in infrastructure investment?

Secretary CHAO. Yes.

Senator LEAHY. Thank you. I couldn't ask for anything clearer.

And requiring states to secure private funds for infrastructure programs was in the President's earlier speeches. That, of course, creates a problem. You have a private investor, they require return on investment, which is only right, but you can't build a toll road in rural Missouri or Maine or Vermont or any other State.

Has your department done any analysis if it's even viable to attract or secure private funding in rural areas?

Secretary CHAO. We don't think that it would be viable for the private sector to invest in rural areas because of the lack of density. We've never said that the public-private partnerships work in all instances and for rural America, there will have to be another approach.

Senator LEAHY. Well, I agree with you, and I must say I'm delighted to hear you say that as one who voted for your confirmation. I'm even happier to hear what you said.

Thank you very much. Thank you, Madam Chair.

FUNDING TRANSIT PROJECTS

Senator COLLINS. Senator Murphy.

Senator MURPHY. Thank you very much, Madam Chairman. Thank you for being here, Madam Secretary.

I wanted to actually follow up on some of the line of questioning from Senator Reed. I feel like Senators Booker and Menendez should pay us a fee for asking multiple questions about the Portal Bridge, but we actually believe that it is in our interests as well as New Jersey's and the country's in order to make the investment in the Northeast Rail Corridor and so I just wanted to sort of get the facts straight here.

When states take out TIFIA loans, they are required to pay those loans back to the Federal Government and so what you are saying in this case is that you don't count the TIFIA loan as a substantial State commitment because in the Portal Bridge case, $29 million is gas tax revenue from the State, 336 million is economic development funds from the state, Port Authority is kicking in $21 million, and the rest of their share is a $284 million TIFIA loan, which gets you to about 50 percent.

But you are saying that even though they have to pay that money back, you don't consider that a state contribution. I just don't understand that.

Secretary CHAO. No, we don't.

Senator MURPHY. Why not?

Secretary CHAO. And it hasn't been, and I'll give you an example. If you were to buy a house, you had to put 20 percent down, 80 percent is a mortgage from the bank. You go to another bank or you go to the same bank, you get a home loan or whatever for 20 percent, you use that 20 percent loan, which you're going to have to pay back anyway to either one bank or another, and you use that as your equity, Dodd-Frank wouldn't even allow that.

Senator MURPHY. But that's apples to oranges because—

Secretary CHAO. Oh, no.

Senator MURPHY [continuing]. In that——

Secretary CHAO. How can you borrow another loan to make your equity payment?

Senator MURPHY. The reason the banks don't allow you to do that is because it is a sign of your ability to repay, whether or not you have the substantial money to make a cash down payment, but in this case, I don't think there's a question as to whether the states are going to repay the TIFIA loan.

You don't think the states aren't going to repay the TIFIA loan, right?

Secretary CHAO. Well, it depends on the economic forecast and whether the traffic is high enough and, indeed, if it turns out that there is enough traffic, then actually if you work out the economics of the Portal Bridge and even the Hudson Tunnel, there's quite a lot of traffic that actually would make the argument that that can actually be financed by the local and State government.

Senator MURPHY. Right. But you wouldn't make the TIFIA loan if you didn't think that the money was being paid back. In this case, you've made a commitment to make the TIFIA loan. So if you're questioning the underwriting of the loan, then you wouldn't have made the loan.

Secretary CHAO Its an added risk. It's an added layer of risk. Yes, hopefully when you make that loan, they will be able to repay it.

Senator MURPHY. Has a State ever defaulted on a TIFIA loan or a RIF loan?

Secretary CHAO. Well, that's why the private sector likes a lot of these infrastructure projects because the collateral doesn't go away.

Senator MURPHY. So you are requiring the States to come up with cash——

Secretary CHAO. I don't think it's——

Senator MURPHY. Of 50 percent——

Secretary CHAO. Or some other form that's not our own money. When we're giving them the money—and we're giving them 50 percent supposedly, let's say, and then they're asking for another 50 percent, which we are lending to them, so we're giving a hundred percent——

Senator MURPHY. Right.

Secretary CHAO. And there's no skin in the game for them.

Senator MURPHY. Right. But that's not true. They are paying back that money over time.

I guess the frustration is that in a very cash-strapped——

Secretary CHAO. They're paying both parts.

Senator MURPHY. In a very cash-strapped environment for states, at a time when you've taken away the ability of property tax and income taxpayers to deduct that from their Federal taxes, it seems that this is a win-win. The Federal Government has the ability to loan the money and have the money repaid whereas States don't have the ability because they all have balanced budget requirements to come up with the cash up front.

So given the fact that a TIFIA loan has never defaulted, that a state has never not repaid the Federal Government——

Secretary CHAO. I don't think that's true actually.

Senator MURPHY. Well, I don't. I'd be happy to see—

Secretary CHAO. Whether a State has ever defaulted.

Senator MURPHY. Right. It seems like it's a creative way to help make investments in the Corridor because absent this, I don't see the plan to be able to repair these very damaged sections of the Corridor.

Secretary CHAO. You can take a look at the two surrounding States to us. Virginia, again a very innovative, creative governor. The I–66 projects that we just saw here, it provided significant private sector funding, resulting in a ratio of 35 percent Federal funding, 65 percent non-Federal funding, and in the Purple Line here, that also received significant support from Maryland, resulting in a ratio of 75 percent Federal, 25 percent non-Federal.

So these deals can come together, but it's not with our own money.

Senator MURPHY. I hear you about concerns that the money will be repaid, but if that's the concern, then let's make sure that there are real pledged dollars behind the TIFIA loans, not just completely rule out the ability for this to be a source of matching funds.

So I've gone over my time. Thank you, Madam Chair.

Senator COLLINS. Senator Daines.

Senator DAINES. Thank you, Madam Chair.

It's good to see you again here today, Secretary Chao. I want to thank you for appearing before this subcommittee to testify on behalf of the President's fiscal year 2019 Budget Request.

I know you have a very busy schedule. I do hope sometime I can get you to come out to Montana where you can see firsthand how important rural transportation infrastructure is to our national and global connectivity.

My ancestors came out to Montana on the Empire Builder. Amtrak's Empire Builder currently serves 12 communities along Montana's High Line, which otherwise wouldn't have access to public transportation. Amtrak completed a study that showed that if we added a stop in Culbertson, Montana, it would actually generate a net positive financial impact of more than $775,000 for Amtrak and would not add any additional time to the schedule. It sounds like a pretty good proposal.

I've worked on this issue with the previous Administration and my staff remains in constant contact with the local community to help make this stop a reality.

What could you do to ensure that places like Culbertson, Montana, which are a long ways from anywhere, which would provide financial benefit and have a demand to sustain services, so they can grow their connectivity?

Secretary CHAO. I understand how important Amtrak is in so many of these rural communities. Unfortunately, Amtrak also loses about $500 million a year and so there's always that balance.

Amtrak is a separate organization. I'm sure you've talked to the new president, Richard Anderson.

Senator DAINES. And, by the way, he's doing a great job, Richard Anderson. I'm just proud of what he's doing there about volunteering and taking his expertise from Delta Airlines now to Amtrak.

Secretary CHAO. Yes.

Senator DAINES. So that's a real plus for our country.

Secretary CHAO. So he has, and he's leading the organization and reviewing its operations.

So on something as operational as a stop or a route change, it is really up to Amtrak to make those decisions. We will work with Amtrak and we certainly want to work with your state, given your special concerns about this particular point, on how we can increase access for your constituents.

Senator DAINES. Yeah. Thank you, Madam Secretary. We just were surprised and pleased to see that we actually showed a net financial benefit as well as no time lost. So we'll continue to work with you and with Richard, as well.

FEDERAL CONTRACT TOWER PROGRAM

Switching gears and now talk about air travel, my home airport is Bozeman, Montana. It's the busiest airport in the state and is part of the Federal Contract Tower Program. Their tower is not operational 24 hours a day and they handle more operations and more passengers than airports of similar size and yet they have one-third of the employees. In some instances, they've had to use their own funds to pay for additional staffing hours.

What steps can you take to ensure the airports, these Federal Contract Tower Program airports, airports like Bozeman, were able and are able to maintain adequate staffing to meet the safety needs of passengers flying into and out of my State?

Secretary CHAO. Well, first of all, I am a great proponent of contract towers. We think that they are necessary. They provide greater safety, and I have to confess I actually prepared an answer for your question, but I cannot remember it at this point. So let me get back to you on that.

We are very concerned and I think you will be pleased with our answer. We want to work with you.

[The information follows:]

The FAA monitors staffing at all 254 contract towers to ensure that adequate staffing levels are maintained. The FAA will consider a request for increased staffing and longer hours of operations when the traffic at the airport during the time the facility is closed averages more than four operations an hour over a representative 90-day period or special operational or user requirements warrant increasing the operating hours.

The Contract Tower Program operates under a reduced staffing concept, which has proven to be a safe, cost effective and efficient way to provide air traffic control service to smaller airports across the country.

Senator DAINES. We'll work with you on that because we are literally gateway Yellowstone National Park and so we have a tremendous amount of tourism travel in and out of that airport as well as Bozeman's the fastest-growing micropolitan area in the United States, which is 50,000 people or less.

So it's been my hometown since 1964. It's growing rapidly, and we just had a few little hiccups there and concerns about staffing certainly. We'll work with you on that, Madam Secretary.

I've also heard, speaking of other airports across my State, most notably Helena Kalispell, as well as Bozeman, they've had concerns about air traffic control towers not staffed during all regularly scheduled flights.

I can tell you in a place like Montana where ground operations, such as snow removal, and we've had a lot of it this winter, can take place while these towers are non-operational, and that does present possible safety hazards.

What are you doing in your organization to ensure that the air traffic system is adequately serving the safe operations of aircraft movements each day when there are processes in place to consider changes to hours of operation for air traffic control towers when needed?

Secretary CHAO. Finished?

Senator DAINES. Yeah.

Secretary CHAO. Well, as mentioned, I think contract towers are important. They fulfill a need, and many times when there's not the full-blown air traffic control that's available, the contract towers fulfill an important aid for rural America.

You're asking, I think, also about air traffic control overall.

Senator DAINES. Yeah. We've had some situations, and I agree with you. The contract program is something we ought to try to continue to make work.

Secretary CHAO. Of course, yeah.

Senator DAINES. I think there's been some success.

Secretary CHAO. And for us, we will always try to fund it fully.

Senator DAINES. Right. Yeah. We just had—and we'll work with your team. We've had some gaps in coverage. I've engaged with our airport manager, our board there. Somebody who uses that airport all the time, has many Montanans do, we've had some challenges there, and we'll continue to work with your team, Madam Secretary, her to address those issues.

Secretary CHAO. I'm very much aware of this. In fact, I have the question here.

Senator DAINES. Yeah.

Secretary CHAO. So I'm very much aware that this is a concern with you and I think we're going to be very cooperative.

Senator DAINES. Okay. All right. Looking forward to working with you.

Thank you.

Senator COLLINS. Senator Manchin.

Senator MANCHIN. Thank you, Madam Chairman, and thank you, Madam Secretary. It's good to be with you, and I know we both agree on the investment in infrastructure, how important it is, and it's not a political football. It's basically an American problem that we all have and we're working together on that.

But I know Senator Capito and I, we share the same concerns that we have in our State. Small rural States really have certain significant problems, a little bit different to urban areas, but we have projects, like King Coal Highway, Coal Field Expressway, Corridor H, Yaeger Airport, some of these things we've been working on for quite some time. You all have been very attentive and we appreciate that, but we've just now got to complete some of these projects.

Speaking on Amtrak, I know I've talked to you, I just spoke to Richard Anderson and I agree. He seemed to be very cooperative, very understanding, and very willing to work.

The Cardinal Line travels through Southern West Virginia between, as you know, Washington and Chicago. It travels through towns like Hinton, Charleston, and Huntington. Unfortunately, Amtrak recently announced with no prior notice to affected companies they will no longer operate charter services or special trains.

I understood—he gave me the reasoning concerning on some people with these very wealthy people with private cars. We don't have very wealthy people with private cars in West Virginia. We have Railroad Days Festival. The Hinton and Huntington Project, it's a tremendous revenue. It's been going on for 51 years. They don't know if they can continue now.

We have groups, like the Kiwanis, Lions Club, that are depending on these times that they operate, peak seasons of tourism, and

Richard told me that he would be very sympathetic to looking at a case-by-case.

I just want you all to understand in some of these situations, especially in rural America, rural West Virginia, this is a lifeblood to some of these people. We have the Collins P. Huntington Railroad Historical Society——

Secretary CHAO. Yes.

Senator MANCHIN [continuing]. Which is very dependent upon that, and it's just something that's very educational but it's very rewarding and it's also economic and vital for the area.

So I would like—I don't know if you all knew about the decision that was made.

Secretary CHAO. I don't know. I didn't know about it prior to being briefed for this hearing.

Senator MANCHIN. Sure.

Secretary CHAO. I think you are——

Senator MANCHIN. We're working with Richard.

Secretary CHAO [continuing]. Talking to Richard about this.

Senator MANCHIN. Yes.

Secretary CHAO. We will reinforce also.

Senator MANCHIN. We don't know what the waiver process is. So I know both of our staffs will be working through the waiver process, making sure that this was of high priority. We're not asking for accommodations just for one person or a special group.

Secretary CHAO. Right.

Senator MANCHIN. This is a period of time that they either make it or break it and it's been going on for 51 years. So it's not a Johnny-come-lately.

The other thing I wanted to talk to you about—so I hope your attention can be drawn towards that for the Amtrak, for especially the Huntington Hinton Railroad Festival Days.

Corridor H. Corridor H is a corridor that John Kennedy made happen and I'm taking you back a ways. We still haven't completed it, if you can believe that. We still have not completed it. We still have, I think, about 20 some miles left. It costs $330 million. I'm understanding that's the estimate to complete Corridor H in West Virginia. The State's willing to put up $90 million to do that, which is 26 percent of the cost.

I don't know with the new Infrastructure bill, we have not seen that, but, you know, we've got some priorities that really have to take care of but we can't even finish what's been going on for well over 50, almost 60 years now. It's just ridiculous. So I don't know how you can help us on that.

The Appalachian Regional Commission, we've worked with ARC, and we're hoping that we can use that to facilitate this, but the state's willing and they do have skin in the game. That's a substantial amount and they're willing to do that, but they were trying to get some type of a planning done here that we can get that accomplished.

Also, the criteria for the Federal grants, like TIGER and INFRA, to reward States for making this much investment, I'm willing to step to the plate.

The regional airport that we have, our main airport in West Virginia is our Charleston Airport, Yaeger Airport, and the expansion going on there. You all have been helping us there because—which is our overrun. You all have helped there, but this next extension, we cannot be able to service the traffic that we need coming into there for the hub of our capital city and also our State.

I don't know if you all have been made aware or up to speed on that, if your staff has been, and how you can accommodate us with that.

Secretary CHAO. Well, you have a whole list of issues and so we want to work with you.

[The information follows:]

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

FHWA is committed to Appalachian communities and the completion of the Appalachian Development Highway System (ADHS). Since the enactment of the Transportation Equity Act for the 21st Century (TEA–21) in 1998, funding for ADHS has been provided from the Highway Trust Fund and apportioned to the 13 designated Appalachian States based on an estimate to complete 3,090 miles of ADHS. Currently, approximately 90 percent of the ADHS is open to traffic. Approximately $1 billion in unobligated ADHS funding remains available to these 13 States to complete the system. Additionally, States can use Surface Transportation Block Grant Program funds, and, in certain cases, National Highway Performance Program funds, for ADHS projects.

The Consolidated Appropriations Act, 2018 also appropriated $1.98 billion in formula funding to the States to be used for construction of highways, bridges, and tunnels, including designated routes of the Appalachian Development Highway System and local access roads.

In addition to funding, FHWA has been supporting States in coordination with the Appalachian Regional Commission by introducing tools, expertise, and financing to help explore and possibly implement innovative strategies to deliver costly and complex ADHS projects, such as Corridor H in West Virginia.

YEAGER AIRPORT

In fiscal year 2017, the FAA issued a $13.1 million AIP grant to improve the Runway Safety Area. In fiscal year 2018, the airport requested funds to complete the project. The FAA supports this project and understands the importance of completing the project providing an improved Runway Safety Area.

Also in fiscal year 2017, the FAA issued an AIP grant to update the airport's Master Plan. The FAA is working directly with the airport sponsor in this master planning effort to determine the current justified runway length, which could include a runway extension, as well as the long-range planning needs at the airport. Once a recommended alternative is selected, the next step is to begin the environmental review of the proposed action. The airport currently shows a funding request for the environmental review in fiscal year 2019.

The FAA recognizes the significance of Yeager Airport to the state of West Virginia and to the national system of airports. We will continue to work with the airport sponsor to support their planning and funding needs.

Senator MANCHIN. I'm sure that my dear friend and colleague will second that and probably has her own, but we both—this is one thing. The needs of our little State, rural States have so much. Shelley and I work very close together and our staffs work very close together because without some assistance and some help, rural America, as you said yourself, only percent is getting helped. 93 percent's going to the largest areas that have the wherewithals to help themselves a lot more.

We've got areas that we've got total no cell coverage, no broadband, and there's no way we're going to be able to develop unless we have this assistance and help from the Federal Government. So your attention to these matters and we'll give you everything we've got on this but we need your help.

Secretary CHAO. Thank you very much, Senator. Senator, we've always talked about your State and so that's why the President's proposal includes a 25 percent amount for rural America.

Senator MANCHIN. Rural America. Yeah. We know that.

Secretary CHAO. It's done differently than the rest of the funding for other areas.

Senator MANCHIN. I know there's a lot of new projects that people are bringing to you. They want to start this.

Secretary CHAO. Right.

Senator MANCHIN. We'd like to finish some that have been going on for so long. We never could get the assistance that we needed, and I think if we can work together on some of this and come to you with a concerted effort on how we could finish Corridor H, Amtrak keeping for 51 years a tradition, Kiwanis and the Lions Club go down, that's their main revenue, little things like that.

I know what you're trying to do. He says—he was very—Richard says "I got to run a railroad." I say "Shelley and I have to keep a state running, too. We have to keep it open, and these little towns are depending on this."

Thank you.

Secretary CHAO. Well, the President—as you know, the President's proposal again understands these concerns about rural America and so that is why again 25 percent of the program will be devoted to rural America and their concerns.

STATE FUNDING FOR HIGHWAY INFRASTRUCTURE

Senator COLLINS. Senator Capito.

Senator CAPITO. Thank you, Madam Chair, and thank the Ranking Member, and I thank you, Madam Secretary, and I'm going to go off of what Senator Manchin said. We do have a lot of the same concerns in West Virginia obviously and I won't repeat those.

I will say in terms of Corridor H, in terms of West Virginia as a State's commitment, and I know you and I have talked about this, you know, we passed a road bond, our State did by 70 percent last October, I believe it was, that raised the gas tax and committed a lot of our own State funding to fixing our own infrastructure because people realize how deteriorated our transportation system has become.

That was a big step for a State that has economic challenges. So part of—with the rural set-aside and the infrastructure package, I've been trying to emphasize to the Administration that when we get this package done, that we can have a retroactive look to States that have already been aggressive with meeting their challenges and to help you as the Administration with that, when I hear a State who maybe has challenges like Maine or Rhode Island or Hawaii, you know, we all have our challenges and they say, but my State can't afford it, my response is, well, if West Virginia can pull this off and get it together like we did, then I think your States really need to look to step up. Some States, like ours, have already done that.

So I would encourage, as we look at projects, looking forward, something like a Corridor H project, which is already in the making and only has a very expensive small part left, it's coming from both of these ways, that we look at projects that are going to be completable, that already have committed dollars from the State or private sector, which is part of what, I think you're building into your infrastructure package, is that correct, with the private or matching dollars? I mean that's important, right?

Secretary CHAO. Yes.

Senator CAPITO. So the other thing on the broadband issue, and I know that's not exactly your issue, except when we're doing a lot of construction in our highways, we have the opportunity—I don't know if somebody's asked you about Dig Once, and I'd like to know your opinion of Dig Once, where you're digging for a highway, if you can lay the fiber at the same time.

What kind of challenges—I know it was included in the FCC re-authorization which was part of the Omnibus. I don't know if you have any reaction to the Dig Once proposition of really making our investments more efficient.

Secretary CHAO. It's only common sense. I think we all agree with it. It's how do we coordinate it amongst all these different agencies to make that happen, but we're totally in favor of it.

Senator CAPITO. Is there an effort at this point yet to do any kind of coordination from your department to say FCC or Commerce or USDA or other agencies that are involved with rural broadband? Is that something that's going to be a part of a conversation?

Secretary CHAO. Thank you for bringing that up. We probably should. We will start.

Senator CAPITO. I would encourage that. I know that Agriculture is. In the last Omnibus, we did secure more money for rural broadband in that bill and, as we're moving forward with the increase, the $12 billion increase in the Transportation bill, this would be a good time to really, you know, kind of jump on that.

The other question I had was on TIGER grants, but I know you've already been asked about it, but if you wouldn't—I know you had an increase in that program.

The President, I think, hadn't he zeroed that program out in his budget? Did he?

Secretary CHAO. In fiscal year 2019, he did, but, again, I'd just mention there is a disconnect. It's kind of confusing. We're dealing with three different budgets at this point, but obviously the fiscal year 2019 budget request—was submitted before the Omnibus.

Senator CAPITO. I see.

Secretary CHAO. And so the Omnibus stands and——

Senator CAPITO. Right.

Secretary CHAO [continuing]. We will see what happens next year.

Senator CAPITO. Obviously a commitment to TIGER grants in the——

Secretary CHAO. Obviously, yes.

Senator CAPITO. Yeah.

Secretary CHAO. The popularity of the TIGER grants is very well-made known to us very well.

Senator CAPITO. Yeah. Good. Also in the airport, Senator Manchin mentioned Yaeger Airport. I just want to thank you and the department and the FAA for working with our airport to rebuild our EMS system that collapsed on us unfortunately. We just had a ribbon-cutting from that, and I know you all worked hard to make sure that that works and so it's under progress with a local contractor. So we're very happy about that. That will help us with the viability of the airport and it's already stopped one plane and saved—it did stop one plane previously and saved, I think, 30 lives. So it's important when you've got an airport on the top of three mountains. It's important if you're not going to stop, somebody helps you stop. So thank you. Thank you for that.

You know, other than that, I don't have any other questions. Just thank you very much. Thanks for dedication to rural America. Appreciate it.

Secretary CHAO. Thank you.

Senator COLLINS. Senator Schatz.

Senator SCHATZ. Thank you, Madam Chairwoman. Secretary, thank you for your partnership for Hawaii transportation projects.

I want to talk first about the big picture, the Infrastructure Program that you've been advocating for, and I want to propose to you something and get your response and that's this that we actually don't need to invent new infrastructure programs, projects.

We have great programs within the Department of Transportation. We've got TIGER. We've got Capital Investment Grants. We have highway funding. We have aviation grants. All of those actually work, and you have the existing statutory staff process infrastructure in place. States work well with the Federal Government in these instances, and really what we need to do is just put more money into each pile.

I mean that is the traditional way to do an infrastructure program, and I'm afraid we're outsmarting ourselves by trying to configure something new when what we have is programs that work but are, generally speaking, underfunded when you match them up against the needs nationwide.

So I'd like your comment on the efficacy of just putting more money in each of the lines that you're in charge of.

Secretary CHAO. I wish I could—I understand what you're saying, and I was—the whole Department is really devoted to carrying out the will of the Congress, and I think the Omnibus is very clear as to what the priorities of the Congress are.

We want to get out the money as quickly as possible. Going back to when we first started in the Administration, I mean, there was just a lack of leadership. So I think that was a major reason why things didn't get out, but it's quite clear what the Congress wants and we hope to—we're working very hard to distribute the funds as instructed within the timeframe. But as I mentioned, the timeframe's really, really tight.

Senator SCHATZ. Sure. And just one final comment on this particular question. I think as you search for bipartisan support as it relates to infrastructure, I think traditionally infrastructure has been done on a bipartisan basis because of the cloture rules in the Senate and because until relatively recently, infrastructure was always a bipartisan priority until about 10 years ago, and so I again think we may be outsmarting ourselves and what we just need to do is get together, decide what the priorities are, and fund them rather than configure a new statutory infrastructure.

When the Department of Transportation—nobody's complaining about the way it works. They're complaining about the lack of funding.

DOT RULEMAKINGS

In the interest of time, I wanted to cover two other questions. The FAA reauthorization in 2016 directed the department to develop regs that would require air carriers to refund baggage fees for baggage delayed over 12 hours and allow for adjoining seats for families traveling with children under the age of 13. The rules were supposed to be finalized by July of 2017.

Can you give me an update on the status of those rules?

Secretary CHAO. I should be able to and so if you wouldn't mind, let me do that, because we actually have discussed it and we've been looking at current regulations and seeing how far they cover and seeing whether these requested new changes, what they would entail, what their implications are. We're working on it. We don't have a conclusion on that yet. If you could just let me go back and we will ask for the timeline.

[The information follows:]

In response to the 2016 FAA Authorization, DOT issued an Advance Notice of Proposed Rulemaking soliciting public comment and feedback on requiring airlines to refund fees for delayed bags on flights within, to and from the United States. We plan to issue the NPRM this year. Consumers may, of course, seek reimbursement for damages caused by delay in the delivery of their baggage by filing a claim with the airline. DOT already requires airlines to compensate passengers for reasonable expenses that result due to a delay in baggage delivery. In addition, the Department currently requires that airlines refund fees for lost bags.

Senator SCHATZ. Sure. And in previous appearances before the committee, you had committed to evaluating the practices of overbooking and report back on the findings and proposals to protect consumers from these practices.

What information do you have and what actions do you think are necessary either at the rulemaking level, at the procedural level, or at the lawmaking level to deal with overbooking?

Secretary CHAO. These are all part of an analysis about consumer complaints. We have, as you well know, an Aviation Consumer Complaint Bureau, and we're looking at all of these issues, especially because certain members, not only of this committee, have asked us as part of the Omnibus to take a look at all of this, as well.

Senator SCHATZ. Final question. I know you are working very hard on streamlining processes in terms of Federal permitting and I think a lot of us can get behind this, whatever our views are on various environmental or other regulations, but we have a Federal Permitting Improvement Steering Council and it lacks an executive director, and I'm wondering what the status is of appointing an executive director to make sure that's operational.

Secretary CHAO. We need to have someone there and so I don't have a good answer for you.

Senator SCHATZ. Okay. We'll look forward to the follow-up on my questions.

Thank you, Secretary.

Senator COLLINS. Senator Feinstein.

Senator FEINSTEIN. Thank you very much, Madam Chairman, and it's good to see you, Madam Secretary, and thank you for your help with the CalTrain Electrification. Everybody is very pleased with it, and I just wanted to directly say thank you very much.

I wanted to talk to you for a minute on CAFE standards. When I came to the Senate in 1992, CAFE standards were frozen. You couldn't set Corporate Average Fuel Efficiency standards and Slade Gorton and Dick Bryan and I sat on the Floor of the Senate trying to do a resolution. We failed.

I then teamed up with Olympia Snow and we produced a couple of bills which failed. Our third bill, however, was something called Ten-in-Ten Fuel Efficiency and that was from the year 2010 to 2020. The law would provide that corporate average fuel efficiency would increase by 10 miles per gallon.

We thought it was lost and Senators Stevens and Inouye, who were chair and Ranking of Commerce, put it in a bigger Commerce bill and, wala, it passed, and President Bush signed it and so the Ten-in-Ten Fuel Economy Bill is now the law of the land.

What has happened is that from 2010 to 2020, the standards are 10 miles per gallon of fuel efficiency during that period of time. In 2016, an extensive 2,000-page technical assessment reported that the standards already proposed for model years 2022 to 2025 are entirely feasible and that more technology is available than we originally expected.

Here's the question. I understand you are looking for ways to make compliance with the standards more flexible, but will you commit to maintain at least the same overall level of fuel savings originally laid out for 2022 to 2025?

Secretary CHAO. I don't know where the interagency process is on that. The President in March 13, 2017, announced that we would have the midpoint review. That was a process point which was neglected by the previous Administration.

So we are still in the process of evaluating all of that. We are actually in earnest, but difficult, discussions with California.

Senator FEINSTEIN. Yes, that was the next question.

Secretary CHAO. My staff has flown there several times in an effort to try to talk to them.

So I think at this point, we are talking and I think everyone's operating in good faith, but there will be differences of opinion.

Senator FEINSTEIN. Yeah. Well, we believe that if it moves ahead as originally legislated, the Corporate Average Fuel Efficiency standards will be over 50 miles by 2025.

Now the California question, as you mentioned, Madam Secretary, if I can be helpful with this, I'd like to, that when these fuel standards were first set in 2012, it was a result of an agreement between your department, the EPA, the automakers, and the California Air Resources Board.

If you diverge—this is my understanding. If you diverge from the California standards, we would no longer have a single national program for fuel economy and this would put automakers in a very difficult position. One out of every eight cars in America is bought in California.

So it's my understanding that there has not been much technical discussion between the Federal agencies and none involving the

California Air Resources Board. It would be very helpful if you would consult with the California Air Resources Board to make sure that any standard that gets changed meets the general consensus of the law that is in place now and I think the Administration and this is what we worked on this for so long, signed in 2007. So a long time has gone by, but what I remember was the genesis of this is the standards had to be cost efficient, they had to be technically available, it had to be set by the technical people in your department, and we would then have a set of standards that would continue on.

It's amazing to me that the automakers are objecting to this now because I'm told that the technology is there and I'm also told it's not that costly. So it seems to me.

Secretary CHAO. Well, we may have different cost estimates because this is an incredibly expensive regulation. It's something like $200 billion. I mean, it's huge. So I don't think it's going to be as expensive as we——

Senator FEINSTEIN. Well, this is true, but global warming is real and carbon infiltration into the atmosphere is a major cause and if we can reduce that, maybe we can save the planet. If we can't, I don't believe we will. I sincerely believe this, and as a matter of fact, well, I don't think we need to go into a debate on climate change.

But my point is this is the law, that it was set and signed in 2007 by President Bush. It was a bipartisan bill, and all of a sudden it's going to be knocked out because part of it is discretionary by intent with the Administration.

Secretary CHAO. Well, again, we're in the process of having this, you know, midpoint review, and so the agencies are involved in looking at all of this. We've been talking to California. Let's see what happens.

Senator FEINSTEIN. Okay. Right. Well, I'd like to work with you. I'd like to see that we effect something that's reasonable. My worry is that it goes like this and California pulls out and then it's very difficult.

Secretary CHAO. No, it doesn't make sense at all to have, you know, two different standards.

Senator FEINSTEIN. Exactly.

Secretary CHAO. It makes it very difficult for everyone. So we're cognizant of that and concerned about that.

Senator FEINSTEIN. Thank you. Thank you, Madam Chairman.

Senator COLLINS. Thank you.

Senator Reed, I know you have a brief announcement you'd like to make before I call on Senator Boozman.

Senator REED. Madam Secretary, thank you for your testimony today, and I have a few other questions that I will send to you because I have to meet with the chief of staff of the Secretary of the Army, but thank you, Madam, and I'll leave you in the capable hands of the chairman.

Thank you, Madam Chairman.

Senator COLLINS. Thank you.

Secretary CHAO. Thank you.

IMPAIRED DRIVING

Senator COLLINS. Senator Boozman.

Senator BOOZMAN. Thank you very much, and thank you, Madam Chair, Madam Secretary, for being with us today. We do appreciate your hard work.

A lot of our states now are legalizing marijuana either for recreational use, or for medicinal purposes. I think we'll see a lot more of that come November, this next election year.

As a result of that, we're seeing an uptick in drug-impaired driving, and I want to thank you and really applaud your team that's doing a good job on working on that, in particular Deputy Administrator Heidi King, for making that a priority.

Can you talk a little bit about in fiscal year 2019 some of the drug-driving initiatives that might be coming up or again your thoughts on additional research in that regard?

Secretary CHAO. Well, we're obviously very concerned about impaired driving and drug-induced influences. It's certainly not safe—not only for the driver but for surrounding drivers as well.

So with the National Highway Traffic Safety Administration (NHTSA) 2019 request, it does include $1.5 million for drug-impaired driving countermeasures and this funding will support training and education for law enforcement communities. The budget also—we do request also $1.2 million to support drug-impaired driving research.

NHTSA is working with law enforcement to provide training, as I mentioned, for recognizing drug impairment, and I say that again because apparently identifying drug use is a lot more difficult——

Senator BOOZMAN. Right.

Secretary CHAO [continuing]. Than identifying alcohol use. There's no breathalyzer that can be used.

I think working with law enforcement, looking into the research will be very important, and we also have—NHTSA will also provide—has also provided a drug-impaired driving campaign, kind of a toolkit for states, so that state officials will have something that's handy and ready, a campaign that they can use right away instead of inventing 50 different campaigns.

Senator BOOZMAN. Very good.

Secretary CHAO. But your concern about this is noted and it's an increase. It is an increasing phenomena that we all need to be very careful—very cognizant of.

Senator BOOZMAN. No, and we appreciate that. As you say, it's just a different impairment and we've seen some of that in the past, but I think we're going to see a lot more of it with these laws, and we're going to have to come up with the equivalent of a breathalyzer, something that's easy, something that's reproducible that our law enforcement folks can lean on. So we do appreciate your hard work in that area.

Secretary CHAO. And also, as I mentioned, we need to alert motorists themselves——

Senator BOOZMAN. Yes, that's exactly right.

Secretary CHAO [continuing]. That they need to understand the danger of driving under the influence of drugs.

Senator BOOZMAN. Right. People that drink alcohol know that there's a certain amount that they can have, but what is the limit with some of these other things. So I think you make a great point.

PERMITTING PROCESSES

The other thing I'd like for you to just talk about because it's music to my ears and you're doing a good job of it about, is that we talk about getting money in the form of grants and this and that and that's all great, but talk to me about being able to deliver infrastructure in a more timely way, cutting through some of the bureaucracy. That doesn't cost anything. In fact, that saves a tremendous amount of time and money.

Tell us a little bit about some of the things that you're doing in that regard, and I know that this is something that you're working very, very hard on and is much appreciated.

Secretary CHAO. We've already talked about the tremendous need for infrastructure, repair, refurbishment, rebuilding in this country. We've already talked about how hard it is to get the full funding.

I mean, there's not enough money for every single project in America and yet what adds to the cost of a project is the permitting process and if the permitting process is delayed that adds to the cost, the price of a particular project.

So we've been, as instructed by the President, taking a look at why does the permitting take so long and we find that there are commonsensical ways to streamline the permitting process. It doesn't compromise any of the things that we care about. We are not following the law in any sense, but there are so many permitting processes that could be streamlined through elimination of duplicative processes, having permitting processes occur concurrently rather than sequentially.

Senator BOOZMAN. Right.

Secretary CHAO. Right now, you know, every single survey or every single permit process occurs one after the other. That adds years to a project. When different agencies are doing the same thing, can they not just do it concurrently?

The third thing we found out is there's a lack of sharing of information and, in fact, a lot of information is prohibited from being shared by even sister agencies. So in the Department of Transportation, we will have different agencies conduct the same surveys.

Not only is it irritating to the regulated community but it's counterproductive once again because it lengthens the timeframe for a particular project, increasing the cost of a project, and this money could be better used elsewhere.

So we're looking at all of that and then, finally, yesterday, the President signed off on a Memorandum of Understanding between the 15–16 different Federal agencies to allow one agency to be the lead authority on a particular project and having one agency be in charge, one agency being responsible will hopefully help streamline the process and hold people's agencies' feet to the fire, as well. It's called One Federal Decision.

Senator BOOZMAN. Right, That's excellent, and like I say, we do appreciate your hard work and, you know, these are just common sense things. Those kind of things aren't glamorous, this and that, but they make such a big difference, and so we do appreciate your focusing your efforts there that ultimately is going to save a lot of time, a lot of delay, and lots of money.

Thank you, Madam Chair.

Secretary CHAO. Thank you.

AIR TRAFFIC CONTROL

Senator COLLINS. Madam Secretary, I mentioned in my opening statement that the Administration has given conflicting signals on the issue of the air traffic control privatization. It is in the budget request but the President, it is my understanding, has now backed away from that position.

Could you clarify exactly where the Administration stands on this issue?

Secretary CHAO. The Administration made a full faith effort to try to improve the air traffic control system. All of us as passengers have experienced delays, hopefully not too long delays, but all of us have experienced delays.

The current air traffic control system is still radar-based and while we have the safest system in the world, we can do better with a more GPS-based system and so that is why it was proposed that the air traffic control system be allowed to be liberated from the Federal Government in its own nonprofit co-op governance structure and this was just going to be a change in the governance structure, that we take the FAA air traffic control out of FAA and allow the Aviation Trust Fund monies to be used 100 percent for air traffic control improvements rather than have half of the Aviation Trust Fund be used for deficit reduction.

Unfortunately, this proposal was not met with enough votes and so, once again, you know, the Congress has not indicated its approval, support for this proposal. We hope that in the future, this proposal will be considered again because we believe that something needs to be done to improve the air traffic control system.

I'm very grateful to the hard-working men and women air traffic controllers and people who work in the air traffic system on keeping our nation's air space safe but something needs to be done.

I might add we just registered the one millionth drone on February 10th of this year.

So the national air space will have to deal with integrating safely the phenomenon of drones and so there are lot of challenges facing our air traffic and national air space system and, again, letting the air traffic control system be liberated from the procurement rules and just the government restrictions and allowing it to be able to procure up-to-date equipment through its own separate, independent, nonprofit co-op structure, we thought, would be the best solution, but, again, we were not successful in persuading the rest of Congress.

Senator COLLINS. Well, I appreciate very much the recognition that this is not an idea that has widespread or even bipartisan support in the Congress and I would point out that we are making substantial investments in the NextGen System which should help address some of the issues that you've raised.

I share your concern and, indeed, it was our bill that required the registration of drones and I've talked with pilots. We've had a hearing, an oversight hearing on how we can integrate drones into the air space of this country without endangering our commercial or private aircraft, and it is a challenge, as you've indicated, but I don't think privatization's the answer to that challenge.

I want to bring up another issue that I hear about a lot in Maine and that is the shortage of truck drivers.

Secretary CHAO. Yeah.

Senator COLLINS. The current shortage of truck drivers in our country is expected to grow from 48,000 to a 175,000 by the year 2024 and without a growing workforce, trucking companies will be unable to expand their fleets, which will lead to delays in moving freight and cargo and directly affect our economy.

It's particularly challenging to recruit drivers older than 21 who've already been out of high school for 3 years and may have already chosen a different career path. As a result, Congress authorized a pilot program as part of the FAST Act that allowed individuals between the ages of 18 and 21 to operate commercial motor vehicles if they'd received training during their military service.

Could you give us an update on the status of that pilot program?

Secretary CHAO. We think that's a great idea. Certainly the shortage of truck drivers is a real concern. Trucks enable commerce to occur throughout our country.

So we're taking a look at that. That came to us and we hope to be wrapping that up pretty shortly.

INFRASTRUCTURE INVESTMENT

Senator COLLINS. Great. And, finally, I want to end with talking a little bit about the Administration's investment in infrastructure and yet it's cut in the Highway and Transit Formula Programs.

As you know, the American Society of Civil Engineers each year puts out a report card and tallies up the backlog in repairs and refurbishment and deferred maintenance that is needed across our country.

The group has given the country an overall grade of D+ for the condition of our infrastructure. In Maine, the Mainers are spending an extra $385 per year on average on vehicle maintenance because of the poor conditions of our State's roads.

As you can imagine, in a northern state, you have a lot more repair and refurbishment that is necessary and, indeed, the Society of Civil Engineers rated 40 percent of my State's roads as being in fair or unacceptable conditions.

So that is why I very much welcome the Administration's focus on infrastructure. I think that's a focus that has been long overdue in this country, but when I start adding up the money, I'm concerned that if there's $200 billion over 10 years for the Administration's Infrastructure Initiative, which appropriately includes not just roads and bridges but rural broadband and other investments that we need, and then I look at the Administration's budget reflecting a $122 billion reduction in the 10 years for critical Highway and Transit Formula Programs, I'm really wondering are we going to come out much ahead.

Could you comment on that?

Secretary CHAO. The $122 billion cut is really not very accurate. We're basically talking about other parts of the Executive Branch.

So it's not just Transportation, number 1. Number 2, I think we all agree that infrastructure is important. Certainly on the part of the Administration, this package has got to be finished on a bipartisan basis.

I think the point of departure is how the private sector can help build or help to invest and build our infrastructure and there seems to be tremendous distrust of the private sector participating in the building or the rebuilding of our infrastructure and that's part of where our efforts need to be expended more because when we talk about a $1.5 trillion infrastructure project proposal package, of which $200 billion will be in direct Federal funding, through experience, we know that that can be leveraged to $1.5 trillion and yet there seems to be a lack of understanding and distrust that indeed the gap can be filled that way.

We are regularly approached by and in discussion with many private sector entities, in large part private-sector pensions, who like to make relatively conservative long-term investments, and they can really help in the rebuilding of our country's infrastructure, but in many states, they are forbidden or disallowed from participating in financing of public infrastructure.

So at the very minimum, we need to do away with those barriers and then also acknowledge that these private sector, you know, entities can help. So I think we probably need to do some more education because there seems to be, again this lack of understanding, and also trust that the private sector would, you know, not be rapacious when they participate in the financings of public infrastructure.

Senator COLLINS. I think the concern that many of us have who represent lower-income large rural states is from our discussions with the private sector and we would love to have private sector investment in our infrastructure, but what we've found is they're not interested in projects that are under a $100 million, that that seems to be the threshold, and we don't have very many projects that are above a $100 million.

There's talk of doing a new port in Maine that would be far in excess of a $100 million and we're hoping the private sector might be enticed to invest in that, but everything else is going to be under a $100 million.

The second problem that a rural state has is generating the revenues to repay the investment by the private sector because often in a more urban area where there's heavy traffic on a road or bridge that the private sector has invested in, the method of repayment is a toll and in a rural State, you just don't have the volume to produce the tolls that are necessary to repay the loans from the private sector.

So in my state at least, it's not a distrust of the private sector or not wanting them to come in. We would welcome that. We just can't figure out from the conversations that our Department of Transportation has had with investment banks and private equity firms and other potential investors how we would make it work because our projects just aren't that big.

Secretary CHAO. I actually agree with you. Rural America is different and perhaps we just need to say it again and again and repeat because this proposal does not say that public-private partnerships would be the only model but that, indeed, for rural America, because of the lack of density of population centers, that it would be administered differently and 25 percent of the proposal would be devoted to rural America on a formula basis.

Senator COLLINS. And I am pleased to see that rural set-aside, I think is absolutely critical.

Madam Secretary, I'm sure there are going to be additional questions for the record, but you've spent a good amount of time with us this afternoon, which we appreciate.

As you can see by the number of Senators who have stopped by to ask questions, there's great interest in your department and in the transportation needs of our country.

ADDITIONAL COMMITTEE QUESTIONS

The hearing record will remain open until next Friday, April 20th, for the submission of additional questions which we will pass on to your staff and we know there were some questions that you're going to get back to us for the record on.

I want to thank you for spending your time with us today. We will look forward to working very closely with you as we formulate the appropriations bill.

I'm very proud of the fact that since I've been chairman at least and before that, that this subcommittee has always produced a bipartisan appropriations bill and it's often been a unanimous one, and I hope we can keep that up because infrastructure should not be a partisan issue.

I want to thank the staff for their hard work, both my staff and Senator Reed's staff.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTION SUBMITTED BY SENATOR JOHN BOOZMAN

CONTRACT TOWER PROGRAM

Question. The contract tower program is one of FAA's most successful government/industry partnerships and, as you well know, has very strong bi-partisan, bi-cameral support in Congress. As validated numerous times by the DOT IG's office, the program continues to provide high quality, cost-effective, and critical air traffic control services to over 250 smaller airports throughout our nation's air transportation system including five in Arkansas.

Given the critical importance of contract towers to rural America and smaller airports, what steps is the Department and FAA taking to work collaboratively with the industry to ensure its continued success?

Answer. The FAA continues to support the FAA Contract Tower Program, a cost effective and efficient way to provide air traffic control services to smaller airports across the country. The FAA collaborates with both internal and external stakeholders on contract tower issues, such as Federal contract tower operating agreements, the minimum equipment list, and the New Start Order. This allows the FAA to pull together as much information as possible by allowing stakeholders to contribute their views and experiences in addressing issues that affect the Contract Tower Program.

QUESTIONS SUBMITTED BY SENATOR STEVE DAINES

CULBERTSON, MT AMTRAK STOP

Question. Secretary Chao, it is good to see you again and I want to thank you for appearing before this subcommittee to testify on the presidents fiscal year 2019 budget request.

I know that you have a busy schedule but I hope that you could soon commit to visiting Montana to see firsthand how important rural transportation infrastructure is to national connectivity.

Amtrak's Empire Builder currently serves 12 communities along Montana's Hi-Line, which otherwise wouldn't have access to public transportation. Amtrak completed a study that shows adding a stop in Culbertson, MT would generate a net positive financial impact of more than $775,000 for Amtrak and would not add any additional time to the schedule. I have worked on this issue with the previous administration and my staff remains in constant contact with the local community to help make this stop a reality.

What can you do to ensure that places like Culbertson, which would provide financial benefit and have the demand to sustain services, can grow their connectivity?

Answer. The Administration has made investment in rural America a top priority. The fiscal year 18 Omnibus directs Amtrak to work with local officials and address the prospect of adding new stops, such as that in Culbertson, Montana, along the Empire Builder line. The Department, through the Federal Railroad Administration (FRA), will continue to oversee Amtrak's operations and the viability of adding stops along Amtrak's Empire Builder line.

While Amtrak has decisionmaking responsibility on which markets to serve, interested stakeholders and project sponsors may submit applications to FRA's financial assistance programs, such as the Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program and Restoration and Enhancement Grant Program.

CONTRACT TOWER PROGRAM

Question. My hometown airport in Bozeman, which is the busiest airport in the state, is part of the Federal Contract Tower Program. Their tower is not operational 24 hours a day and they handle more operations and more passengers than airports of similar size with 1/3 of the employees. In some instances they have had to use their own funds to pay for additional staffing hours.

What steps can you take to ensure that airports like Bozeman are able to maintain adequate staffing to meet the safety needs of passengers flying into and out of my state?

Answer. The FAA monitors staffing at all 254 contract towers to ensure that adequate staffing levels are maintained. When a request for staffing adjustment is received, the FAA processes the request in accordance with applicable FAA directives. The Contract Tower Program operates under a reduced staffing concept, which has proven to be a safe, cost effective and efficient way to provide air traffic control service to smaller airports across the country.

Question. I have heard from airports across my state, most notably Helena and Bozeman, about concerns that air traffic control towers are not staffed during all regularly scheduled flights. In Montana, where ground operations such as snow removal can take place while the towers are non-operational, this can present a safety hazard.

What are you doing to ensure that the air traffic system is adequately serving the safe operations of aircraft movements each day, and are there processes in place to consider changes to hours of operations for air traffic control towers when needed?

Answer. The FAA monitors staffing at all 254 contract towers to ensure that adequate staffing levels are maintained. The FAA will consider a request for increased staffing and longer hours of operations when the traffic at the airport during the time the facility is closed averages more than four operations an hour over a representative 90-day period or special operational or user requirements warrant increasing the operating hours.

The Contract Tower Program operates under a reduced staffing concept, which has proven to be a safe, cost effective and efficient way to provide air traffic control service to smaller airports across the country.

ELECTRONIC LOGGING DEVICES

Question. In February, I visited 26 counties in Montana over a six-day period and at nearly every stop I heard stories about how the Electronic Logging Device (ELD) rule, particularly for agriculture, is burdensome and unworkable in its present form. While I appreciate the extensions granted thus far by FMCSA, there are still many issues unique to agriculture that have not been resolved, such as clarifying points of origin regulations and trips with multiple pickups, among others. Given these uncertainties and concerns, the omnibus included a delay for the agricultural industry through September.

Can you commit to continuing to work with me to find a workable solution to this issue that addresses the unique challenges faced by livestock haulers while maintaining safety on our roads?

Answer. Yes. FMCSA published a guidance document specific to agricultural commodity haulers which clarified the Hours of Service exemption available under the 150 air-mile regulation. This included, points of origin, loaded and unloaded trips and other concerns.

The relief granted under this new guidance provides increased relief to the industry in Hours of Service. Within the 150 air-mile exception there are no Hours of Service requirements. In addition, the FMCSA is conducting extensive outreach to the agricultural communities to ensure that they have the information they need. I look forward to working with you to continue our efforts to address the unique needs of the industry.

AMERICAN TRANSPORTATION INNOVATION

Question. I recently returned from a codel in China where I was able to see first-hand the strides China is making in infrastructure investment and innovation. In the past you have noted that one of America's greatest competitive advantages is in innovation and technology.

What steps are you taking to foster American innovation in regards to transportation and how can we, as a legislative body, help you make certain America remains the global leader in this arena?

Answer. As part of the President's Plan, the Transformative Projects Program is a $20 billion competitive program that will provide Federal funding and technical assistance to private firms and nonprofit organizations that use transformative technologies and techniques to improve or reduce the costs of transportation services. This program will fill innovation gaps, and yield technologies that may solve our critical issues surrounding safety, congestion, and efficiency.

The Department is also looking at barriers to innovation across every mode. Here are three major initiatives we have launched:

—Autonomous Vehicles: On September 12, 2017, DOT published new guidance for the safe testing and integration of autonomous vehicles: AV 2.0: A Vision for Safety. It reflects input from stakeholders. Technology is changing so fast that AV 3.0 is already in the works. It will be released this summer.

—UAS: On October 25, 2017, DOT announced a new Unmanned Aircraft System (UAS) Pilot Program to allow interested communities to safely test and deploy drones over people, beyond the line of sight and in other circumstances currently prohibited by regulation. On May 9, 2018, DOT announced that it had selected 10 State, local and Tribal governments as participants in the new Unmanned Aircraft System (UAS) Pilot Program to allow interested communities to safely test and deploy drones over people, beyond the line of sight and in other circumstances currently prohibited by regulation.

—Request for Comment/Request for Information: The Department will be seeking public input from stakeholders across the transportation industry to identify how automation will disrupt not only automobiles, but, railroads, transit, motor carriers, and highways.

We look forward to working with Congress and its perspective on innovation and new evolving technologies.

RURAL TRANSPORTATION INFRASTRUCTURE FUNDING

Question. Transportation infrastructure is the backbone of our economy and I applaud the administration for recognizing the importance of modernizing our aging system. Real investment in established channels, such as the Highway Trust Fund, is needed because rural states like Montana simply do not have the capacity to rely on tolling or other revenue streams as a way of leveraging funding for its infrastructure needs.

How are you working to ensure that states like Montana are prioritized and have the long-term certainty they need to plan, invest in, and complete projects?

Answer. The Infrastructure Initiative includes a robust Federal funding program for infrastructure in both urban and rural areas. Additionally, it is the intent of the

Infrastructure Incentives Program to attract rural focused investors by rewarding rural multi-State projects and unlock further financial support through Rural Performance Grants for States that demonstrate performance in multiple outcome areas, including leveraging formula distributions with Federal credit programs.

The Administration's proposal specifically dedicates $50 billion (25 percent of overall amount) to enable rural America to address its many infrastructure challenges. Eighty percent of the funds will be provided to Governors via formula to fund their respective State's 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.

QUESTIONS SUBMITTED BY SENATOR JOHN HOEVEN

TRANSPORT OF LIVESTOCK

Question. First, I want to talk to you about an issue that is of significant importance to my state, the safe and efficient transport of livestock.

We have been working with the Federal Motor Carrier Safety Administration (FMCSA) to provide flexibility within the trucking Hours of Service regulations for truck drivers hauling livestock. Ranchers in my state, and throughout the country, have come to me with concerns that due to the unique nature of hauling livestock—which can include long hours during loading and unloading—potential animal safety concerns could arise should a driver not reach his destination within the 11 hours of driving, and 14-hour workday allowed under HOS requirements.

I have worked with the Federal Motor Carrier Safety Administration to provide an exemption for truckers hauling livestock within a 150 air mile radius of the origination of their trip. When a driver goes beyond this radius, then the hours of service begin to apply and the driver can drive an additional 11 hours during his 14 hours duty time, providing a significant extension to the workday.

I greatly appreciate your department's efforts thus far to provide flexibility for livestock haulers—including the recently announced 90-day waiver from the electronic logging device (ELD) rule. As well, I understand that the industry has asked that you provide them a permanent waiver from the ELD rule. Can you provide me with an update on the status of this waiver request?

Answer. The five-year ELD Exemption Request for livestock haulers is still under review. In the meantime, FMCSA continues to meet with the livestock industry and haulers to address their specific needs as well as conduct extensive outreach to the agricultural community.

Question. Can you outline what the Department is doing to respond to the livestock industry's concerns with the Hours of Service regulations, while maintaining the safe and efficient transport of livestock?

Answer. While the Department is still working with the livestock industry to address Hours of Service as a whole, FMCSA recently released an Agricultural Guidance Document. That document addressed the existing Hours of Service Exemption within the 150 air-mile radius for agricultural commodity haulers including, points of origin, loaded and unloaded trips, and other concerns. This will bring relief to industry. I look forward to working with you to continue our efforts to address the unique needs of the industry.

CONTRACT TOWER PROGRAM

Question. The contract tower program is one of FAA's most successful government/industry partnerships and, as you know, has very strong bi-partisan, bi-cameral support in Congress. As validated numerous times by the DOT Inspector General's office, the program continues to provide high quality, cost-effective and critical air traffic control services to over 250 smaller airports throughout our nation's air transportation system including in Minot, North Dakota.

Given the critical importance of contract towers to rural America and smaller airports, what steps is the Department and FAA taking to work collaboratively with the industry to ensure its continued success?

Answer. The FAA continues to support the FAA Contract Tower Program, a cost effective and efficient way to provide air traffic control services to smaller airports across the country. The FAA collaborates with both internal and external stakeholders on contract tower issues, such as Federal contract tower operating agreements, the minimum equipment list, and the New Start Order. This allows the FAA to pull together as much information as possible by allowing stakeholders to contribute their views and experiences in addressing issues that affect the Contract Tower Program.

MOVE AMERICA ACT

Question. We have spoken a number of times regarding the Move America Act, legislation that Senator Wyden and I have introduced that seeks to encourage private investment in infrastructure by expanding private activity bonds and creating a new infrastructure tax credit. As you know, Move America would expand each State's ability to issue tax-exempt Private Activity Bonds to help drive private infrastructure investment for roads, bridges, ports, railways, airports, wastewater and sewage facilities, and broadband infrastructure, to name a few.

Additionally, for those smaller states that are hesitant to issue more debt, or where revenue-generating projects—such as toll roads—are not feasible, tax credits would provide another tool to attract equity investors for qualifying non-revenue generating projects. As well, because Move America builds off the tax-exempt bonding structure of state Private Activity Bonds, each state is allocated bonding and tax-credit authority based on population, with a baseline, meaning that the bill empowers states, not the Federal government, with the flexibility to choose how and where to invest their money. The Joint Committee on Taxation has estimated that Move America would finance $226 billion worth of infrastructure projects, $1.5 billion of which would be available for a small state like mine, North Dakota.

What do you think is the most appropriate role for the private sector to play in addressing our nation's infrastructure needs?

Answer. Facilitating private participation in transportation projects and encouraging innovative financing mechanisms that help accelerate project delivery are key objectives of the Department. For example, since the TIFIA program's inception, it has attracted private co-investment in the form of debt or equity financing for over 20 large-scale infrastructure projects across the country.

Toward that end, the President's plan includes $20 billion to be made available for the expansion of existing credit programs and private activity bonds to address a broader range of infrastructure needs, giving State and local governments increased opportunity to sponsor or directly finance large-scale infrastructure projects under terms that are more advantageous than in the financial market. This will also serve to increase private participation where it makes sense.

Question. How do you see the private sector utilizing tools, such as Move America, to invest in our infrastructure?

Answer. Current law includes a limited list of exempt facilities eligible to be financed with tax-exempt bonds. Amending the law (26 U.S.C. 142) to allow broader categories of public-purpose infrastructure, including reconstruction projects, to take advantage of private activity bonds (PABs) would encourage more private investment in projects that benefit the public. Allowing privately financed infrastructure projects to benefit from similar tax-exempt financing as publicly financed infrastructure projects would increase infrastructure investment. The Administration proposes dedicating $20 billion to expand the capacity of existing Federal credit programs and broaden the use of PABs to create multipliers of the Federal investment. The President's plan will allocate $6 billion to broaden the use of private activity bonds which can generate $100 billion in transportation investment.

Question. The risk of delay in permitting can make investors reluctant to commit resources to infrastructure projects. What can we do to accelerate the permitting process to alleviate this concern?

Answer. There are numerous barriers to efficient project delivery. For example, the current environmental review and permitting process is complex and project sponsors can find it difficult to understand which requirements apply to their projects. A wide variety of agencies are responsible for environmental laws and regulations, meaning that project sponsors must potentially work with a number of Federal agencies to complete numerous environmental documents to advance a single project. How these environmental laws and regulations are applied can be inconsistent and unpredictable across agencies. In addition, projects are not always reviewed concurrently, but sequentially. This adds a tremendous amount of time in the review process that is frequently unnecessary.

DOT is addressing the challenges within our own Department. The Infrastructure Permitting Improvement Center (IPIC) is the central resource for streamlining delivery of all DOT projects. IPIC advances methods that facilitate efficient environmental review and approval of projects, encouraging innovative solutions to complex projects.

We coordinate with project delivery staff across all our modes, sharing best practices, and collaborate with the 16 Federal agencies that comprise the Federal Permitting Improvement Steering Council, established by FAST–41. We also manage and maintain the Federal Permitting Dashboard.

However, these efforts are within the Department and recent reforms alone are not enough to achieve the two-year timeframe under the President's Executive Order and Infrastructure Initiative. That is why the Administration is proposing additional changes to the project delivery process.

The President's plan proposes to reform the inefficient environmental review and permitting process, allowing critical projects 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.

Question. In what ways could we further incentivize private sector investment in infrastructure? What other roadblocks exist that prevent investors from investing? States and localities may be hesitant to enter into public-private partnerships due to the complexity of the arrangements. What can we do to empower states and localities with analytical tools and technical support needed to effectively utilize private financing tools?

Answer. As the recently formed Build America Bureau continues to mature, we will be expanding our technical assistance and direct support capacity to help develop more public-private partnerships (P3s), with an emphasis on broadening the portfolio of P3 projects to include more transit, station and port projects.

P3s can also benefit from expanded financing mechanisms for projects via both the TIFIA and RRIF credit programs. Facilitating private participation in transportation projects and encouraging innovative financing mechanisms that help accelerate project delivery are key objectives of both programs. For example, since the TIFIA program's inception, it has attracted private co-investment in the form of debt or equity financing for over 20 large-scale infrastructure projects across the country.

Toward that end, the President's plan includes $14 billion to be made available for the expansion of existing credit programs to address a broader range of infrastructure needs, giving State and local governments increased opportunity to sponsor or directly finance large-scale infrastructure projects under terms that are more advantageous than in the financial market. This will also serve to increase private participation where it makes sense.

This Administration firmly believes that infrastructure is a bipartisan issue and we look forward to working with Congress, not only on legislative text for the infrastructure bill, that addresses many forms of infrastructure beyond surface transportation, but also a long-term reauthorization proposal for surface transportation specifically, as appropriate.

Questions Submitted by Senator Jack Reed

automation in transportation

Question. Automation increasingly dominates the future of multiple modes of transportation. It is important that the Federal government understands the upheaval that could occur in the labor market as a result of mass automation of professions currently held by middle-class workers. The fiscal year 2018 Omnibus provides funding for you to conduct a study with the Department of Labor in order to better understand the consequences of automation for middle-class workers.

Are you committed to undertaking that study immediately and contacting the Department of Labor to begin coordination on that effort?

Answer. We will work with the Department of Labor to undertake the study.

Question. You have the funding available for this study, and it is critical that these discussions occur across agencies so that we can best prepare as a nation to train our workers for the future of the American economy. I am also interested to know if the Department of Transportation has any ideas for any other specific initiatives that Congress should consider. Do you think that we should establish a taskforce on automation in the transportation industry and its impact on our workforce?

Answer. Not at this time. The Department has initiated the process of identifying the gaps that need to be addressed through various AV focused Requests for Comments and Information (RFC/RFIs). The Department is seeking comments from our stakeholders and AV experts to understand the capabilities and limitations of AVs. This information will in turn inform the Department on setting priorities on how to address infrastructure needs to safely accommodate AVs in our Nation's infrastructure and potential impacts on our workforce.

CONSUMER FLIGHT PROTECTIONS

Question. When you appeared before this Subcommittee last year, we discussed your office's failure to implement regulations, which would require air carriers to refund baggage fees for baggage delayed over 12 hours and to allow for adjoining seats for families traveling with children under the age of 13. Both of these regulatory mandates were included in the FAA Reauthorization Act of 2016 and were required to be finalized by July 2017. This Subcommittee was concerned with your lack of progress and directed you to take immediate action to implement these consumer protections. These mandates were broadly-supported, bipartisan directives, which would prevent airlines from taking advantage of the traveling public and ensure parents' ability to sit with and care for their children inflight. Why have you still not taken any action to implement these important consumer protections?

Answer. In response to the 2016 FAA Authorization, DOT issued an Advance Notice of Proposed Rulemaking soliciting public comment and feedback on requiring airlines to refund fees for delayed bags on flights within, to and from the United States. We plan to issue the NPRM this year. Consumers may, of course, seek reimbursement for damages caused by delay in the delivery of their baggage by filing a claim with the airline. DOT already requires airlines to compensate passengers for reasonable expenses that result due to a delay in baggage delivery. In addition, the Department currently requires that airlines refund fees for lost bags.

Question. We also discussed the airlines' misuse of overbooking and its negative impact on consumers, which resulted in several high profile incidents during last spring. You committed to evaluate this practice and to report back to this Subcommittee on whether additional limitations should be placed on overbooking by commercial airlines. What information have you found, and what actions do you feel are necessary to better protect consumers?

Answer. We are sympathetic to the challenges families face when they are unable to sit together when flying. Airlines certainly should do everything they can to ensure the ability of a parent to sit with their children. The 2016 FAA Authorization required the Department to review U.S. airlines' family seating policies and decide whether it is appropriate to issue a policy.

We have completed our review of U.S. airlines' family seating policies. To make sitting together easier when flying, the Department has now included on its website practical tips that families may use before, during, and after air travel. The Department website also includes links to the web addresses to the family seating information for the large U.S. airlines. I believe that providing consumers clear and accurate information enables them to make better informed decisions when choosing among air transportation options.

CAFE STANDARDS

Question. The Environmental Protection Agency has announced its intention to reevaluate CAFE standards for cars and light-duty trucks in conjunction with National Highway Traffic Safety Administration (NHTSA). These industry standards were developed through rigorous research and analysis.

What benefits does the Administration anticipate from rolling back CAFE standards? Do you dispute the underlying research that justified our current CAFE standards?

Answer. Because NHTSA is statutorily-limited to setting standards 5 years at a time, NHTSA has not yet either proposed or adopted CAFE standards for model years (MYs) 2022–2025. As discussed extensively in the 2012 final rule (in which NHTSA set standards for MYs 2017–2021) and in the 2016 Draft Technical Assessment Report (TAR), NHTSA was always obligated by law to conduct a de novo rulemaking to establish standards for MYs 2022–2025. Any new rulemaking would consider a range of alternatives and would be based on the best and most up-to-date information and analysis available.

We are in the process of gathering that information and conducting that analysis now. We have welcomed the opportunity to work with EPA on crafting reasonable, appropriate, maximum feasible standards for future cars and trucks. Final decisions about the standards to be established for MYs 2022–2025 will be based on a transparent rulemaking process as contemplated in and required by the Administrative Procedures Act.

Question. Why has NHTSA decided not to adjust civil penalties for noncompliance with CAFE standards for inflation?

Answer. NHTSA is proposing to retain the civil penalty rate based on a determination that the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 does not apply to the CAFE penalty rate. NHTSA's analysis indicates that adjusting the rate would result in negative economic impact, and that the Energy Policy and Conservation Act of 1975 (EPCA) as amended by the Energy Independence and Security Act of 2007 (EISA) limits the agency's ability to increase the penalty rate. NHTSA will issue a final rule following its review of comments.

FAA/DOD ADS–B MOA

Question. Since 2008, the Department of Defense (DoD) has expressed security and operational concerns to the Federal Aviation Administration (FAA) regarding the installation of ADS–B technology. For 7 years, the FAA has acknowledged that it would address DoD's concerns, and yet the fundamental Memorandum of Agreement (MOA) to implement these risk reduction solutions has been delayed from June 2017 to February 2018 and still remains unresolved. What update can you provide on your efforts to address DoD's security concerns and move forward with the MOA?

Answer. The Memorandum of Agreement between the FAA and the Department of Defense (DoD) has been under development for several years. The original purpose of the agreement was to document the following responsibilities between the FAA and DoD:

—FAA would accommodate, to the greatest extent possible, DoD aircraft that are not equipped with Automatic Dependent Surveillance-Broadcast in addition to equipped aircraft that are not transmitting signals continuously in order to maintain operational security.

—DoD would comply with the FAA's regulation that requires equipage for Automatic Dependent Surveillance-Broadcast by January 1, 2020, to the greatest extent possible, both in equipage and performance requirements.

Initial coordination through the FAA and DoD service branches was completed in December 2017. In February 2018, the Office of the Secretary of Defense General Counsel inserted changes creating the following substantive issues:

—Expanding scope to include cybersecurity threat mitigation efforts underway in broader forums;

—Documenting of DoD's intention that certain aircraft will never equip due to perpetual risk to operations security; and

—Asserting that DoD has approval authority on the FAA's proposed plan for radar divestiture.

Subsequent meetings in March and April 2018 resolved the inserted changes.

The goal of accommodation for non-equipped DoD aircraft is to minimize or to eliminate operational impact to DoD's mission following January 1, 2020. Non-equipped DoD aircraft will be accommodated through continuity of surveillance service and associated updated procedures and training. DoD aircraft will have access to airspace that requires equipage for Automatic Dependent Surveillance-Broadcast as documented in national and local procedures that are consistent with ensuring safe operation of the national airspace. Modifications to air traffic control and aircrew procedures are in development to accommodate non-equipped aircraft by ensuring that such surveillance service is maintained without any impact to safety, while minimizing or eliminating any operational impact to these non-equipped DoD aircraft.

Additionally, there is rulemaking activity to remove the requirement that all equipped aircraft must transmit at all times. This rule provides an exception to these requirements, removing the transmission requirement for certain operations carried out in the interest of national security. The changes would provide relief to those government agencies that operate equipped aircraft but require the ability to terminate the transmission signal when conducting national security, sensitive, intelligence, and law enforcement missions that could be compromised by the requirement to transmit flight information over non-encrypted signals.

DOT SAFETY RULEMAKINGS

Question. While I understand that new Administrations may conduct reviews of pending regulatory actions, safety must remain the top priority at the Department of Transportation (DOT), and failure to fulfill Congressional directives is simply unacceptable.

In particular, this Subcommittee has directed DOT for successive years to issue a final rule requiring rail carriers to develop comprehensive oil spill response plans. This rule will ensure that emergency personnel are appropriately equipped and capable of responding to an energy product incident along rail routes in order to best protect life, property, and the surrounding environment. And yet no action has been taken to finalize this rule by DOT.

When can we expect the comprehensive oil spill response plan rule to be finalized so that communities adjacent to rail lines are appropriately prepared and protected?

Answer. The Department expects the final rule to be published by November 2018. PHMSA understands the importance of finalizing this rulemaking and has prioritized its completion.

Question. There are also a number of other safety rules being delayed by this Administration, ranging from heavy truck speed limiters to sleep apnea screenings for train engineers and truck and bus drivers, which were also all mandated by Congress.

For the record, can you please provide this Subcommittee with a detailed plan for implementation of each of these safety requirements?

Answer. The Department's rulemaking efforts are driven by the belief that there should be no more regulations than necessary, and those regulations should be straightforward, clear, and designed to minimize burdens, consistent with safety.

We note that neither of the two rules mentioned in this question, NHTSA and FMCSA's Joint Notice of Proposed Rulemaking on Heavy Vehicle Speed Limiters and FMSCA and FRA's Joint Advance Notice of Proposed Rulemaking on Sleep Apnea, are statutory mandates. NHTSA and FMCSA are still considering their next steps on speed limiters.

With regard to sleep apnea, although FMCSA and FRA withdrew the ANPRM on Sleep Apnea on August 8, 2017, we are continuing to actively address this issue. In particular, FRA's Safety Advisory 2016–03 (81 FR 87649, Dec. 5, 2016) continues to recommend steps that passenger and commuter railroads could take to appropriately address this issue. FRA is also drafting an NPRM that would require railroads to establish and implement a Fatigue Risk Management Program as part of their Risk Reduction Program, which is scheduled to be published in September 2018.

SEXUAL ASSAULT AND SEXUAL HARASSMENT AT MERCHANT MARINE ACADEMY

Question. As we discussed last year, the increasing rates of sexual assault and harassment across the service academies are a serious problem. I know that you are committed to improving conditions at the U.S. Merchant Marine Academy, but, yet again, the Maritime Administration is falling short of meeting the goals in its own corrective action plans. An IG review in 2016 found that 66 percent of previous action plans were achieved. And now, 2 years later, a 2018 IG review found that only 45 percent of the action plans' goals were achieved. I am concerned that this represents a reversal of progress, which will limit the effectiveness of sexual assault and sexual harassment prevention efforts on campus. What are you doing to ensure that these action plans are fully implemented?

Answer. The Department is committed to eliminating sexual assault and sexual harassment at the United States Merchant Marine Academy and creating a safe living and learning environment for our students. As is described below, overlapping action plan requirements could have caused the number of requirements the Department has met to be underestimated, but the Department, MARAD and the Academy are focused on closing any gaps in response to issues OIG has identified.

Over the course of 2016 and 2017, the Academy developed and implemented online interactive training modules on sexual assault and sexual harassment prevention, published a Sexual Assault Prevention and Response Framework, and established a culture change campaign. The Academy also expanded the Sexual Assault Prevention and Response Office from one person to a staff of four persons, and will shortly hire an attorney whose primary duty will be to serve as a special victim advisor. The Academy additionally trained four victim advocates from the faculty and staff. Finally, an independent consulting firm performed a culture audit in order to address the root causes of the inappropriate behaviors on campus and during Sea Year.

The Academy also made a concerted effort to address the issues of sexual assault and harassment during Sea Year. Critically, the Department temporarily stood down Sea Year to fully assess the safety of our Midshipmen while at sea and subsequently restarted the program. During the pause, MARAD established a Shipboard Climate Compliance Team to develop and implement a company-by-company review process to determine if those companies had strong response and prevention policies in place prior to permitting them to carry Midshipmen aboard their vessels. The Ship Operations Cooperative Program (SOCP) published standardized computer-based training for all seafarers, which the Academy has incorporated into its Sea

Year training, improving Midshipmen preparedness for sea. The SOCP also issued a best practices guide for ship masters.

The Academy successfully tested communications devices which will be issued to all Midshipmen going to sea by the end of 2018 as required by the National Defense Authorization Act. Academy staff now conducts random ship visits to assess the climate and to ensure the well-being of the Midshipmen. In addition, the Academy delivers reintegration workshops for Midshipmen returning from sea as a forum for them to share their experiences and report and seek assistance related to any shipboard incidents as necessary.

In 2017, in response to the climate survey, and after conferring with other Federal service academies, we began a deliberate effort to improve the Academy's culture. The Academy instituted new core values—Honor, Respect and Service. We encouraged a Midshipman-led culture campaign called "Be KP (Kings Point)," with an emphasis on these core values. The "Be KP" campaign continues today.

Finally, it is important to highlight that a comparison of progress results between the 2016 and 2018 OIG reports is misleading. The first OIG review in 2016 found that 66 percent of items on that year's Action Plan alone were completed. The OIG reached the finding that 45 percent of action items were completed in its most recent report by combining action items from: (1) The 2016–2017 Action Plan; (2) the climate survey; (3) the 2017 Culture Change Action Plan; (4) the 2016 and 2017 Middle States Commission on Higher Education results; and, (5) the 2016 and 2017 Advisory Board results. If only looking at the items completed in the Action Plans, the OIG estimates that the 2015–2016 Action Plan is 66 percent completed, and the Academy estimates that it has completed 80 percent of the 2016–2017 Action Plan items.

In summary, the Academy has made important strides in establishing an effective program. The Academy received an increased number of official sexual assault reports in Academic Year 2017–2018 compared to previous years, demonstrating that students have increased trust in the system. The "Be KP" campaign shows that Midshipmen are owning the problem. In addition, we have seen student bystander actions, such as the removal of offensive material from class Facebook posts, which indicates that our Midshipmen are policing themselves.

Question. Do I have your personal commitment to see that position is filled immediately?

Answer. Yes. The Department strongly supports the hiring of an attorney to assist victims of sexual assault and sexual harassment. The recruitment announcement for this position closed on April 25, and we have a list of applicants whose qualifications we are currently reviewing. We will move forward with urgency through the selection process while ensuring that we choose the right candidate to fill this critical position.

HIGHWAY SIGNAGE

Question. Senator Whitehouse and I recently exchanged letters with the Federal Highway Administration over the efforts of the Rhode Island Department of Transportation and the Rhode Island Department of Health to secure permission to post brief messages about opioid addiction assistance on changeable highway signs. Current policy strictly limits the use of highway signs to traffic-related information, AMBER alerts, and homeland security warnings.

I understand FHWA's concern that broadening the kinds of information displayed on highway signs could create distractions that compromise safety. However, under current rules, many highway agencies are posting humorous messages that contain only passing references to traffic or safety-related information. With recent statistics showing that opioids cause more deaths than automobile accidents, it seems that providing a few lines of information about where to get help is an exception worth making.

Will you review the policy and report back on changes that might be made to allow for the limited messages that Rhode Island would like to post?

Answer. Combatting the opioid crisis is a top priority for this Administration. The President's initiative to address this crisis includes a nationwide evidence-based campaign to raise public awareness about the dangers of opioid abuse. The National Highway Traffic Safety Administration hosted a national summit in March to launch a new initiative to address the problem of drug-impaired driving, including best practices for educating the public. The initiative will include a series of regional summits, a new advertising campaign and focused efforts to improve drug-impaired driving data systems and criminal justice processes. Operating vehicles requires the complete attention of the operator, and limiting distractions—a growing cause of vehicle crashes and fatalities—is a primary focus for the Federal Highway Administration

FHWA is aware that some highway agencies are posting messages with unconventional syntax and other inappropriate message formats and wording, unrelated to safety. Doing so violates the fundamental principles of a traffic control device message as stated in the Manual on Uniform Traffic Control Devices (MUTCD). The agency is in the process of addressing these inappropriate uses of traffic control devices.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

CAPITAL INVESTMENT GRANTS

Question. Secretary Chao, I'd like to go back to CIG and the specific projects in Washington state we discussed earlier. The past two spending bills—Fiscal Year 2017 and fiscal year 2018—provide initial funding for the Lynnwood Link extension, with the fiscal year 2017 bill explicitly allocating $100 million to the project. I understand Sound Transit has submitted final materials to Federal Transit Administration (FTA) and that the final Full Funding Grant Agreement Readiness Review Report has been completed. FTA projects the Lynnwood Link extension project will meet all statutory requirements to receive a Full Funding Grant Agreement this summer.

Will you commit to FTA signing the Full Funding Grant Agreement for the Lynnwood Link extension as soon as the project meets the statutory requirements?

Answer. The project sponsor has remaining steps to complete before the Lynnwood Link project can be considered for a Full Funding Grant Agreement, including obtaining all funding commitments.

Question. Similarly, I understand the Tacoma Link extension is under final review by FTA. Will you commit to FTA signing the Single Year Grant Agreement for the Tacoma Link extension as soon as the project meets the statutory requirements?

Answer. As proposed projects become ready for a funding agreement commitment, FTA considers each project on its own merits and advances them through the process as appropriate. The Tacoma Link Extension was sent for Congressional review.

Question. Earlier you said the Department would follow the law and adhere to the will of Congress and Congressional direction. Do you agree that the fiscal year 2018 spending bill clearly demonstrates the will of Congress with regard to the CIG program?

Answer. The fiscal year 2018 Consolidated Appropriations Act provides a significant amount of additional funding for the CIG program, and includes a short deadline for the obligation of the majority of the funds. The Department is reviewing the projects in the program and their readiness for award of funds within the deadline established by Congress.

Question. Further, do you agree that this direction is to continue the program and for FTA and the Department to move projects through the process and sign new grant agreements?

Answer. The Department will continue to implement the Capital Investment Grants program in accordance with the law.

Question. Please outline how you will carry out the will of Congress and move projects through the CIG process and execute Full Funding Grant Agreements and Single Year Grant Agreements.

Answer. As proposed CIG projects become ready for a funding agreement commitment, FTA will consider each project on its own merits and will advance them through the process as appropriate.

Question. Further, the Subcommittee is aware that several projects have completed the necessary steps and meet all statutory requirements but FTA has not signed grant agreements. Are there any issues or problems we are not aware of that is preventing FTA and the Department from moving forward with grant agreements?

Answer. The Department is implementing the Capital Investment Grants program in accordance with the law. As proposed projects become ready for a funding agreement commitment, FTA considers each project on its own merits and advances them through the process as appropriate. FTA has signed six CIG construction grant awards since October 2017 as shown below:

—FL Fort Lauderdale, FL WAVE Streetcar
—MI Grand Rapids Laker Line Bus Rapid Transit
—FL Jacksonville East Corridor Bus Rapid Transit
—MO Kansas City Prospect Max Bus Rapid Transit

—WA Everett Swift II Bus Rapid Transit
—CA San Raphael SMART Commuter Rail

TIGER

Question. I also want to go back to TIGER. On TIGER, you said you would follow Congressional direction for the $1.5 billion Congress provided the Department in the fiscal year 2018 spending bill for TIGER. Several of us on this Subcommittee asked you these same questions last year regarding the $500 million Congress provided in the fiscal year 2017 spending bill for TIGER. And after reviewing the 41 projects the Department selected for TIGER awards in March 2018, it is clear that you are not following Congressional intent.

Congress provides direction on TIGER, key among them is to "invest in a variety of transportation modes." Despite a diverse set of eligible uses for TIGER, a disproportional number of the 2017 awards were highway or road projects—accounting for 24 out of 41 total awards. Only two public transit projects were awarded, representing a mere 3.62 percent of the total funding available. Not only does this not meet Congressional intent, the imbalance in transportation modes becomes more shocking when looking back on the past eight rounds of TIGER in which transit projects consistently received an average of 25 percent of funding.

Secretary Chao, Congress again provided you clear direction to "invest in a variety of transportation modes." Will you commit to awarded fiscal year 2018 TIGER grants in a more balanced fashion across all eligible transportation modes and better reflect the diverse needs of communities?

Answer. The Department submits each of the discretionary grant applications to a comprehensive and thorough evaluation according to the criteria set out by Congress and in DOT's Notice of Funding Opportunity. DOT wants to make sure that the projects which best address the criteria are prioritized for funding.

FAA/AVIATION PROGRAMS

Question. The Contract Tower Program is one of the Federal Aviation Administration's (FAA) most successful programs rooted in strong and effective partnerships between the Federal government and industry. The Department's Office of Inspector General has confirmed several times that the program provides high quality, cost-effective, and critical air traffic control services to over 250 airports throughout the nation, including seven in my home state of Washington. These airports provide critical safety and economic benefits to local communities.

What steps is the Department and FAA taking to work collaboratively with industry to ensure the continued success of the Contract Tower Program?

Answer. The FAA continues to support the FAA Contract Tower Program, a cost effective and efficient way to provide air traffic control services to smaller airports across the country. The FAA collaborates with both internal and external stakeholders on contract tower issues such as Federal contract tower operating agreements, the minimum equipment list, and the New Start Order. This allows the FAA to pull together as much information as possible by allowing stakeholders to contribute their views and experiences in addressing issues that affect the Contract Tower Program.

Question. Secretary Chao, I was surprised and disappointed to see the President's budget request includes deep cuts to the FAA's Environmental Sustainability programs. This funding supports the FAA's Continuous Lower Energy, Emissions, and Noise (CLEEN) Program and the FAA Center of Excellence for Alternative Jet Fuels and Environment, which have received strong bipartisan support over the years and represent public-private partnerships with industry, universities, community, and non-profit organizations. In fact, industry is a cost-share partner with the FAA on CLEEN through at least a 1-to-1 match.

While the Administration may see this as an "environmental" program, the real issue is our global competitiveness, supporting innovative technologies, and ensuring the next generation of aircraft meet standards on noise and energy issues. Investments in these programs have resulted in the United States maintaining our international competitiveness in the aerospace industry.

Without the support of the FAA through these environmental sustainability programs, how does the Department propose to maintain American competitiveness as international regulations continue to impact and drive aviation industry demands?

Answer. We recognize that international regulations continue to impact and drive aviation industry demands on several fronts, including environmental sustainability, and that U.S. leadership is essential if we are to maintain American competitiveness. The FAA has multiple avenues and programs aimed at addressing those demands. Our budget request for fiscal year 2019 reflects an interest in modernizing the FAA's research programs, while still providing support for the Continuous Lower Energy, Emissions and Noise Program and the Center of Excellence for Alternative Jet Fuels and Environment, among several research priorities.

Question. Seattle-Tacoma International Airport (Sea-Tac) in Washington state continues to be one of the fastest growing airports in the country. Last year, Sea-Tac served 47 million passengers which is up from just over 30 million passengers in 2010. While this growth provides significant benefits to the Puget Sound region and Washington state as a whole, it does not come without challenges. The airport, cities, and I have heard an increase in concerns from local residents about airplane noise. While Sea-Tac has an important role to play in engaging with the local communities on these concerns and others, the FAA sets flight paths into and out of airports and I believe the FAA needs do more to respond to communities and residents that raise aviation noise concerns.

Secretary Chao, the recently enacted spending bill provides $2 million to the FAA to dedicate full-time staff to community engagement and other activities to address aviation noise concerns. I understand the funding provided is intended to ensure one full-time staff position is dedicated to each FAA region in the Continental United States. Will you commit to ensuring each FAA region benefits from these additional resources, including the Northwest Mountain Region?

Answer. The FAA is developing a plan to best utilize the community engagement resources provided by the Committee so that the FAA can maximize our outreach to communities experiencing aircraft noise. The FAA will seek to provide the greatest impact while preserving the flexibility to adapt to evolving outreach needs. The FAA expects to take a coordinated approach to the additional personnel, leveraging resources within and across regions, including the Northwest Mountain Region, to engage with communities and implement the direction provided by the Committee.

Question. Can you provide a timeline for FAA fulfilling this requirement and providing this important resource to communities throughout the nation?

Answer. The FAA is committed to bringing all the staff positions on board by the end of the calendar year.

Question. Similarly, the recently enacted spending bill provides $5 million to the FAA to expand the remote tower pilot initiative with at least two additional airports. I have heard from several airports in Washington state who are interested in participating in this pilot program. Can you outline the FAA's plan for fulfilling this requirement?

Answer. The FAA has already initiated a plan for fulfilling this requirement. A portion of the funding provided in the spending bill will be allocated to continuing the ongoing Remote Tower Project at Leesburg Executive Airport (JYO). Funding will be used to complete the system approval process at that site, including all remaining evaluation activities. The remaining funds will be allocated to beginning evaluation activities of Remote Tower systems at two new sites. Additional funding will be required in fiscal year 2019 to complete the intent of the fiscal year 2018 appropriation at these two new sites.

Question. Does the FAA intend to issue a Notice of Funding Opportunity for interested airports?

Answer. The FAA does not intend to use a Notice of Funding Opportunity for airports interested in remote towers. Instead, in summer 2018, the FAA will release a Request for Information from airport/vendor pairs to establish public/private partnerships for consideration for the two new remote tower sites. The FAA has successfully used public/private partnerships in the past, and will use that model here. Using criteria established in the Request for Information, the FAA will select the top two airport/vendor pairs to enter into an agreement for work to be performed at each of the two additional sites.

QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

INFRA GRANTS

Question. Secretary Chao, DOT is currently reviewing applications for the Infrastructure to Rebuild America or "INFRA" grant program. The program, which was originally authorized by Congress as the "FASTLANE" grant program in the 2015 FAST Act, was rebranded by the Trump Administration with a larger emphasis on leveraging Federal funds with non-Federal funding. Is that fair way to characterize the change in INFRA grant criteria?

Answer. The Department changed the INFRA criteria in several ways to include the following aspects: greater leverage of Federal funds, streamlining the permitting process, enhancing performance and accountability, and placing a greater emphasis on achieving rural transportation outcomes.

Question. I mention DOT's new criteria for INFRA grants because there is likely no other project in the country that brings as much non-Federal funding to the table than the 75th Street Corridor Improvement Project in Chicago, which is part of the CREATE Program. Over 60 percent of the project will be paid for with non-Federal funds provided by the state of Illinois, local communities, and the freight railroads. In addition, a study by the University Illinois highlights that three-quarters of the CREATE Program's impacts on rail congestion would actually occur outside of the Midwest. Yes, this project would significantly reduce rail congestion in and around Chicago, but its benefits will also be felt around the country.

Can you clarify if a project's (1) amount of non-Federal funding and (2) regional and national significance are the most important factors DOT considers when choosing projects for INFRA grant awards?

Answer. The Department must satisfy all Congressional requirements and base awards on how well applicants address the primary and secondary selection criteria in the Notice of Funding Opportunity. Therefore, no one single criteria is more important than the others. The Department must satisfy numerous requirements when making awards.

Question. Given that the 75th Street project meets all of the INFRA program's goals, I urge you to give this critical project your full consideration as you finalize INFRA grant awards. When do you expect DOT to announce INFRA grant awards?

Answer. The Department announced 26 proposed INFRA awards on June 8, 2018. The Department will begin awarding these projects following the completion of the 60-day Congressional review period in early August. All applicants have been notified of the completion of the competition.

AMTRAK

Question. Secretary Chao, Amtrak's Chicago-Carbondale route continues to be one of the worst performing routes in the country due to freight interference. Last year, the route was only on time 32 percent of the time because Canadian National Railway continues to give preference to its freight trains over Amtrak trains despite the decades-old statutory requirement to prioritize passenger trains. Nationally, Amtrak's long distance trains were on time at stations only 45 percent of the time in 2017, a decline of 8 percent compared to 2016. Eight of Amtrak's 15 long distance trains run through Illinois.

What is the Trump Administration doing to improve Amtrak's on-time performance in Illinois and around the country?

Answer. Outside the Northeast Corridor, Amtrak trains largely operate on tracks owned and dispatched by freight railroads. According to AAR, US freight railroads saw a 3.4 percent increase in total traffic in 2017, increasing freight train interference—the most common source of delays for Amtrak trains—on many Amtrak corridors. Amtrak submits monthly reports on delays and on-time performance to FRA. Staff meet monthly with Amtrak and each host railroad to discuss the previous month's performance.

Regarding the Chicago-Carbondale, IL, route, Canadian National Railway (CN) has placed speed restrictions, minimum axle requirements and mandatory braking requirements on Amtrak's Illini/Saluki trains along this corridor as CN and Amtrak have identified some grade crossing activation issues. These requirements have increased the overall trip time, causing Amtrak trains to miss their schedule. CN and Amtrak are working together to identify an explanation for these activation issues, and FRA's Office of Safety has encouraged the parties to work aggressively toward determining the cause and ensuring a safe railroad.

This year, the Trump Administration nominated a new board chairwoman and two new board members to the Surface Transportation Board, the agency with jurisdiction to enforce Amtrak's preference.

Question. Why does the Trump Administration believe that cutting Amtrak funding will help improve service for the 31 million passengers that use Amtrak annually including thousands of Illinois students, seniors, and rural riders, who depend on this service the most?

Answer. The President's Budget proposes a significant restructuring to the Amtrak network. In fiscal year 2017, long-distance routes accounted for approximately $500 million in operating losses for Amtrak. This is because ridership is lower and costs higher than on urban routes—making the per-passenger costs much higher. To address these losses, the fiscal year 2019 President's Budget proposes a number of options, including calling for States to assume responsibility for half of the operating costs of Amtrak long distance trains through their jurisdictions.

This cost-sharing proposal would reduce the Federal subsidy that supports these routes and enable States to play a larger role in shaping the delivery of long distance train service. This proposal is one of several ideas in the President's Budget to rationalize the Amtrak system, improve efficiency, and reduce costs.

RESCISSIONS

Question. Secretary Chao, there are reports that the Trump Administration is preparing a "rescissions package" to send to Congress, which would ask Congress to rescind much of the non-defense funding that was included in the recently passed fiscal year 2018 omnibus appropriations bill. The funding levels in that bill were carefully negotiated on a bipartisan basis for months before they were passed by this Republican-controlled Congress and then signed by President Trump. It took Congress nearly 6 months into the fiscal year to finally get its act together and appropriate funding for the rest of fiscal year 2018. And now you are here today to discuss fiscal year 2019 funding. Secretary Chao, you know better than most about how difficult it is to pass anything in this Congress with the overwhelming bipartisan support that the fiscal year 2018 omnibus received.

Do you think it's a good idea to pursue a rescissions package that would cast aside months of bipartisan negotiations and reopen the fiscal year 2018 appropriations process?

Answer. The Administration has exercised its rescission authority under the Impoundment Control Act to see what can be done to control spending that may be unnecessary and wasteful. Rescission authority has been used many times by presidents of both parties.

Question. Will the rescissions package include specific cuts to DOT, and if so, what DOT programs can we expect to be included?

Answer. The rescission package proposed rescissions to certain surface transportation accounts. Details may be found at the following link:

—https://www.whitehouse.gov/wp-content/uploads/2018/05/POTUS-Rescission-Transmittal-Package-5.8.2018.pdf

TIGER

Question. The TIGER program has been a great success in Illinois and across the country. Despite the calls from the Trump Administration to eliminate the TIGER program, last month the Republican controlled Congress ignored the Administration's request for the second year in a row and instead increased funding for the TIGER program to $1.5B. That's the largest funding level that Congress has provided for TIGER since its inception. Let me repeat that. TIGER's largest funding level EVER was passed by a Republican controlled Congress and signed by a Republican president.

Given the obvious support of the Republican majority for what is an enormously popular program, why does this Administration continue to call for the elimination of the TIGER grant program?

Answer. We know how popular TIGER grants are with members of Congress; however, TIGER was neither authorized, designed, nor was historically large enough, to address the Nation's comprehensive infrastructure needs. For example, TIGER has not been used to spur additional State, local and private sector investment, address comprehensive program of projects, nor was it sufficiently focused on rural needs.

Through recent changes made by Congress to increase the required set aside for rural projects, increase the available funding for projects, combined with the Administrative changes to the merit selection criteria to address new forms of revenue, rural outcomes, and the submission of program of projects, the new program, Better Utilizing Investments to Leverage Development (BUILD), now more closely reflects bipartisan national infrastructure goals. Projects originally eligible for TIGER grants will have the opportunity to apply and compete for $1.5 billion of funding included in the current BUILD solicitation. Based on the Congressional and Administration's changes to the program, the justification for including funding for the BUILD program in the fiscal year 2020 President's Budget is greatly strengthened. Therefore, I can assure you that the Administration will give full and careful consideration on whether to include funding for the BUILD program in the upcoming fiscal year 2020 budget request.

Question. DOT recently announced half a billion dollars in TIGER awards to 41 projects in 43 states. If the TIGER program was eliminated as you have proposed, how would these important projects have been funded by this Administration?

Answer. Under the President's plan, 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 10 years for increased Federal spending, including funding for merit-based transportation infrastructure projects, and will provide an important capability for the Department to address our Nation's urgent transportation infrastructure needs at the State and local level.

Question. How does eliminating this program make it easier for state and local governments to carry out these projects and create jobs?

Answer. Under the President's plan Projects originally eligible for TIGER grants will have the opportunity to apply and compete for funding included in the Administration's Infrastructure Initiative.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

CAPITAL INVESTMENT GRANTS

Question. On a bipartisan basis, Congress has now twice rejected the Administration's attempt to terminate the Federal Transit Administration's capital investment grant program. For fiscal year 2018, we provided $2.645 billion, a 10 percent increase over the 2017 level, and a 22 percent increase over the 2016 level. We also wrote new time limits into the law, and specifically directed you to move projects through the program from initial application to construction.

Now that Congress has spoken, will you commit to faithfully implement the program, accept new projects, and move existing projects through the pipeline?

Answer. The Department will continue to implement the Capital Investment Grants program in accordance with the law. As proposed projects become ready for a funding agreement commitment, FTA will consider each project on its own merits and will advance them through the process as appropriate.

Question. In February, your Department unexpectedly delayed the advancement of two projects into engineering: the BART Core Capacity project and Phase 3 of Los Angeles' Westside Subway Purple Line Extension. What steps are you taking to move both of these projects along so that their construction will not be delayed?

Answer. The project sponsors' requests to enter the engineering phase are under review. The Department is conducting risk assessments of the capital cost estimates and schedules for both projects, which should be completed in the near future. We believe such reviews are prudent given the size and scope of both projects and the trend of significant capital cost increases on several other California Capital Investment Grant projects.

Question. Last year, Congress appropriated the first half of funding for two projects: the Orange County Streetcar and the Sacramento Streetcar. The omnibus this year provided the second year of funding for both.

When can we expect you to release the grant agreements for Orange County and Sacramento, now that they are both fully funded?

Answer. FTA considers each project in the CIG program on its own merits, including both the Santa Ana Streetcar in Orange County and the Sacramento Streetcar. FTA will advance the projects through the process as appropriate.

TIGER GRANTS

Question. For the first time this year, the Department instituted a policy limiting states to a single TIGER award.

California is home to 12 percent of the nation's population, hosts 14 percent of the nation's economy, and has historically won about 8 percent of TIGER funding. However, California was awarded less than 2 percent of the available funding this year under the Department's new policy.

I do not believe this was a reasonable interpretation of the program's legal requirement to "ensure an equitable geographic distribution of funds."

As you administer this year's TIGER program, which the recent Omnibus tripled in size, will you reconsider the one-grant-per-state policy?

Answer. The Department always strives to provide an equitable distribution of funds where possible. This determination will be based upon the number of applications received by each state, the technical ratings of the applications, and other competing statutory requirements.

Given Congress' fiscal year 18 appropriation of $1.5 billion in available grant funding, coupled with a statutory maximum of $25 million award per grant, the Department will provide multiple awards to some states.

Question. Prior to making TIGER grant awards, the Department's economists and subject matter experts reviewed each of more than 450 applications in order to make recommendations to the Secretary. These technical ratings are the way that projects receive a merit-based review.

It is my understanding that just over 100 applications were "highly recommended" as a result of this review, for a total of $1.5 billion in requested funding. Ultimately, you only had $500 million in funding to award.

How many awards did you make to projects that were less than "highly recommended"?

Answer. Of the 41 TIGER awards made during the last round of competition, 28 received a technical evaluation rating of Highly Recommended and 13 received a rating of Recommended. That rating reflects the application's alignment with the primary and secondary selection criteria identified in the Notice of Funding Opportunity; it does not reflect the Department's separate economic or readiness analyses.

Question. Would you be willing to release the technical ratings for each of the project applications and final awards so that Congress can ensure that taxpayer funding is going to good projects?

Answer. The Department, as a general practice, offers technical debriefs to all applicants that request a debrief where we provide the full details of all technical ratings to applicants. As part of the award process, the Department provides Congress with the justification and rationale for all awards three days in advance of announcement to ensure Congress is fully aware of the Department's award decisions.

NHTSA MISSION AND RULEMAKINGS

Question. The Administration's budget request for the Department of Transportation includes a $26 million reduction in funding for NHTSA's vehicle safety program. Included in this cut is a more than 50 percent reduction in funding for the agency's enforcement budget which supports NHTSA's efforts to identify safety recalls and ensure new vehicles, such as driverless cars, meet Federal safety standards. In addition, the agency's rulemaking budget will be cut by nearly $2 million.

NHTSA has a backlog of several mandated deadlines set by Congress in the 2012 Moving Ahead for Progress in the 21st Century (MAP–21) Act (Public Law 112–141) to issue regulations requiring rear seatbelt reminders, updating lower anchorages and tethers for children (LATCH) systems for child occupants and to improve occupant protection in motorcoaches. In addition, if autonomous vehicles are to be deployed at greater numbers, NHTSA will have a responsibility to establish safety standards for the new sensors and automated driving technologies.

At the same time, there were a record 927 safety recalls in 2016 affecting over 53 million vehicles. This eclipses the previous record set in 2015 when 869 recalls were issued for 51 million vehicles.

Given the increasing number of traffic-related deaths and injuries, record numbers of safety recalls, and a significant increase in responsibilities and oversight requirements as autonomous vehicles are deployed, please provide a detailed explanation regarding NHTSA's capacity to meet its mission and ensure public safety given the drastic cuts the Administration is proposing to NHTSA's budget. Additionally, what is the justification for cutting NHTSA's rulemaking budget by nearly $2 million at a time when the agency is woefully behind in issuing safety rulemakings that were directed by Congress in 2012 to enhance safety?

Answer. The National Highway Traffic Safety Administration's (NHTSA) mission is to save lives, prevent injuries, and reduce economic costs due to road traffic crashes, through education, research, safety standards, and enforcement activity. The fiscal year (FY) 2019 President's Budget requests $915 million to support NHTSA's full spectrum of vehicle and behavioral safety activities, including $152.43 million for Vehicle Safety, $152.10 million for Highway Safety Research and Development, and $610.21 million for Highway Traffic Safety Grants.

To address the role of human choices and errors in auto crashes, the fiscal year 2019 budget request will allow NHTSA to further influence driver behaviors to reduce injuries and fatalities on our roadways; continue its efforts in rulemaking, enforcement, and vehicle research; and develop and implement data-driven, workable, and self-sustaining highway safety programs. NHTSA's fiscal year 2019 budget request will continue to support the agency's safety programs and activities, while ensuring that the agency keeps pace with industry innovation in driver distraction, vehicle electronics, and highly Automated Driving Systems.

The fiscal year 2019 budget shows a reduction of about $1.7 million total for NHTSA's Office of Rulemaking. However, nearly all of the reduction is attributed to its New Car Assessment Program (NCAP). The key performance indicator for NCAP is the percentage of new vehicles rated by NCAP for a given model year vehicle fleet. Because of variations in the new vehicle fleet, funding levels can vary from year to year. The agency believes the requested funding levels would provide the appropriate funding to fulfill program deliverables for fiscal year 2019.

DRONES

Question. As ever increasing numbers of unmanned aircraft systems (drones) enter the airspace, our communities expect to maintain safety, privacy, and property rights. The Federal Aviation Administration is responsible for ensuring the safety of the airspace, but they share responsibility for safeguarding the people on the ground with state and local governments.

How does the Department plan to use the Drone Integration Pilot Program to work with state and local governments to maintain the safe operation of drones at low altitudes?

Answer. The objectives of this program are:

—To test and evaluate various models of State, local, and Tribal government involvement in the development and enforcement of Federal regulations for unmanned aircraft system operations;

—To encourage unmanned aircraft system owners and operators to develop and safely test new and innovative unmanned aircraft system concepts of operations; and

—To inform the development of future Federal guidelines and regulatory decisions on UAS operations nationwide.

This program also takes the collaboration occurring today to a new level by enabling local, State, or Tribal governments to determine what kind of activities will occur in their jurisdictions during the period of the pilot program, subject to FAA safety oversight.

The program incorporates community participation to provoke meaningful dialogue relative to drone operations. Partnerships can give local participants and Federal officials opportunities to strike the right balance between which integration issues should be handled at the national level and which issues could potentially fall to other jurisdictions. The FAA required community engagement as an element of the Integration Pilot Program proposals because it is critical to meaningful discussions about balancing local and national interests related to integrating unmanned aircraft.

Under the FAA agreements with State, local and Tribal governments, the program will also give a wider range of private operators and localities the chance to propose solutions to the most difficult integration challenges. We expect this program to provide valuable data and acquire knowledge to accelerate our efforts to enable the unmanned aircraft system industry, standardize low-altitude operations, and improve safety through broadly applicable procedures and rulemaking efforts.

Question. One of the most sensitive areas for the integration of drones is around airports. I was pleased to see the Federal Aviation Administration establish the Low Altitude Authorization and Notification Capability (LAANC) program.

What resources does DOT need in order to expand LAANC nationwide to ensure drone operations near airports are safe?

Answer. The Low Altitude Authorization and Notification Capability Program helps support the safe integration of drones into the nation's airspace. Drone operators using the system can receive near real-time airspace authorizations. This dramatically decreases the wait time associated with the manual authorization process, thus allowing operators to quickly plan their flights. The Low Altitude Authorization and Notification Capability Program uses airspace data provided through Temporary Flight Restrictions, notices to airmen, and unmanned aircraft system facility maps that show the maximum altitude ceiling around airports where the FAA may authorize operations under the FAA's Part 107 regulations.

On April 30, 2018, the FAA announced the nationwide expansion of the Low Altitude Authorization and Notification Capability Program. By the end of 2018, the FAA will deploy the system incrementally at nearly 300 air traffic facilities covering approximately 500 airports. The expansion follows successful evaluation of a prototype of the Low Altitude Authorization and Notification Capability System last November.

The FAA uses its existing resources to support the development and continual update of the required facility maps, FAA training resources, and educational outreach resources. Ongoing support of the underlying information technology system assists the FAA in the implementation and enhancement of the Low Altitude Authorization and Notification Capability System at all FAA facilities across the Nation.

AIRCRAFT NOISE

Question. The Federal Aviation Administration's "optimization of airspace and procedures" in Northern and Southern California have significantly changed the exposure of California communities to airplane noise. This has provoked vocal concerns about the adequacy of the FAA's noise assessments and the community outreach efforts conducted by the Administration.

As I have written in letters to the FAA, I believe the Department should do more to minimize noise impacts for these communities.

What further steps will the Department take to address the issues of airplane noise raised by communities in California that fall under the new and newly-concentrated flight paths?

Answer. The FAA is committed to continue engaging in efforts focused on the impact of concentrated flight paths and related noise concerns raised by communities. We are involved in several research efforts and are collaborating with industry, airports, and others to develop noise-mitigating operational procedures for current and future operating environments.

There are diverse stakeholders that have a particular interest in the operational changes associated with modernization, including the communities over which these aircraft fly and who could have concerns about changes. As we continue to work to ensure safety and efficiency within the national airspace, we are cognizant of impacts to communities and committed to transparent engagement with the communities most affected by airspace changes. Cooperation via community roundtables is an important tool. In our experience, the most effective roundtable recommendations reflect consensus among its membership, which includes considering issues and inputs from all potentially affected communities. Consensus recommendations tend to result in long-term, satisfactory solutions and often reflect the need to balance competing interests.

Question. How can the FAA do a better job ensuring that airplanes fly within 300 feet of the target elevation level at each waypoint on designated flight procedures, especially during late night and early morning hours?

Answer. Instrument flight procedures may have altitudes designed at waypoints for a variety of reasons, typically for optimizing the vertical profile or for ensuring separation from other traffic flows. Pilots are required to comply with published altitudes on arrival and departure procedures when the altitudes are assigned by air traffic control using a specific clearance. Air traffic control actively monitors for compliance with assigned altitudes, while allowing for up to a 299-foot variance in altitude due to the inaccuracies inherent in altitude information systems. However, the altitudes published on a procedure may not always be assigned by air traffic control. This is similar to any other clearance issued. In some situations, controllers may direct an aircraft to climb or descend off of the procedure to maintain a safe and efficient flow of traffic in a highly dynamic environment. The controller is then actively directing the aircraft for safe sequencing.

Question. In light of the unanticipated and negative public reaction to the noise impacts of the new airspace procedures, how does the FAA plan to re-evaluate the Day-Night Average Sound Level technique to ensure proper measurement of noise impact?

Answer. Public exposure to aircraft noise has significantly decreased during the last forty years due to improvements in aircraft and engine technology, new operational procedures, and land use compatibility planning. At the same time, the FAA has continued to take further steps to reduce exposure and better understand noise impacts and approaches to measure noise impact. The FAA has ongoing research on the impacts of aviation noise. While this work is still underway, it will help further quantify noise impacts. Finally, the FAA continues to improve the modeling methodologies for quantifying noise impacts and evaluating potential mitigation measures.

QUESTIONS SUBMITTED BY SENATOR CHRISTOPHER MURPHY

BUY AMERICA

Question. You talked about the President's Infrastructure Initiative in your testimony. I was confused when I first read the President's infrastructure plan because the President campaigned on his promise to make "Buy American" a priority, and then issued a very strong Buy American Executive order last April. But the infrastructure plan is actually very weak on Buy America policy. The "Legislative Outline for Rebuilding Infrastructure in America" which accompanied the plan contains no mention of applying Buy America policies to any of the new programs proposed in the plan. In fact, this infrastructure plan will likely weaken Buy America protections. Was this your intent?

Answer. No. All existing Buy America statutes remain in place.

Question. If it wasn't your intent, I would ask then that you clarify the meaning of "flexibility," which appears on pages 21–22 and 27 of the Legislative Outline when describing projects financed through multiple sources. Without clarifying language, it would seem that you are proposing that Buy America protections be ignored for the sake of expediency.

Is the type of flexibility you are looking for? The "flexibility" to ignore domestic sourcing requirements like Buy America?

Answer. The Infrastructure Initiative includes policy proposals that will expand flexibilities and broaden eligibilities in order to give the owner of the infrastructure asset more control over construction, financing, operations and maintenance.

Question. This is important because one of the overarching tenets of the entire infrastructure plan is to shift financing away from traditional Federal sources and towards public-private partnerships.

So if you are saying that Federal requirements like Buy America should be waived in the name of flexibility, and almost all projects will be financed through this mechanism, aren't you essentially eliminating Buy America from transportation projects?

Answer. The Department takes Buy America very seriously and judiciously reviews each waiver requested. DOT, in the last three fiscal years, issued 83 waivers, often for specialized materials and equipment that are not available from American sources.

AMTRAK

Question. If you were to look at the Northeast Regional train schedule from Washington to New Haven, you would notice a gaping hole in the afternoon schedule. For instance, if I wanted to go to New Haven after this hearing using a Northeast Regional train, I would likely miss the 3:55pm train. If I were to miss that train, I would have to wait until 10:10pm to catch the next Northeast Regional Train. That train would get in at 4:20am. Such a gap in the schedule undermines the power of rail to serve as a comfortable and convenient alternative to air travel. But it doesn't have this way.

Over 700,000 riders pass through New Haven, and its station is a top fifteen station on the line, and the New Haven station is an anchor to the Amtrak system nationally. Adding some trains from DC to New Haven to fill this gap would satisfy pent-up demand and meet a long-standing request of the city, and of south-central Connecticut residents, businesses, and universities. Can I ask for your commitment to work with Amtrak and other NEC partners to add enough trains from Washington to New Haven from approximately 4:00pm to 10:00pm so there is not gap in service during that period of two hours or more?

Answer. As the Department is not directly involved in these types of service decisions, DOT encourages the City to work closely with Amtrak, New York State DOT (NYSDOT), MTA (Metro-North), and Connecticut DOT, the railroad owners along this portion of the NEC whose contractual agreements govern the frequency of Amtrak service.

FRA's NEC FUTURE proposes infrastructure and service improvements along the NEC through 2040. In developing this proposal, FRA engaged closely with the States and railroads to identify service and station improvements, and the Selected Alternative would provide significant additional service to many Connecticut markets, including New Haven.

QUESTIONS SUBMITTED BY SENATOR JOE MANCHIN

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

Question. When Lyndon Johnson declared war on poverty in 1964, Appalachia was isolated from much of the country. One of the first things he created was the Appalachian Development Highway System, which aimed to create about 3000 miles of highways to bring commerce and countless opportunities to the region. About 90 percent of this system is finished, with only around 300 miles to go. In 2012, Congress reaffirmed this commitment with a "Sense of the Senate" that completion of the Appalachian Development Highway System was in the national interest. President Trump has committed to not leaving rural America behind. The Appalachia Development Highway System was created in that very spirit, aiming to open up rural America to the world.

Given the importance of this system to Congress and the country, what are you doing to ensure that this system is finished in our lifetime, and how can you work with states within the Appalachian Regional Commission to complete the last pieces of their highway systems?

Answer. FHWA is committed to Appalachian communities and the completion of the Appalachian Development Highway System (ADHS). Since the enactment of the Transportation Equity Act for the 21st Century (TEA–21) in 1998, funding for ADHS has been provided from the Highway Trust Fund and apportioned to the 13 designated Appalachian States based on an estimate to complete 3,090 miles of ADHS. Currently, approximately 90 percent of the ADHS is open to traffic. Approximately $1 billion in unobligated ADHS funding remains available to these 13 States to complete the system. Additionally, States can use Surface Transportation Block Grant Program funds, and, in certain cases, National Highway Performance Program funds, for ADHS projects.

The Consolidated Appropriations Act, 2018, also appropriated $1.98 billion in formula funding to the States to be used for construction of highways, bridges, and tunnels, including designated routes of the Appalachian Development highway System and local access roads.

In addition to funding, FHWA has been supporting States in coordination with the Appalachian Regional Commission by introducing tools, expertise, and financing to help explore and possibly implement innovative strategies to deliver costly and complex ADHS projects, such as Corridor H in West Virginia.

Question. One of the most critical unfinished sections of the Appalachian Development Highway System—Corridor H—is located in my state. West Virginia has made tremendous progress over the past several years to advance this highway on its own, including successfully passing a road bond, increasing DMV fees, and passing legislation on public-private partnerships. Thanks to these efforts, Corridor H is about 90 percent finished, and the state is willing to put up $90 million of its own funds to continue work.

Would you consider amending the criteria for major Federal grant programs like TIGER or INFRA to incentivize and reward states that are making major investments in their own infrastructure?

Answer. The Administration's infrastructure plan and the evaluation criteria for the Infrastructure Incentives Program provides for targeted Federal investments, encourages innovation, streamlines project delivery, and will help transform the way infrastructure is designed, built, and maintained. The Department will award grants using the six evaluation criteria laid out in the Infrastructure Principles, one of which is applicants' ability to secure and commit new sustainable investments using non-Federal revenue.

TIGER GRANTS

Question. TIGER Grants provide state and local governments with a great deal of flexibility to develop a number of innovative projects. These infrastructure improvements are essential to economic revitalization in rural communities. Unfortunately, in the last round of TIGER grants announced in 2018, in which 41 projects were awarded in 43 states, not a single one of those was located in Appalachia. This is troubling. While I don't support elimination of the program, I do think it should be more equitable, and was pleased to see that the fiscal year 18 omnibus set aside 30 percent of the TIGER grant funds for rural areas.

How do you plan to ensure that rural and underserved states, such as West Virginia, can benefit from these programs moving forward?

Answer. The President has called for a priority to be placed on correcting this disparity, and that is reflected in the recent TIGER awards, as well as in the President's infrastructure proposal. We will continue to emphasize investment in rural America.

AIRPORT IMPROVEMENT PROGRAM

Question. The recently passed omnibus included $3.35 billion for the Airport Improvement Program, including a $1 billion increase over current funding levels and explicit Congressional direction prioritizing small, rural airports.

How will you ensure that small and rural airports are prioritized in the upcoming grant cycle as directed by Congress, and what criteria are you considering when making these decisions and what information do you need from us to ensure we get a fair share of this funding?

Answer. The Department of Transportation is currently developing the selection process for the additional $1 billion in funding for airport grants. As required by the fiscal year 2018 omnibus appropriations legislation, the projects must meet the requirements under the FAA's authorizing law. The omnibus also specifies that priority consideration shall be given to airports that are either (a) nonprimary airports that are classified as Regional, Local, or Basic airports and not located within a Metropolitan or Micropolitan Statistical Area as defined by the Office of Management and Budget, or (b) primary airports that are classified as Small or Nonhub airports.

DOT recognizes that Congress' intent is to focus these funds primarily on smaller airports in more rural locations. The FAA has already applied the criteria to eligible airports in the National Plan of Integrated Airport Systems and identified the pool of candidate airports that could receive priority consideration. Once the project selection guidance is finalized, airports eligible for priority consideration will be invited to submit grant applications for consideration.

ESSENTIAL AIR SERVICE

Question. Rural communities depend on the Essential Air Service program to maintain connections with major airports and metropolitan areas. All travelers—leisure, tourism, and business—depend on this accessibility. While I commend the President for funding this critical program in this year's budget request, I am apprehensive about the administration's proposal to reform the EAS program by adjusting EAS eligibility based on driving distance to nearby airports.

Can you provide assurance that rural communities will not lose access to essential air service, and how will this proposal calculate distance?

Answer. The Essential Air Service (EAS) governing statutes prescribe a mileage standard for most EAS communities; not eligible if located fewer than 70 miles from the nearest large/medium hub. However, Congress has provided for long-standing exemption to the 70-mile standard for two communities.

The mileage calculations used are measured by the shortest distance from the center of the EAS community to the entrance to the nearest large or medium hub airport. Further information can be found on the Department's website at: https://cms.dot.gov/office-policy/aviation-policy/subsidized-essential-air-service-communities-and-distances-nearest

In the rare case when a community disputes the mileage from the community to the hub, we consult with Federal Highway Administration (FHWA) and FHWA makes a definitive calculation. Some communities would likely not be eligible for continued subsidy support under EAS by an adjustment to the mileage standard if it is located close to expansive service at small, medium, and large hubs.

AMTRAK LONG DISTANCE ROUTES

Question. The President's Budget proposes reforms to the Amtrak system by implementing State contributions equal to the Federal Government's for operating long distance routes through their communities. These long distance routes include the Cardinal Train and the Capital Line Train which both run through my state.

Can you explain the long term plan the Department of Transportation and Amtrak have for these long distance routes and the impact this would have on my constituents?

Answer. The President's Budget proposes a significant restructuring to the Amtrak network. In fiscal year 2017, long-distance routes accounted for approximately $500 million in operating losses for Amtrak. This is because ridership is lower and costs higher than on urban routes—making the per-passenger costs much higher. To address these losses, the fiscal year 2019 President's Budget proposes a number of options, including calling for States to assume responsibility for half of the operating costs of Amtrak long distance trains through their jurisdictions.

This cost-sharing proposal would reduce the Federal subsidy that supports these routes and enable States to play a larger role in shaping the delivery of long distance train service. This proposal is one of several ideas in the President's Budget to rationalize the Amtrak system, improve efficiency, and reduce costs.

AIR TRAFFIC CONTROLLER PRIVATIZATION

Question. Reliable air service has allowed businesses in our state to expand their reach beyond our borders and has led to an increase in tourism. We must protect and promote these air services in order for our state's economy to continue to grow. As a pilot, I have always been passionate about the issues that affect the aviation community, which is why I am concerned about the administration's proposal to privatize air traffic controllers. I believe that privatizing our air traffic controllers will disproportionately harm rural communities, hinder economic growth in places like West Virginia, and make air travel less reliable.

What are the reasons that you are moving forward with this proposal, and how can you ensure that rural communities are not disproportionately impacted by the privatization of air traffic controllers?

Answer. The United States' air traffic control system is the world's largest and most complex. Yet, the current structure of the system is outdated when it comes to meeting the modern challenges of efficiently moving air traffic and maintaining the highest level of safety while fostering innovation and integrating new technologies. On June 5, 2017, the Administration unveiled a set of principles for reforming air traffic control operations through the creation of a new non-governmental entity. This new entity would have enabled the United States to keep pace with the accelerating rate of change in the aviation industry. We do not believe that rural communities would have been negatively affected by these changes, and they would have remained an important part of the nation's air transportation system.

While we continue to believe in the benefits of modernizing our air traffic control system, it does not appear that Congress is pursuing this issue through upcoming FAA legislation. We look forward to working with Congress on FAA legislation so that we can continue to improve our nation's aviation system.

QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

INFRA GRANTS

Question. The Notice of Funding Opportunity for combined fiscal year 2017 and 2018 INFRA grants was released last July, but no funding announcements have been made. You suggested in previous testimony before the House that you expect to make a funding announcement in the summer of 2018.

Is that timeline still accurate?

Answer. Yes. The Department announced 26 proposed INFRA awards on June 8, 2018. The Department will begin awarding these projects following the completion of the 60-day Congressional review period in early August. All applicants have been notified of the completion of the competition.

Question. I am concerned about the delay in getting funding to projects that need it. Will you commit to making funding decisions more quickly in fiscal year 2019, and that there will be no further delays in awarding fiscal year 17 and fiscal year 18 funds?

Answer. The Department submits each of the discretionary grant applications to a comprehensive and thorough evaluation according to the criteria set out by Congress and in DOT's Notice of Funding Opportunity. DOT wants to make sure that the projects which best address the criteria are prioritized for funding.

INFRASTRUCTURE COST SHARE

Question. One major prong of the President's infrastructure plan is to dramatically shift the Federal cost share for transportation projects onto state and local governments. I have heard serious concerns about this aspect of the plan from the Vermont Department of Transportation, particularly its burden on rural states.

Which state departments of transportation have you heard from that support shifting the Federal cost share in this way, and which oppose it? Has the Department of Transportation actively sought feedback from state departments of transportation about this proposed shift?

Answer. At best, Federal funding for infrastructure represents a minority of total spending. Spending across public infrastructure is approximately 20 percent by the Federal government and 80 percent by State and local governments. The President's plan supports traditional funding levels.

The President's proposal does not in any way change the existing matching requirements for the Federal-aid Highway Program; each State will continue to receive their current Highway Trust Fund dollars. The President's proposal is for additional funds and we want to partner with the states.

Furthermore, the proposal provides up to 20 percent Federal funding as a percent of new revenue, not project cost.

Question. How do you foresee the President's plan ensuring that small, rural states will be competitive and full partners in and have access to the Federal resources they need to meet their infrastructure needs?

Answer. The Administration's proposal provides significant support for rural areas. Most significantly, the Rural Infrastructure Formula Program provides $40 billion in block grants to Governors to address the rural infrastructure needs in their states, which could include rural interstates. No match is required for these funds. In addition to the formula program, the Administration's proposal for $10 billion in Rural Performance Grants would only require a State to meet one or more of the criteria options below.

In order to qualify for Rural Performance Grants, a State would be required to:

—Publish a comprehensive rural infrastructure investment plan (RIIP) within 180 days of receiving rural formula funds. The RIIP would demonstrate how the State's intended rural projects align with the evaluation criteria in the Infrastructure Incentives Program, including State, local and private sector investment in eligible projects.

—Demonstrate the quality of any investments planned with rural performance funds.

—Demonstrate performance in leveraging formula distributions with Federal credit programs and rewarding rural interstate projects through the Infrastructure Incentives Program (Note: This refers to all types of eligible asset classes, not just interstate highways. Also, this is intended to reflect multi-state infrastructure of all types, that serve regional needs rather than being focused on jurisdictional boundaries, which are sometimes misaligned to infrastructure investment needs).

—Demonstrate the State's performance in utilization of Rural Infrastructure Program formula funds, consistent with the RIIP based on stated general criteria.

BUY AMERICA

Question. The Federal Highway Administration's Buy America requirements are critical to ensuring that American businesses are prioritized over foreign competitors. There are cases, however, where there is no domestic production of certain equipment and the waiver process can make it difficult for states to acquire the equipment they need.

Are you willing to consider streamlining the Buy America waiver process in cases where there is no domestic product available?

Answer. The Office of the Secretary is working with the operating administrations to improve the efficiency of our waiver processes, including for requests based on non-availability, while meeting the requirements of Executive Order 13788 and the relevant statutes.

CAFE STANDARDS

Question. Transportation is the United States' largest contributor of greenhouse gases, accelerating the consequences of climate change. It is concerning that the National Highway Traffic Safety Administration (NHTSA) and the EPA have decided that the current corporate average fuel economy (CAFE) standards are too aggressive and should be weakened. This would not only waste fuel, but also increase emissions and cost consumers more, particularly in a state like Vermont where transportation is responsible for 44 percent of our greenhouse gas emissions. The CAFE standards changes proposed by NHTSA and the EPA are not in the interest of the public or the industry, and will negatively impact Vermonters' health, air quality improvements, and pocketbooks.

Should a state be able to implement its own stringent vehicle emission standards, if that state believes those standards are critical to its ability to achieve its own emission reduction goals? How will you accommodate the policies of states like Vermont that, in applying strict vehicle emission standards, are working to achieve their own individual emission reduction goals, particularly those states where transportation contributes a high proportion of greenhouse gas emissions?

And will you commit to having a collaborative, transparent effort going forward that includes the State of California, and states with similar standards, as well as the auto industry, to develop a national program to reduce greenhouse gas emissions and improve fuel economy?

Answer. The Department is committed to an open, transparent and fair public comment process and is committed to listening to all public comments. Both NHTSA and DOT have met with California officials multiple times to hear California's views, and there will probably be additional such meetings as more States develop their own emissions standards. DOT has also met with a wide range of stakeholders including environmental groups, manufacturers, organized labor, and safety advocates. There is a great deal of interest in this important rulemaking, and we look forward to receiving input from stakeholders, including States like Vermont, on these important issues.

Question. How do you expect U.S. innovators and manufacturers to continue to compete on the international stage if the standards proposed by this administration are inconsistent with global efforts to reduce greenhouse gas emissions and remain uncertain going forward?

Answer. The Department will take comment on a wide range of options, including similar stringency to the standards set by the previous administration. If, in response to public comment, the agencies set standards at a reduced level of stringency than the standards set by the previous administration, a manufacturer would need to decide how to proceed.

If a manufacturer decides to globalize a vehicle platform so that the same vehicles can be sold in the United States and in countries that may have more-stringent standards, a compliant fleet of vehicles in such countries would also comply with U.S. standards as well as those of countries with less stringent standards than ours. By overcomplying with U.S. standards, the manufacturer could generate overcompliance credits that it could bank for its own use in future model years or sell to other manufacturers.

Question. Current CAFE standards create more efficient vehicles and help Americans save money. How do you plan to incentivize research and development of more fuel efficient, affordable vehicles?

Answer. We have great confidence in the ability of the manufacturers to innovate and make high quality vehicles that meet consumers' needs. Consumer acceptance will be one focus of the upcoming proposal, and we will assess the costs and benefits of the proposed standards and alternative standards.

AMTRAK VERMONTER ROUTE AND CRISI GRANT ELIGIBILITIES

Question. The Trade Facilitation and Trade Enforcement Act of 2015 (Public Law 114–125) aims to improve cross border travel between Canada and the United States through efforts that will allow Customs and Border Protection to expand preclearance facilities at Canadian airports and rail stations. In Vermont, we want to restore the Amtrak passenger service on the Vermonter route north to Montreal. I understand that during a meeting about this project in Montreal last summer, Federal Railroad Administration officials committed that the infrastructure needs associated with this effort would be eligible for both the Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant program and the Restoration and Enhancement Grants program.

As various stakeholders work to advance the project can you confirm that this is the case, and will you pledge to follow through on this commitment?

Answer. Infrastructure needs associated with extending Amtrak passenger service on the Vermonter route from its current endpoint at St. Albans to Montreal are likely eligible projects under the competitive CRISI grant program for projects located within the United States. Likewise, a Restoration and Enhancement Grant to fund a portion of this route's operating costs within the United States could also be used to extend this service to the Canadian border.

However, in order to fund projects outside of the United States, authorizing or appropriations language must clearly and affirmatively state that the funding applies outside of the United States. The CRISI and Restoration and Enhancement Grant Programs lack this authority.

SUBCOMMITTEE RECESS

Senator COLLINS. This hearing is now adjourned.

Secretary CHAO. Thank you.

Senator COLLINS. [Whereupon, at 4:16 p.m., Wednesday, April 11, the subcommittee was recessed, to reconvene subject to the call the Chair.]