

# **TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2020**

**WEDNESDAY, MARCH 27, 2019**

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

The subcommittee met at 10:02 a.m. in room SD-192, Dirksen Senate Office Building, Hon. Susan Collins (chairman) presiding.

Present: Senators Collins, Boozman, Capito, Hoeven, Daines, Reed, Murray, Durbin, Feinstein, Coons, Murphy, and Manchin.

## **DEPARTMENT OF TRANSPORTATION**

### **STATEMENT OF HON. ELAINE L. CHAO, SECRETARY**

#### **OPENING STATEMENT OF SENATOR SUSAN M. COLLINS**

Senator COLLINS. Good morning. The Subcommittee will come to order.

Today, I'm pleased to welcome Transportation Secretary Elaine Chao, who will testify on the President's fiscal year 2020 Budget Request for the Department of Transportation and Related Agencies.

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

Before we hear from the Secretary on the Administration's Budget Request, I would first like to thank the members of the subcommittee, even though none of them is here at this point but I'm sure they will be joining us, for working together over the last few months to finish the fiscal year 2019 THUD Appropriations Bill.

We actually got our work done on time but unfortunately due to other issues, it was held up.

Thanks, however, to the previous two-year budget agreement, we were able to provide \$87 billion for the Department of Transportation, an historic level of funding and a real down payment on our nation's infrastructure.

However, we will soon begin work on the fiscal year 2020 bill without any such budget agreement. If we do not reach an agreement on the discretionary caps for fiscal year 2020, the total funding available for non-Defense discretionary programs, such as the vital transportation programs that we will be discussing today, will fall by \$55 billion.

The impact of sequestration level funding would be devastating for our nation's infrastructure and housing programs as well as for many other critical programs.

The Administration's 2020 Budget Request, unfortunately, does not address this cap. As a result, DOT's discretionary budget is cut by \$5 billion from the fiscal year 2019-enacted levels.

The budget request also fails to address the looming insolvency of the Highway Trust Fund and offers no path forward after the FAST Act expires at the end of fiscal year 2020.

It is imperative that the Administration work with the authorizing committees to enact a long-term surface transportation bill that provides realistic funding for the Highway Trust Fund.

I am, however, pleased that the Administration included funding for several critical infrastructure programs, including \$1 billion for the popular BUILD Grants.

Madam Secretary, I know that you have personally seen the success of the BUILD Program in communities both urban and rural, and I want to thank you for your advocacy for this significant funding.

The request also proposes \$2 billion for INFRA Grants for both large and small freight projects and \$300 million for a competitive bridge program.

This program would reward states that use innovative procurement practices to repair or replace rural bridges that are in poor condition.

The request also includes funding levels consistent with the FAST Act for the Federal Motor Carrier Safety Administration and the National Highway Traffic Safety Administration.

NHTSA's preliminary data for motor vehicle traffic fatalities in the first half of 2018 looked very promising with a 3 percent decrease compared to the same period the year before.

Safety should and I know will remain the department's top priority and we encourage the department to continue its efforts to reduce this number further in the coming year.

For the Maritime Administration, the budget request includes \$205 million for a different smaller-capacity training ship in contrast to the \$300 million provided for Maritime Academy ships in each of the last 2 years.

I am deeply disappointed in this proposal which departs from the years of planning and design work that MARAD completed on the National Security Multi-Mission Vessel. This ship was designed to provide identical training vessels for our state maritime academies and building the same vessel for all academies is expected to achieve cost savings.

This budget proposal would require MARAD to start from scratch in designing a brand-new ship and would be detrimental to the training needs at the Maine Maritime Academy which is next in line for a replacement ship. We followed MARAD's guidelines exactly and funded New York first, Massachusetts last year, and Maine is scheduled for this year, but with a far smaller and inferior ship provided in this budget.

In aviation, the budget invests in safety and the efficiency of our nation's airspace. The request includes \$3.3 billion for facilities and equipment, an increase above the fiscal year 2019-enacted level, and the highest-ever provided by any Administration.

These investments will help accelerate next gen programs that are already proving successful by reducing flight times and delays.

Innovative programs, such as the ADSV, will allow aircraft to use precision satellite-based positioning instead of radars, a much-needed improvement.

In addition, the request includes funding to ensure the safe integration of drones into the national airspace as well as to meet regulatory mandates.

The budget proposes to establish a new Office of Innovation to deal effectively with the surge of new aviation technologies while allowing for continued innovation and safety.

While the FAA continues to maintain the safest air traffic control system in the world, we are all too aware of the recent crashes of the Ethiopian Airlines Flight 302 and Lion Air Flight 610. Both crashes involved Boeing 737 Max aircraft and both crashed just minutes after takeoff in eerily similar circumstances.

After seeing the satellite data from the Ethiopian Airlines crash, the FAA and the department decided to ground the 737 Max aircraft and the agency is now working closely with the NTSB on the crash investigation.

We must await the results of this investigation prior to reaching conclusions about the causes of these crashes. However, these recent incidents have focused attention on FAA's aircraft certification process for Boeing 737 Max aircraft and on the training of pilots.

I expect many of us have questions for the Secretary on FAA's relationship with Boeing and the Government's role in ensuring the safety of the traveling public.

I commend the Secretary for requesting the Inspector General to initiate an audit of FAA's certification of the 737 Max aircraft.

Senator Reed and I have sent a letter to the Inspector General asking that the results of this critical audit be shared with us.

Madam Secretary, again, I welcome you here today. I look forward to hearing your testimony, and I now turn to our Ranking Member, Senator Reed, for his opening statement.

#### OPENING STATEMENT OF SENATOR JACK REED

Senator REED. Thank you, Chairman Collins.

Let me again compliment you and your staff for working with me and my staff and the other committee members year after year to produce strong bipartisan bills that support our housing and transportation sectors. Thank you very much.

Let me also join you in welcoming Secretary Chao. Madam Secretary, thank you for being here. I thank you for your leadership.

As Congress begins to develop the 2020 appropriations, the reauthorization of our surface transportation programs and potentially a broader infrastructure package, I believe our 2018 and 2019 THUD bill should be the baseline from which new transportation investments should grow.

In the face of a proposed \$68 billion cut in total non-Defense funding, the top entrenched station escapes some of the damage in the President's budget request in comparison to other agencies.

However, I think we can all agree that the request still falls short of addressing the severe infrastructure deficiencies we face as a nation and backslides from the investments we made in 2019.

If we are to pass a THUD and the other 11 appropriations bills this year, we'll need to set aside the Administration's cuts and start with a new multiyear budget agreement that builds on the last bipartisan budget act. Such an agreement must provide addi-

tional funding to meet the needs of the nation as well as parity between Defense and non-Defense discretionary spending.

I believe that such an agreement can be reached and the appropriations bills can move forward in regular order, provided that the Administration does not engage in the same kind of brinksmanship that resulted in the longest government shutdown in history this last winter.

With respect to DOT's 2020 Request, I'm pleased to see some movement towards support for additional investment in transit. While the recommended funding levels are still woefully inadequate to support the 66 projects in the Capital Investment Grants pipeline, the request is an improvement from previous years.

Nonetheless, too many other high-ranking projects will languish without a decision from the department. These delays result in uncertainty and unnecessary increased costs for state and local governments. DOT needs to move ahead.

In spite of proposed cuts elsewhere at DOT, the budget preserves investments in FAA safety and other air traffic control systems. These are a basic form of safety in our flight system in the United States and, indeed, the model for the world.

However, the fatal Lion and Ethiopian Air accidents have called into question FAA's certification practices, pilot training requirements, and the integration of new technologies.

I know that you cannot discuss issues related to pending investigations, but these accidents require capital analysis of the technical failures and a reassessment of the relationship between the FAA and those businesses it regulates. Certainly this should occur before the department goes any further to execute expanded certification authorities.

As I noted earlier, the 2018 and 2019 THUD bills provided a baseline from which we should expand transportation funding, but truthfully we need an even bolder investment in our roads, bridges, and transit systems in the next surface reauthorization bill. Small adjustments for inflation are a non-starter.

We also need to look to the future and plan infrastructure projects that will withstand natural disasters and mitigate the effects of climate change. The anticipated impacts of rising sea levels in the Northeast Corridor alone stand to cripple the entire regional economy if we do not prepare now.

And we must also recognize that infrastructure exists beyond transportation, from water systems to public school buildings. We cannot expect states and localities to shoulder these costs on their own nor can we expect tax incentives and private investments to support our national infrastructure plan that leaves all communities.

Secretary Chao, thank you again for your service and for appearing before us today. I look forward to hearing your testimony and responses to our questions.

Thank you, Chairman Collins.

Senator COLLINS. Thank you very much, Senator Reed.

Madam Secretary, we're delighted to welcome you today and look forward to your testimony.

## SUMMARY STATEMENT OF HON. ELAINE L. CHAO

Secretary CHAO. Thank you, Chairman Collins, Ranking Member Reed, and Members of the Subcommittee, for the opportunity to meet today to discuss the President's fiscal year 2020 Budget Request for the Department of Transportation.

But before I begin, let me emphasize that safety is always Number 1 at the Department of Transportation and a good day is when nothing bad happens.

On March 10th, 2019, however, there was a terrible accident in Ethiopia involving a U.S. manufactured aircraft. Our hearts and condolences go out to the families of all those who perished. We all have a lot of important questions about this accident.

As you may know, the Ethiopian Government is in charge of the crash accident investigation and the National Transportation Safety Board, NTSB, is the U.S. representative in the investigation, but I have taken two actions to help determine what happened and what can be improved at the FAA.

First, I've asked the department's Inspector General to initiate an audit, to compile a detailed factual history of the activities that resulted in the certification of Boeing's 737 Max 800 involved in the accident. This certification began on January 27th, 2012, and was certified March 8th, 2017.

Second, on Monday, I announced the formation of a special advisory committee to provide independent impartial advice on ways to improve the FAA's safety oversight and certification processes.

There will be hearings on this subject, including one this afternoon with Acting FAA Administrator Daniel Elwell, that will provide more details.

I look forward to working with you and all concerned to help resolve key questions surrounding this tragedy.

Now let me turn to the President's Budget Proposal which continues to emphasize the importance of addressing our nation's infrastructure needs using smart, effective, and modern methods that provide results and maximize resources.

The President's budget requests a total of \$84 billion to support transportation programs in fiscal year 2020. About 75 percent of this request fully funds surface transportation for the fifth and final year of the FAST Act and FAA's authorized funding levels for the grants and aid for Airports Programs.

These programs support infrastructure improvements that are essential to maintaining dependable transportation system that supports our country's growing economy.

The remaining \$21.4 billion of the request funds several high-priority investments and important reforms that will strengthen our programs while making them more effective.

You will note that the fiscal year 2020 request is about \$3.5 billion less than the recent fiscal year 2019 appropriations but DOT's funding was increased in fiscal year 2018 and fiscal year 2019 when the government-wide caps were increased as part of the recent spending deal.

This was a one-time increase above the requested President's budget. So with this in mind, the department's programs tied very

closely to fiscal year 2019-enacted appropriations with a handful of exceptions.

For FAA, I'm pleased to note that the President's budget includes \$1.4 billion for next gen projects and activities. This is the largest request in FAA history.

The budget includes \$203 million for unmanned aircraft initiatives, \$1.6 million for the new Office of Innovation, and 65 million for commercial space safety and operations.

FAA's operations account is about \$770 million less, as you noted, from the fiscal year 2019-enacted appropriations. However, this is a minor reduction when compared to the \$10.3 billion provided for this account and is still approximately \$130 million above fiscal year 2018 levels.

FAA's grants and aid programs, the (AIP) Airport Improvement Program does not include the additional \$500 million in discretionary funds provided in 2019. Again, there were many one-time increases which increased the comparison, and given the timing differences between the time that the President's budget was prepared and the actual passage of the budget deals, there were some misalignments of the timing, as well.

The President's budget continues to fund the Federal Highway Administration at FAST Act levels and it also uses \$300 million of the remaining funds for a new competitive Bridge Program that focuses on improving our failing bridges.

For transit, the fiscal year 2020 funding level for CIG, Capital Investment Grant, is \$1.5 billion. This fully funds all existing projects that are ready to go and reserves \$500 million for new projects as they are ready to advance.

This budget funds Amtrak at \$1.5 billion in total and this fully funds Amtrak's needs based on traditional spending patterns and increases funding available for rail infrastructure and safety grants.

This budget also proposes a new idea that will provide \$550 million in grants to support states in taking over responsibility for long distance services over a five-year period.

Let me also mention MARAD's budget request provides \$300 million to fully fund the Maritime Security Program's 60 ships and an additional \$205 million for the third new school ship.

We want to work with you, Madam Chairman, on allowing the department to continue to replace the aging training ships currently being used at the state maritime academies.

I look forward to working with all of you on these and other transportation issues over the coming year, and I'm pleased to answer any and all of your questions.

Thank you.

[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 2020 Budget request for the Department of Transportation (DOT). The President's budget proposal—A Budget for A Better America—continues to emphasize the importance of addressing our Nation's infrastructure needs using smart, effective and modern methods that provide results and maximize our resources.

The President's Budget requests a total of \$84 billion to support transportation programs in fiscal year 2020. About 75 percent of this request fully funds surface transportation for the "fifth" and final year of the Fixing America's Surface Transportation (FAST) Act and the Federal Aviation Administration's authorized funding levels for the Grants-in-Aid for Airports program. These programs support infrastructure improvements that are critical to maintaining dependable transportation systems that support our growing economy.

The remaining 25 percent of this request, or \$21.4 billion, funds several high priority investments and important reforms that will strengthen our programs while making them more efficient. This portion of the budget is a \$5.1 billion reduction from fiscal year 2019 enacted levels, because of the additional infrastructure investments the Congress committed to in the two-year Government-wide discretionary funding caps deal. When you deduct those temporary increases, this request provides a robust level for many of the Department's programs and tracks very closely to the fiscal year 2019 enacted appropriations.

#### COMPARING DOT RESOURCES ACROSS YEARS

Some have noted that the President's fiscal year 2020 Budget request is about 20 percent less than the fiscal year 2019 enacted appropriations for discretionary programs. While this is technically true for a relatively small subset of the budget, it is misleading and does not tell the whole story. There are two important points to consider.

First, unlike most domestic programs, DOT's mandatory programs are not traditional entitlements. Instead, they result from contract authority that is provided for infrastructure transportation programs. However, these levels are not a given. Every year the Executive Branch and this subcommittee determine what the annual obligation limit should be that ultimately controls the level of investment. With this in mind, a comparison of the Department's overall funding of \$84 billion provides a more representative measure for comparison and reflects only a 4 percent reduction.

Timing also plays a critical role in developing budgets. When the President's fiscal year 2020 Budget was being developed, we did not have a final fiscal year 2019 Appropriation and were operating under a long-term Continuing Resolution. In the absence of a fiscal year 2019 Enacted Appropriation, the Administration relied on its own fiscal year 2019 President's Budget request as the basis for the fiscal year 2020 President's Budget decisions. When we compare the President's Budget request for fiscal year 2019 and fiscal year 2020, the fiscal year 2020 budget provides an overall 8.9 percent increase. Further, compared to the fiscal year 2017 enacted level, prior to the budget cap deal increases, the overall increase for fiscal year 2020 is almost 8 percent. This reflects the Administration's strong support for funding transportation infrastructure investments even as other portions of the President's Budget were targeted for reductions.

#### MODERNIZING OUR NATION'S AIRSPACE

The President's Budget requests \$17.1 billion to support the important work of the Federal Aviation Administration (FAA). The FAA manages our Nation's airspace and directs the safe transportation of 1 billion passengers and 25 million tons of cargo each year. At the same time, the FAA is continually advancing new technologies and innovations that improve its operations and help the Agency keep pace with increasing demand for reliable air services. The FAA's signature NextGen program is focused on integrating these critical safety and innovation technologies into the National Airspace System using the resources across its accounts.

The President's request acknowledges the importance of this program by providing \$1.4 billion in resources specifically dedicated to NextGen initiatives. This is the highest request for NextGen in the Department's history. The President's Budget funds the FAA's overall Operations at \$10.3 billion. While this level is \$70 million below fiscal year 2019 enacted levels, this is only a slight reduction overall and certainly sufficient to meet the Agency's needs. At the same time, the FAA's Facilities and Equipment program received \$3.3 billion—a nearly \$300 million increase. These funds will be focused on modernizing FAA's infrastructure to improve safety and reduce flight delays.

#### IMPROVING SURFACE TRANSPORTATION INFRASTRUCTURE

Consistent with previous years and the Administration's infrastructure improvement priorities, the President's Budget funds the Federal Highway Administration at the level authorized by the FAST Act to support highway infrastructure improvements and highway safety programs. The President's request does not continue the

\$3.3 billion in funding for the discretionary Highway Infrastructure Program, which was new in fiscal year 2018. Instead, it provides substantial additional resources to successful competitive programs. These include \$1 billion to the Infrastructure for Rebuilding America (INFRA) Grant program to supplement the \$1 billion provided by the FAST Act for a total of \$2 billion in INFRA Grants; and \$1 billion to the Better Utilizing Investments to Leverage Development (BUILD) Grant program. The INFRA and BUILD programs have been effective in delivering high returns on investment by encouraging local contributions and partnerships with the private sector. Another \$300 million is provided for the innovative Competitive Bridge Program which encourages States to replace and repair deteriorating bridges cost effectively through project bundling. In addition, the fiscal year 2020 request includes \$500 million to improve the Nation's aging transit assets and infrastructure.

#### TRANSIT'S CAPITAL INVESTMENT GRANT PROGRAM

The Federal Transit Administration's Capital Investment Grant Program supports the construction of new transit, commuter rail, light rail, and bus rapid transit projects. The Administration continues to encourage increased local contributions in the funding of transit projects. The President's Budget provides \$1.0 billion to fund the current portfolio of capital investment projects with signed full funding grant agreements at the time the Budget was developed. In addition, another \$500 million is provided for new projects in the program pipeline as they become ready.

#### INVESTING IN EMERGING TECHNOLOGIES AND INNOVATION

Every day, Americans wake up to new and advanced technological improvements that are changing the way we live, work and enjoy life. Technology is also rapidly changing transportation. The Department has a responsibility to ensure that new transportation systems are integrated into the overall transportation network in a safe and prudent way.

The President's Budget request includes nearly \$300 million to address emerging technologies and innovation. This includes \$203 million for unmanned aircraft systems which will be integrated into the National Airspace, and a new Office of Innovation within the FAA to focus on integration issues resulting from the latest emerging technologies. Another \$25.6 million is requested to protect the public during take-off and reentry of Commercial Space launches.

A total of \$19.2 million is also requested in the National Highway Traffic Safety Administration's budget to oversee the introduction of automated driving systems on our Nation's highways as this technology continues to mature.

#### AMTRAK REFORMS

The President's Budget request proposes reforms to Amtrak that would provide efficiencies and reduce costs. Amtrak's new leadership team has been making strides in implementing practical and effective cost saving measures while maintaining quality service. The President's Budget funds Amtrak at nearly \$1.5 billion in total. The Northeast Corridor is funded at \$325 million which funds Amtrak's needs based on traditional spending patterns. Further, the President's Budget includes funding available for rail infrastructure and safety grants—a new approach from previous requests.

The President's Budget includes a proposal to reform the way Amtrak's long-distance routes are managed. These routes are currently fully funded by Federal dollars and account for the majority of the railroad's operating losses. DOT will help lead the way on a new vision, working with stakeholders to develop a rationalized network to provide better, more cost-efficient service. This modernized network will focus trains on shorter distance routes between promising city pairs, while providing robust intercity bus service to currently underserved rural areas via partnership between Amtrak and bus operators.

At the same time, the Department understands that many States and communities may not have the resources to assume immediate financial responsibility for these services. With this in mind, the President's Budget includes \$550 million in transitional grants that would assist States in taking on the management of these newly created State-supported routes. The grants would support the costs of these routes in fiscal year 2020 and would phase down and out over a five-year period.

#### SUPPORTING THE TRAINING NEEDS OF THE STATE MARITIME ACADEMIES

Along with the U.S. Merchant Marine Academy, the State Maritime Academies provide the education and training needed to successfully support the Nation's needs for qualified and experienced merchant mariners. The Academies are cur-

rently operating with a fleet of training ships that are either at, or approaching, the end of their useful service life. Funding for the two oldest vessels is already secured and plans are underway to build replacements. The President's Budget includes \$205 million for a third training ship to further this effort.

Thank you again, for the opportunity to appear before you today to discuss the President's fiscal year 2020 Budget. I will be happy to answer your questions.

Senator COLLINS. Thank you very much, Secretary Chao.

When I look at the news reports on the two crashes involving the Boeing 737 Max aircraft, two issues keep arising.

One is the adequacy of pilot training and the second is the delegation, the Organization Delegation Authority that allows the manufacturer to play a key role in certifying safety management systems.

I know that you have investigations ongoing and I commend you for asking the Inspector General to audit the system, but I'd like to ask you just a couple of questions in that area, to the extent that you are able to comment.

According to recent news reports, FAA management may not have been aware of the role that was played by the Maneuvering Characteristics Augmentation System or MCAS software, and as a result did not require simulator training for pilots as part of the certification process.

First of all, is that accurate? Do you know whether or not the agency required additional training to ensure that pilots were aware fully of the MCAS System and how to override it using the trim procedure?

Secretary CHAO. The pilot training would have been part of the certification process. This occurred on January 12th, 2012, and the certification ended on March 7th, 2017.

So that is a question that the IG investigation hopefully will provide as well as that of the special committee that I have set up to look at all of this.

Senator COLLINS. Let's talk about the broader issue of the cooperative relationship that the FAA has with manufacturers under the Organization Delegation Authorization, the ODA Program, as it's referred to.

It seems to me that is an important aspect of FAA's Safety Management System. It can allow for increased transparency and FAA has limited resources. So these cooperative relationships, if they work appropriately, can help improve safety and stretch the ability of FAA to ensure the safety of our aircraft.

But some have expressed the concern that the use of the ODA to accelerate the commercial aims of Boeing or another manufacturer sacrifices potentially the safety of the traveling public.

Can you give us some insight into how that system works and why it actually does not in any way undermine what I know is your top priority, which is safety?

Secretary CHAO. This practice of involving others who are involved in the building of an actual plane has dated back to the 1920s. So this is not a new procedure. It has been expanded over the years and most recently in the FAA Reauthorization Act that was passed in October 2018 on a bipartisan basis. More authority was given to the FAA to work with those who build the planes, who actually know what is going on in this process.

The FAA is the one that certifies. There are set procedures of safety standards that an airline manufacturer must meet and they go according to this prearranged/prespecified set of criteria and then they would say "we have done this, we have done that, we have done this."

It is, of course, subject to oversight and supervision by the FAA because the FAA does not build planes, they certify. But this method of having the manufacturer also be involved in looking at these standards is really necessary because, once again, the FAA cannot do it on their own. They need to have the input from the manufacturer.

Having said that, I am, of course, concerned about any allegations of coziness with any company or manufacturer. The FAA is a professional organization. There are 44,000 people working at the FAA whose main mission every day is to ensure the safety of our traveling public. But these questions, when they arise, if they arise, are troubling because we should have absolute confidence in the regulators that they are certifying properly. And so that is why, once again, the IG investigation hopefully, along with the special committee that I have set up, will yield some answers.

Senator COLLINS. Thank you very much.

Senator REED.

Senator REED. Well, thank you, Madam Chairman, and thank you, Madam Secretary.

I want to follow a line of questioning that the Chairman started.

How long did it take for Boeing to earn its ODA status and how many people did it have dedicated to the ODA process?

Secretary CHAO. They build a lot of planes. So I'm speculating a bit here. It's been an ongoing process not only with Boeing, it's with whoever is building the airplane, big or small. This is a practice that's been, you know, decades in the making. There are about 400 people, I think, that are involved in this.

Senator REED. Thank you. And again this touches on one of the concerns you just expressed, but to what extent are ODA staff at Boeing or at other enterprises awarded incentive bonuses if they meet company-established certification deadlines?

Are there financial incentives that may make decisions more difficult in terms of technical aspects?

Secretary CHAO. I'm not able to answer that question.

Senator REED. Is that something that the IG would pursue?

Secretary CHAO. Certainly. And if you suggest, we will do that.

Senator REED. Thank you. How many FAA personnel work on some aspect of Boeing 737 Max 8 aircraft certification? Do you have an idea?

Secretary CHAO. I think just on the certification, it's more than 400, but the whole FAA is involved. If it is air traffic control, that's about, you know, 15,000 air traffic controllers.

Senator REED. I would assume, and again this is an assumption, that there was a team at Boeing that was focused almost exclusively on the 737 Max project.

Secretary CHAO. Yeah. I think it was about 400, as I mentioned.

Senator REED. 400 versus a number that you'll provide us in terms of the ODA personnel at Boeing. So we'll get a rough idea of—

Secretary CHAO. I do not know how many at Boeing.

Senator REED. One of the issues is, and this, I think, I hope you're going to pursue in your investigations, is just the span of control, the ability of limited number of FAA to actually effectively involve themselves with the Boeing personnel on this case and that's an issue I hope you can get back to us on.

Secretary CHAO. I share your concern on that, as well.

Senator REED. Thank you, Madam Secretary. One of the things, too, is across all of our Federal agencies, we have challenges recruiting very talented technologists because of the competition with private enterprise.

So what is the FAA doing to address this challenge, and do you have the necessary personnel with the right skill sets? I mean, there's one possibility that you could have had very well-meaning and very well-trained people there but for these new, very sophisticated systems, they didn't have the same level of expertise as their counterparts. So, by default, they had to essentially agree even if there were questions.

So how are you going to address this challenge of getting the very best people, technologists, involved?

Secretary CHAO. I think the FAA's pretty experienced. Again, they don't build airplanes, which is why this ODA system was initially put in place. We have very experienced professionals.

Let me also answer your previous question.

Senator REED. Yes.

Secretary CHAO. The Boeing ODA process took about two years and there are 1,461 Boeing employees working on the ODA.

Senator REED. And you have about 400 FAA people involved directly in that program roughly?

Secretary CHAO. Right.

Senator REED. Thank you. There was discussion after the Lion Air accident, not only discussion but activity to make a modification, a software patch, if you will, with respect to lessons learned unfortunately from the Lion Air crash.

What are those modifications intended to achieve and why was the aircraft allowed to fly in the meantime if there was a recognition that you had to fix something and then the aircraft was still allowed to fly? How was that decision made?

Secretary CHAO. You know, the FAA is a very professional fact-based organization and they don't make decisions that are too hasty. They take great pride in ensuring, again, the safety of the entire world's international travelers.

The Americans have always been the gold standard for aviation safety and it is FAA who has built that reputation over time.

Again, they're very fact-based and when the Lion Air 610 crash occurred, they immediately issued an Emergency Airworthiness Directive alerting the entire international community to this problem that they saw, and to be careful and to know how to react.

Then Boeing began to update and look at their software and that was the sequence of events.

I hope I may also add one other thing.

Senator REED. Yes, ma'am.

Secretary CHAO. On the initial point about pilot training. I don't want to say too much about that because it's really important that we remember who is in charge of this investigation.

This is an international investigation and it has additional complications, diplomacy issues, and we want to make sure that we don't say anything that is hastily said, that we are careful in our words, because again we want to show respect to the Ethiopian Government and not jump to any conclusions at this point because the Ethiopian Government is the authority that controls the crash investigation.

They can disinvite anybody they would like.

Senator REED. Yes, ma'am.

Secretary CHAO. Thank you.

Senator REED. Finally, I'm under the impression that there are additional safety sensors that could have been purchased by the airlines and some airlines did and some airlines did not.

Do you intend to require Boeing to retrofit all the aircraft with the full suite of safety sensors in order to provide maximum assurances to the public?

Secretary CHAO. I don't think we're there yet, but it is very questionable, if these were safety-oriented additions, why they were not part of the required template of measures that should go into an airplane. So this is one of the questions which again the IG hopefully will help us answer and also the special committee.

Senator REED. Thank you very much, Madam Secretary.

Senator COLLINS. Thank you, Senator Reed.

Senator Hoeven.

Senator HOEVEN. Madam Chairman, I'll defer for just a minute to look at my notes. Thanks.

Senator COLLINS. Senator Feinstein.

Senator FEINSTEIN. Welcome, Madam Secretary, and thank you very much for your help with CalTran. It's very much appreciated, and it certainly gave it a good start back.

I am looking at preparing a bill that would require key safety equipment be included in basic plane sale costs. How would you look upon that kind of legislation?

Secretary CHAO. As I mentioned to Ranking Member Reed, we would like to take a look at what the studies what the audit and the special committee recommend. But as I've said, I think it's troubling that if indeed it was a safety feature that it was not included.

Senator FEINSTEIN. And I can see many of the exigencies that go into a company's evaluation of what they buy above the sales cost and a rationalization as to why this or that which is safety equipment would not be necessary and to have two planes go down allegedly from the same problem within a limited period of time with a lot of people aboard says we're doing something wrong to me.

So I feel very strongly that key safety equipment should be included in the basic sale price of a plane, and I believe that Americans would agree with that.

So I probably will go ahead and I would like to consult with you on that as we move ahead.

Secretary CHAO. Of course.

Senator FEINSTEIN. Let me talk to you for a moment about one San Francisco project, which is BART, Bay Area Transit. It has a core capacity to increase capacity through the tube by 45 percent. It's been stalled for more than a year waiting for approval from the department to enter the engineering phase of administrative review.

The project was given a high rating by the FTA, the only project in the pipeline to receive such a strong commendation. However, the delays risk more than 20 million in costs to maintain their contract bids and up to 5 percent in construction costs escalation a year.

When can we expect administrative approval of the BART project?

Secretary CHAO. Currently, there are three actions that are still pending, and I used to live in San Francisco and so I used to take it. Number 1, there's a sole source procurement request for the rail cars that has to be worked out because there would likely be disagreement. Although I say that, we are actually in productive and good discussions with BART right now.

The second, they want a letter of no prejudice and to advance to engineering.

With all three of them, there are still issues. We're not holding them back, but we need to talk more, especially above the sole source procurement initiative.

Senator FEINSTEIN. Well, I'd like to sit down with you and go over and maybe even have the company, BART, there, so that we can all hear the same thing.

Secretary CHAO. Of course.

Senator FEINSTEIN. I'd appreciate that.

Secretary CHAO. I think we're actually working well on it. So I don't think—

Senator FEINSTEIN. You think it can get solved?

Secretary CHAO. I hope so.

Senator FEINSTEIN. Well, I do, too. The second one is Los Angeles and that's Phase 3 of L.A. Metro's Westside Purple Line Extension.

The city is urgently trying to finish it in time for the 2028 Olympics and the project's administrative approval to enter the engineering phase was delayed last year, which cost almost \$300 million in cost escalation, and they're going to face a further cost escalation if they're not approved this spring.

Congress has already appropriated \$200 million toward the project's total request of \$1.3 billion. The city, county, and state have committed to more than \$2.1 billion.

Madam Secretary, can we expect the department to release the funding that Congress has provided and approved the full funding grant agreement for Los Angeles?

Secretary CHAO. I want to—yes, of course. The answer is yes, but I want to clarify something. There seems to be still the thinking that we're holding back. We're really not holding back.

In fiscal year 2017, since January 2017, we've awarded 13 CIG grants representing \$3.3 billion. And just in this year alone, we've advanced 15 projects in just CIG project development. So many times, we are not the holdup.

Senator FEINSTEIN. So what is?

Secretary CHAO. Every single project may be different. We fully funded all contracts that have been signed and in fact we are also putting \$500 million extra for new starts.

So each one of these projects, and we'll be more than glad to go through them with you, it's a lengthy process. These are billions of dollars. So they have to go from one stage to another, meet certain criteria before they can go to the other.

For example, one other thing about the three issues for BART. The FTA has to take a look at all three requests in unison.

Senator FEINSTEIN. For L.A. and BART together?

Secretary CHAO. Oh, no. That's just BART.

Senator FEINSTEIN. Okay.

Secretary CHAO. So the three actions that I mentioned before, the sole source procurement request, a letter of no prejudice request, and the request to enter engineering, all three of them, I've been told, have to be considered in unison and so that's part of the reason for the delay, but we are in discussion with BART. It's just a matter of working out some of these issues.

On the L.A. issue, that is actually a bit more complicated. But it's not because we're holding back. Again, we have fully funded all existing contracts and we're going ahead with them. We have funded 500 million for new starts.

So many times when these projects don't go forward, it's because they're not meeting some of the criteria.

Senator FEINSTEIN. I'd like to straighten that out.

Secretary CHAO. Okay.

Senator FEINSTEIN. Because, this is a big deal.

Secretary CHAO. Sure. I understand.

Senator FEINSTEIN. Would you be willing, if I brought the people back, to sit down with us and we'll go over it.

Secretary CHAO. Sure.

Senator FEINSTEIN. And see what we can do because there's a 300 million cost escalation now and if there are problems, we need to solve them or it's only going to get worse and then the Olympics will be in real trouble.

Secretary CHAO. Which is why, again, this Administration has worked so hard on permitting reform. Because when projects are delayed, the costs increase exponentially which is no good for anybody. So we're very concerned about that.

Senator FEINSTEIN. Well, I will set that up.

Secretary CHAO. Okay.

Senator FEINSTEIN. I thank you for doing that. Thank you, Madam Chairman.

Senator COLLINS. Thank you, Senator.

Senator Hoeven.

Senator HOEVEN. Thank you, Madam Chairman.

Greetings, Secretary Chao. Good to see you again. Thanks for your visits to our state and all the work that you do.

One of the things that I'm working on is in regard to hauling livestock. It's a huge issue, transporting livestock by truck for our ranchers, farmers, and for the last 2 years, this committee has delayed implementation of the Electronic Logging Devices for that reason, because, you know, when you're hauling livestock, cattle, or whatever it may be, it's different than hauling other products.

I mean, you've got to take care of the animals and so forth and so it does require more flexibility and it is going to require a different set of regulations and requirements, if you will, in order to do it safely and humanely and so forth.

So we have delayed its implementation and in the meantime, Senator Bennett and myself on a bipartisan basis have introduced the Modernizing Agricultural Transportation Act, and I think we're up to about, I don't know, 10–12 co-sponsors and we're bringing them on a bipartisan way. So it's all bipartisan, and we hope to get quite a few sponsors because essentially what it does, it's a solution to this issue.

It requires that we put together experts in agriculture and transportation and labor and so forth and actually do a study of, you know, what is the right solution in this area and then that study has to be back to you, to DOT, within a year and then I think you've got, I don't know, 60 or 90 days in order to implement, you know, propose a rule or regulation to address it.

So it's really an effort in a collaborative way to address the issue as far as electronic logging devices and hauling livestock and live product.

I guess, give me your thoughts now that I've described it and how we can work on this together to try to get a good solution in this area, if you would.

Secretary CHAO. Well, this is what happens when there's a one-size-fits-all solution.

Senator HOEVEN. Right.

Secretary CHAO. It doesn't work across the country because our country is so diverse. With electronic logging devices, that created hardship for small truckers and it also created a hardship for agricultural interests, farmers, people who are hauling in rural areas.

So we were very cognizant of that. We worked with all Senators who are concerned about that, but the issue actually, as it turned out, is not the electronic logging device. It's the hour of service. So we are actually looking at that, as well, on a bipartisan basis and we hope to come out with some conclusions on that. But again, we're very much aware of the hardship that these inflexible rules have placed on rural and agricultural interests.

Senator HOEVEN. Are you willing to work with us on our legislation to address it?

Secretary CHAO. Of course.

Senator HOEVEN. Thanks, Secretary. Also, along with Senator Wyden, I have legislation called The Move America Program, and essentially it provides two things. It provides tax-exempt financing, tax-exempt bonds, and it provides investment tax credit, and it really lets the states drive, you know, how that investment is made.

It allocates out to the states the ability to issue tax-exempt bonds and investment tax credit for the purpose of attracting private investment into infrastructure funding and so the whole idea is, as we work toward getting an infrastructure bill and this will be infrastructure obviously of all kinds, roads, bridges, broadband, everything, this really leverages the Federal dollar investment by attracting private investment to the tune of \$226 billion.

And so tell me your thoughts on including that in an infrastructure package and working to draw that private investment and utilizing something like Move America to help us get more infrastructure funding out there in a way that leverages, you know, the Federal tax dollar.

Secretary CHAO. Well, the President's infrastructure bill, which was sent to the Congress last February 12th, 2018, wanted to leverage \$200 billion in Federal funding to a trillion and even \$1.5 trillion in overall investments.

Unfortunately, that bill just didn't have enough votes, but I think there is a lack of understanding of the leveraging impact of allowing private sector pension funds, for example, or endowment funds to be able to participate in the financing of public infrastructure.

These are long-term financial investments—these are pension funds, endowment funds. They look for long-term investments and they especially like collateral that doesn't walk away. So they're actually ideal to help in the financing of public infrastructure, understanding that sometimes in Rural America that doesn't work.

But there are 26 states that have some kind of limitations on allowing the private sector to participate in the financing of public infrastructure and that's really a shame because this is a pool of money that is very long term. It's steady and really should be tapped.

Senator HOEVEN. Yeah. And we need it to get to the kind of scale we want in an infrastructure package.

Final, just you've been out to see all the things we're doing on UAS, unmanned aerial systems, and I want to thank you so much for the partnership that we have between our test sites and other test sites through the FAA and just any other thoughts?

You've been such a champion and such a supporter, whether it's the UAS Integrated Pilot Program or now the Unmanned Traffic Management Pilot Program where we are working with FAA and NASA, tremendous, just tremendous. I thank you for your strong leadership on it.

Any other thoughts on top of the mind on UAS that we should be tuned in as we work this phenomenal partnership with you?

Secretary CHAO. Well, I want to commend you for your leadership when you were Governor and then obviously now as Senator, making North Dakota the place to be for drones and autonomous vehicles.

Most recently, the department issued three Notices of Proposed Rulemakings which would allow pilot programs to be studied for potential waivers of drone activity over the heads of people at night and outside the line of sight. These are important pilot programs which will give us a lot of information about the operation of drones and different automated driving systems in different climates, different terrains, and also obviously under different conditions.

I'm combining both automated vehicles and the drones, but your state is terrific at all of that and so we hope to learn a lot. That would be very helpful for the future.

Senator HOEVEN. Right. Well, thanks for your leadership on it and for coming out and seeing what we're doing. I really appreciate it.

Senator COLLINS. Senator Murphy.

Senator MURPHY. I'm going to defer to Senator Manchin.

Senator COLLINS. Senator Manchin.

Senator MANCHIN. Two very quick questions. First of all, how are we funding rural highway funding, Madam Secretary?

In West Virginia, we have the seventh largest road system, we're responsible for it, and I think my question would be consider increasing funding for existing programs, like the Surface Transportation Block Grants.

ARC used to handle for Appalachian corridors. We're in desperate need. We have a deteriorating system that the state cannot stay ahead of us in these rural areas, and I don't know if it's been brought to your attention, if there's a way that you can help us, but there's a way that we used to get help from ARC, Appalachian Regional Commission (A-R-C), and also from the block grants, transportation block grants.

Secretary CHAO. Senator, I hear this a lot from the other Senator of West Virginia, as well.

Senator MANCHIN. You're hearing it from both of us. We hit the same potholes. It's not a Democratic or Republican pothole.

Secretary CHAO. No. So this is an issue that's—

Senator MANCHIN. We need help. We really need help, ma'am. We're not—I mean, it's just the bottom line. It's critical mass right now.

My last—go ahead. We just need your help.

Secretary CHAO. I think for this—

Senator MANCHIN. Maybe together we can come meet with you and show you the maps where we're having all the problems.

Secretary CHAO. Yes, of course. I think Rural America needs to be paid attention to.

Senator MANCHIN. Right.

Secretary CHAO. In fact, Rural America has disproportionately high number of traffic accidents. So we are paying attention to Rural America. It's not preferential treatment but it's a matter of equity and fair play.

Senator MANCHIN. Madam Secretary, one question I get asked about the 737 Max 8, as you've been asked many questions, why it took us so long to ground that plane when we have been the leader in the FAA and we set the standard, gold standard. It looks like we're following now the rest of the world because I'm a pilot, also. I knew something was wrong. You can't have that type of angle of attack not being put on as optional equipment. It's just wrong.

So I don't know how that was made or why we waited so long. That would be my—

Secretary CHAO. Well, thank you for asking that question. It's an important one, and I had mentioned it in my opening remarks.

Senator MANCHIN. I know you did.

Secretary CHAO. That's fine. I've said that a good day at the Department of Transportation is when nothing bad happens and on March 10th, Sunday, something bad happened with an American-manufactured aircraft.

Senator MANCHIN. Sure.

Secretary CHAO. At the time, FAA did not have any information which mandated or indicated that grounding of the aircraft, 737 Max 800s, would have to occur.

Senator MANCHIN. Well, that plane lost the confidence of the American traveling public because there were parents flying and their kids that didn't know what plane they were flying on. I mean, it just should—I'm just saying you don't have to reiterate.

Secretary CHAO. No.

Senator MANCHIN. I just hope that we react quicker the next time.

Secretary CHAO. Well, that's an issue that I wanted to explain. Because the FAA is a fact-based organization, and based on the information that everyone had at that time, March 10th, March 11th, March 12th, there was no factual basis upon which to ground the planes.

So, conversely, if you don't have the factual basis upon which to ground a plane, how do you unground the plane?

Senator MANCHIN. Let me just say this to you. All your professionals, and I'm going to get out of here because I'm—make sure your professionals are looking. If there are options on a plane that deal with safety, there is a problem. If that's an optional cost that deals with safety, like the angle of attack, there's a big problem. That should be—every one of your total professionals should be looking at options that they're putting on a plane that should be on it mandatory from the factory if it's about safety.

Thank you, Madam Chairman.

Secretary CHAO. Well, Senator Feinstein brought that up, as well, and so we said we will work on that.

Senator COLLINS. Thank you, Senator.

Secretary CHAO. May I? This is actually pretty important.

So what happened is that on March 10th, March 11th, March 18th, even as countries were shutting down or making decisions about the 737 800s, the FAA did not feel that they had any information which would warrant the grounding.

What happened on the morning of March 13th, Wednesday, are the appearance of two additional pieces of informations which changed the FAA's analysis of the situation, plus the third thing about the black box. So let me go into that.

Number 1. The FAA received satellite information that it was finally able to decipher. The information was very raw. It could not be read very well. So it took the FAA that morning of the 13th to enhance the information.

It was the first three minutes of the flight of Ethiopian Air 302 and it showed similarities to what happened with Lion Air. That was the first time there was evidence, factual evidence on what happened.

Number 2. Without saying very much, at the crash site in Ethiopia, there was found physical evidence that seemed to correspond to the physical evidence of Lion Air 610.

So those two additional facts, plus the fact that the FAA thought that black box would arrive sooner.

Because this is a much more complicated crash investigation involving international interests, the initial assessment as to when

the information from the black box would be available was not as quickly as originally thought.

So with those three factors, Air, based on solid evidence that seemed to indicate some similarity, the FAA decided and made the decision to ground the 737 Max 800s and 900s.

Thank you.

Senator COLLINS. Thank you.

Senator CAPITO.

Senator CAPITO. Thank you, Madam Chair, and I want to thank the Secretary for being here today and for everything, particularly like to thank for the two BUILD Grants that we were able to secure in West Virginia at \$20 million each.

One of these is Corridor H, which is a huge driver of economic development in through the central part of our state, and when it connects, it will better connect us to the Mid-Atlantic and we're excited about that.

I would like to ask you, where do you see, after just having your first round of BUILD Grants or maybe this is the second round, where do you see that program going and how is that effectively treated in your budget?

Secretary CHAO. Well, we have increased the BUILD Grant and INFRA Grant in every request in the President's budget.

Obviously it's very popular with members of Congress and so we will be supportive, but one of our challenges, I will have to say, is that it's a lot of money and we have very short timelines for turning it around.

I know that everyone is anxious to receive these grants, but if we get criticized for not meeting some targeted deadlines, I hope that people will realize that it's not due to lack of effort on our part but because the deadlines are very tight and there's billions of dollars going out.

Senator CAPITO. Would you say that's a highly-competitive program that you have to turn a lot of people away?

Secretary CHAO. It's very, very competitive.

Senator CAPITO. Right.

Secretary CHAO. I congratulate the winners by saying it's almost one in 10, very competitive.

Senator CAPITO. Right. Well, thank you.

Secretary CHAO. One in 11.

Senator CAPITO. We're glad to be one of those one in 10 twice.

The budget request also cancels \$210 million in unobligated balances for the Appalachian Development Highway System and it's certainly true that some states have accrued large unobligated balances in this account but several states, like West Virginia, are making good faith efforts to finish those final stretches. Corridor H is that final stretch.

I'd like to know, has the department considered reallocating those funds to states that are actively involved in a viable construction completion plan rather than have it sit in the states that are not moving forward on their projects or having it accrue to—you know, just keep accruing at the state level rather than rescinding it, reallocating it to states like ours that still have a project that we're actively pursuing?

Secretary CHAO. We can't do that. That would require legislative action.

Senator CAPITO. We're working on that. Let's see. The other question I had is on the (TIFIA) Transportation Infrastructure Finance and Innovation Act Program. The budget request is \$300 million, which is the authorized limit for the TIFIA Program again this year. At the end of fiscal year 2018, the department stated that TIFIA had a \$1.65 billion in unobligated budget authority.

Where does the unobligated budget authority stand now after this appropriations of \$300 million? Is the money moving quicker out of there or why is it still unobligated?

Secretary CHAO. It's \$1.9 billion unobligated authority.

Senator CAPITO. Unobligated.

Secretary CHAO. You know, we continue to make these loans. In 2017, 11 loans were made, totaling \$4.1 billion, and in fiscal year 2019, three loans were made, totaling \$1.3 billion.

So, again, we're not holding these up, but these are complicated multimillion dollar projects that include many other parties and stakeholders, as well as state and local governments, municipalities, metropolitan planning, regional planning authorities.

Senator CAPITO. Right.

Secretary CHAO. So it's very complicated project financing and it requires obviously a great deal of work, but we're not slowing it down.

Senator CAPITO. So let me ask this question a different way. Is TIFIA the reason we have unobligated balances, over a billion dollars, close to \$2 billion now, is the process too complicated for certain areas to be able to make this relevant to projects in their rural states and other states?

Secretary CHAO. Well, I've been very concerned about rural projects because even though I've lived in California and New York, I've also lived in Rural America. I understand the particular challenges with Rural America and that's why I've initiated the Rural Projects Initiative where we hope once again that, Number 1, Rural America understands that this pot of money is available and understands how to apply for it. We cannot guarantee outcomes.

Senator CAPITO. Right.

Secretary CHAO. But we can certainly let people know, states and localities know that this is available for Rural America.

Senator CAPITO. All right. Well, I look forward to working with you on that.

Thank you so much.

Secretary CHAO. Thank you.

Senator COLLINS. Thank you, Senator.

Senator Murphy.

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

In your request to Congress, you note that "the Northeast Corridor, the Northeast Rail Corridor is one of the most important transportation assets in the United States. The lifeblood of the region's economy, the NEC carries more than 800,000 people each day on Amtrak and commuter services." That is in your submission to Congress and so I'm seeking to square that with a budget request to us that guts funding for the Northeast Corridor, that is

going to make it fairly impossible for us to even maintain the state of good repair on what is the busiest rail corridor in the country.

We carry about half of the country's passengers on a stretch of rail that is relatively short compared to the size of the nation.

Your budget cuts the Amtrak NEC Program in half, from \$650 million to \$325 million, and then completely eliminates the State of Good Repair Program, which is a Federal and state match program that benefits us greatly in the Northeast Corridor.

So help me square this. Help me square your recognition that this is the lifeblood of our region's economy with these very draconian cuts.

We feel like we have been targeted by this Administration and the President for specific cuts in infrastructure funding, and I may ask you another question about that, but help me figure out how I explain to my constituents why we're going to be levied with these enormous cuts even though the Administration seems to recognize that this is a vitally important transportation corridor.

Secretary CHAO. Well, they're not exactly cuts. Amtrak receives about \$1.5 billion overall from the Federal Government. Indeed, it's the Northeast Corridor which is very important. I take Amtrak all the time myself. It's about \$325 million to support the capital needs and that has traditionally been the amount of the President's budget requests. There have been enacted amounts which are much higher but Amtrak has almost a billion dollars in cash. If you look at their balance sheet, that is still money on the books that they can be drawing down upon.

Senator MURPHY. Right. But that's nothing new.

Secretary CHAO. Why is there idle cash of a billion dollars?

Senator MURPHY. But I guess, how can you say they're not cuts? I mean, they are cuts. You are cutting the Northeast Corridor by \$325 million.

Secretary CHAO. That's against the enacted, but compared with the President's request, it's always been around this level.

Senator MURPHY. Compared with enacted, right. Well, that's how we measure cuts is what we got last year versus what we get this year.

So let me ask you another question about something we've talked about before and that is two particular projects which clog the Northeast Rail Corridor and that's Gateway and the Portal Bridge.

A few weeks ago, FRA released its Annual Report and Funding Recommendations on the Capital Investment Grants and there were 53 projects on that list. Only four of those 53 received ratings under the medium threshold and these—

Secretary CHAO. May I tell you something?

Senator MURPHY [continuing]. These two projects were amongst those four. Anyone who has spent any time riding the Northeast Corridor or surveying it knows that the entire system is clogged by the Portal Bridge in particular but also the inability to get the Gateway Project done.

I know there is political hostility between the President and the New York delegation and I know there's financing questions about how you wish the state to go about coming up with that money. We discussed that last year.

But to suggest that these are amongst the lowest priority projects within the CIG Program, I don't think you'd find much agreement on that inside the community of those who ride that rail on a regular basis.

Secretary CHAO. Well, these were ratings made not by the political staff. They're made by the career staff, career professionals, who look at all these different projects based on criterias of financing, of local participation. The political people don't have any say in any of that.

Senator MURPHY. So then just tell me, and maybe you don't know offhand, but what were the reasons why these projects, which clog the entirety of the corridor, which happen to be right next to New York City, represented by the Minority Leader of the Senate, were rated that low?

Secretary CHAO. It's actually quite complicated and a list of the issues, the problems, were actually shared with the sponsoring organization. Part of that is financing but it's actually quite complicated, and it's all laid out pretty transparently to them.

Senator MURPHY. All right. Well, I'll look forward to following up with you on that and trying to—

Secretary CHAO. Sure.

Senator MURPHY [continuing]. work with the Department of Transportation to come up with some alternative plan, if it's not the one that's been presented to you, in order to finance these projects. We cannot move people and goods up and down the Northeast Corridor if we don't have a way to move forward on the Gateway Project or an equivalent and the reconstruction of the Portal Bridge. They're not even in my state. I just know that my state can't move people anywhere without them.

Secretary CHAO. You have commuters going to New York and New Jersey.

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

Secretary CHAO. Senator Coons.

Senator COLLINS. Senator Coons.

Senator COONS. Thank you, Madam Chair. Thank you, Madam Chair and Ranking Member, for another important hearing, and thank you, Secretary Chao, for joining us today. I appreciated hearing from you back in December and the opportunity to work with you on a BUILD Grant. It will be critical to protecting the Delaware Memorial Bridge.

Delaware, although small sits at the juncture of a number of really critical transportation infrastructure projects across our country and I'm glad we've had the opportunity to work together on some investments in infrastructure security, as well.

As someone who commutes virtually daily on the Northeast Corridor, I'll simply amend and extend some of the comments from my colleague from Connecticut. A number of us are from states where Amtrak plays a really significant part in transportation passenger rail and I recognize that from your perspective the relevant analysis is what was proposed in last year's budget. From our perspective, it's what was actually enacted.

My concern about the cuts proposed to Amtrak is two-part. The Federal-state partnership for state of good repair strikes me as a

great way to leverage state monies. Like TIGER Grants, state of good repair partnerships between the Federal Government and state governments allows state governments to bring the money to the table when they want to improve commuter rail, when they want to improve the Northeast Corridor in state of good repair.

What's the wisdom behind zeroing that out all together? There's zero proposed for it. I recognize we may well put it back in enactment. We've done that the last 2 years, but when there's a \$38 billion maintenance backlog in the Northeast Corridor and safety is a core concern and leveraging dollars and having state governments play a role is a key part, why zero that out in particular?

Secretary CHAO. I think it's a philosophical point on Amtrak overall, but as you mentioned, the Congress will do what the Congress does.

Senator COONS. We will.

Secretary CHAO. Yes. But I think that the cash balances do need to be taken a look at. Why is it so high?

But having said that, the Northeast Corridor is the only part of Amtrak that is heavily traveled, that is profitable, and it is important.

Senator COONS. It is very heavily traveled, and it is generating revenue.

The other piece of the Amtrak proposal in your overall budget, if I understand correctly, eliminates long distance routes in many states across the country and replaces it with a subsidy for states to take over bus service.

If you could just take a minute and help me understand how eliminating national passenger rail service and basically turning Amtrak into the Northeast Corridor is a good idea for the nation as a whole.

Even though Delaware really only benefits from the Northeast Corridor, I'm concerned about what this would do to Amtrak nationally.

Secretary CHAO. Well, obviously Amtrak's plans to restructure the long distance routes has not been met with great enthusiasm by many of the Senators in whose states these trains run. But it is also a fact that the average subsidy per head for the long distance is of concern and it's not sustainable. So it has to be continually subsidized, and a lot of the travelers that use the long distance routes they don't take the train for the whole distance. They only go from one point to another.

Amtrak actually has plans for perhaps a bus system that would substitute for these shorter haul travels. It's part of their plan and what they've done is to try to move some of the long distance into these Restoration and Enhancement Grants.

The National Network Grants was \$611 million but the remainder of what the enacted amount was put into the Restoration and Enhancement Grants with an idea that somehow this can be worked out with the states for long-term phase-out of this.

Senator COONS. Right. Let me just move to one other question, if I might, before my time's up, Madam Secretary.

Secretary CHAO. Yes.

Senator COONS. I just enjoy working with you.

Secretary CHAO. Thank you.

Senator COONS. But, I have to say I could not disagree more strongly about the future for Amtrak as laid out in your budget request and look forward to working with my colleagues from states where passenger rail is a critical part of our transportation infrastructure to ensure that there is adequate enacted funding for Amtrak.

You do mention in your budget request that you're going to address the insolvency of the Highway Trust Fund in a fiscally responsible manner and according to the Airports Council, airports face more than a \$100 billion in infrastructure needs.

One of the big challenges I know you face is the lack of appropriate revenue to fund a lot of this infrastructure investment.

Do you and the President support raising the gas tax which hasn't been raised since 1993 or lifting the cap on passenger facility charges to help pay for airport improvements?

We are dramatically underfunding infrastructure in this country and I wonder if you're willing to embrace either of those proposals.

Secretary CHAO. Well, I think the good news is nothing is off the table and when we talk about the Highway Trust Fund, obviously it's very important.

There's infrastructure discussions ongoing at the White House. The chairman of the House Transportation Infrastructure will be proposing some kind of a bill by May. The window for action is pretty short, has to be done by August.

So we're interested in seeing what the proposals are and commenting on that. But there's a larger vehicle, the Surface Reauthorization Bill, which again the Administration is working on that needs to be also done on a bipartisan basis.

Senator COONS. It does.

Secretary CHAO. And so through the surface reauthorization, we hope to be addressing the Highway Trust Fund.

Senator COONS. Well, thank you, Madam Secretary. I just hope we can work on a bipartisan basis on an infrastructure package that addresses the unmet and unfunded needs in infrastructure in our country.

Thank you for your forbearance, Madam Chair.

Senator COLLINS. Thank you.

Senator Boozman.

Senator BOOZMAN. Thank you, Chairman, and thank you, Madam Secretary, for being with us, and we appreciate all of your hard work.

The first question I'd like to ask doesn't have anything to do with spending money. In fact, it's actually one of those things that saves a great deal of money.

On April 9th, 2018, the Department of Transportation signed a Memorandum of Understanding implementing Executive Order 13807, also known as One Federal Decision Framework. This Framework signaled a continued emphasis by the Trump Administration and yourself on expediting infrastructure project reviews by requiring improved coordination among all Federal agencies within a single process.

Madam Secretary, understanding this is a relatively new Framework, has the One Federal Decision had an impact on streamlining approvals thus far, and then also very importantly as we go for-

ward with reauthorization, is there additional tools that we need to give you to make the process even better?

Secretary CHAO. Well, as Senator Feinstein mentioned with the California projects, the longer it takes to build any construction projects, the more expensive it gets. Over time, the delays cost the public tremendous increases in the project and cost.

So one of the ways in which we are trying to provide quicker deliverables, so to speak, for the American public is to re-examine the permitting process and see where there are common sense ways in which we can make it easier for construction projects to go forward without compromising safety, without compromising the environment. Just to give you some examples, right now, we have sister agencies within one department that are unable to share results of the same survey or the same report even. Each has to conduct their own report or their own survey.

Secondly, a lot of actions by sister agencies within the same department cannot occur simultaneously. They have to occur sequentially.

So are there not more sensical ways in which we could share information, do things simultaneously, concurrently rather than sequentially?

So these are some of the issues that we are thinking about, but also One Federal Decision in particular gives one government agency the leading authority and responsibility for monitoring a particular project. And that particular agency or department would have the ability to overrule other departments, and hopefully that will give the ability for stakeholders to be able to move some projects quickly.

Senator BOOZMAN. No, I agree totally, and, you know, a great example of that was when the bridge collapsed in Minnesota. That was rebuilt in a year and if you'd gone through without the collaboration, you know, the attitude of we're here to help and, let's get this done, there's no telling how long that would have taken—well, 10+ years in a conventional way anyway.

Secretary CHAO. Well, you mentioned the bridge collapse. In fact, on March 31st, 2017, I-85, a major thoroughfare right in Atlanta, Georgia, which feeds seven counties, especially commuter traffic, burned and had to be collapsed. And because of the emergency powers that were available for emergencies, this highway bridge was basically restored to the benefit of the community in seven weeks ahead of schedule and below budget.

Senator BOOZMAN. Right. Right.

Secretary CHAO. It can happen.

Senator BOOZMAN. And again it can happen, saving money, and then also the economic impact, you know, that not having then just the hassle factor.

So thank you very much. Thank you for being here.

Secretary CHAO. Thank you.

Senator COLLINS. Senator Durbin.

Senator DURBIN. Thank you, Madam Chairman. Madam Secretary, good to see you, and thank you for the phone call the other day on the Boeing situation. I'll get to a question on that.

This afternoon, the Inspector General from the Department of Transportation in testimony is going to say, "While revamping

FAA's oversight process will be an important step, continued management attention will be key to ensure the agency identifies and monitors the highest risk areas of aircraft certification."

I'd like to address that management question for a moment. I was glad that you called me on the Boeing situation because we sent a letter to you and others have joined, but can you comment on the fact that the President did not nominate a person to fill the Federal Aviation Administration for 14 months?

Secretary CHAO. Of course leadership is important, but currently the FAA is led by a very able Deputy Administrator, who is the Acting Administrator. He graduated from the Air Force Academy, was a commercial pilot, was a military pilot, and has also been in Washington and understands the policies.

Senator DURBIN. Is he the new nominee?

Secretary CHAO. He is not. The new nominee has just been announced. But let me also say that the previous FAA Administrator from the previous Administration stayed on until January 8th, 2018.

Senator DURBIN. It is unusual, is it not, for an agency that's accepting the responsibility for the safety of aircraft in America has a vacancy and a deputy administrator or designated administrator for 14 months? Isn't that unusual?

Secretary CHAO. I guess it is more unusual. But in this Administration, there's been quite a slowdown in nominations on both sides.

Senator DURBIN. Well, I know that I was expecting that for a variety of reasons, but this is situation where the President didn't send a nominee to an agency with that responsibility.

So may I ask you on the infrastructure question? Every time I go back home, without fail this is the first item I'm asked about is infrastructure. People are focused on it. They're wondering when this Federal Government is going to come around to the realization that we have to do something and at this point in time with the gas tax by gallon that has been in place now for 26 years, I'm guessing, and not enough money coming into the Highway Trust Fund because of a variety of factors, it appears that absent some significant commitment by Congress and the President, we're not going to solve this problem.

We have more and more fuel efficient cars and trucks burning fewer gallons of gas, more and more electric vehicles, and yet the demands for infrastructure continue to grow apace.

So I was heartened by your response to Senator Coons earlier about everything's on the table. I don't want to mischaracterize what you said but that's what I concluded, that everything's on the table.

Can you give us a time table about when we can expect honest negotiations to go forward on infrastructure?

Secretary CHAO. I think it's an issue that we all need to discuss because we have surface reauthorization coming up. So does it make sense to have two vehicles, an infrastructure bill and a surface reauthorization?

Given the compressed timeframe, it may very well be that there should be—it's easier for everyone, ourselves as well as the Con-

gress, Senate and the House, to have one vehicle and that perhaps should be the surface reauthorization bill.

Senator DURBIN. And are you going to convene the appropriate parties to start this conversation?

Secretary CHAO. Well, I think we have certainly learned from the past that such a project should not be done in isolation, but done in consultation with the Congress. I am certainly a believer.

Senator DURBIN. That I think is a great idea, and let me also add that the President has said on his own, he's said many things, but on his own, he has said that what we now characterize as congressional-directed spending was a good idea, and I happen to believe it was a key to passing an infrastructure bill and moving things forward.

Does the Administration or do you have an opinion when it comes to so-called congressional-directed spending as part of this process?

Secretary CHAO. Well, the President has said that. I agree with the President.

Senator DURBIN. That's good news. Thank you, Madam Secretary.

Senator COLLINS. Thank you, Mr. Chairman. Mr. Chairman, geez, I'm giving you a promotion here now.

Senator Daines.

Senator DAINES. Thank you, Chairman Collins and Ranking Member Reed, for holding this hearing, and thank you, Secretary Chao, for appearing before this subcommittee.

I also want to thank you for the work you've done on focusing on the needs of transportation in rural states, like Montana. Discretionary grants, such as BUILD, have had a tremendous impact on our state, but it's important we also continue to focus on the importance of formula funding.

I want to talk more about the electronic logging devices. Secretary Chao, when I'm back home in Montana, it's one of the greatest concerns I hear related to red tape and burdensome Federal regulations. It's this mandate on electronic logging devices. It's something I've discussed many times.

This issue is raised about every meeting I have across the state, whether it's in Great Falls or Miles City, particularly from our AG community. Our Number 1 economic driver in Montana is agriculture. It's ranchers. It's livestock haulers. It's wool growers. It's seed potato farmers. It's honey producers. They've all raised concerns about this ELD mandate and its impact on their ability to get their products to market efficiently and, importantly, safely.

We see this one-size-fits-all regulation having harmful effects on Montana's farmers and ranchers and across the trucking and AG industries.

Thankfully, through the leadership of many, including myself, we've been able to delay the mandate for our livestock and AG haulers and will do so again this year. I'm pleased to see (FMCSA) Federal Motor Carrier Safety Administration looking at hours of service regulations. That process, as you know, is going to take many months or even years to complete.

So my question is, what are you doing presently to find a workable solution for our farmers, our ranchers, our small businesses regarding the ELD mandate and the hours of service regulations?

Secretary CHAO. Actually, that's a very good question. We have been listening to the concerns of Senators like yourself about the ELD. We have given waivers on meritorious grounds for hardship.

We have also gone out with an Advanced Notice of Proposed Rulemaking. The public comment ended on October 10th. We have over 5,200 comments, and FMCSA is evaluating them and deciding what to do next.

But I will have to ask them what they are doing currently to address this while this is ongoing.

Senator DAINES. Thank you.

Secretary CHAO. I will get an answer back to you.

Senator DAINES. Yes, and thank you for listening to Rural America. These farmers and ranchers sometimes wonder if their voice is ever heard in Washington, D.C., and I want to thank you for listening to them and their comments. It's very, very important to our Number 1 industry in Montana which is agriculture.

I want to shift gears and talk about another important connectivity issue, whether it's trucking, this time it's airports. Airports in Montana have seen rapid growth over the last decade with many an expanding service.

Unfortunately, the Contract Tower Program doesn't provide the flexibility needed to expand tower staffing. In fact, our busiest airport is Bozeman. That's my hometown in fact. It has nearly one and a half million passengers, over 91,000 tower operations annually. It had to pay for a full-time controller out of their own budget. Missoula is nearing the point where they're going to have to do the same thing.

The question is, why are these airports required to locally contribute so much financially to what is a government function, and what could we do, what could you do to add flexibility to the program so they don't have to continue to bear that substantial financial burden?

Secretary CHAO. Well, the total funding requested for the Contract Tower Program in our current budget is \$169 million. So it fully funds all the towers participating in the program.

There is a volume factor that determines whether a contract tower extends its hours where therefore the FAA bears the cost. So this is an issue where if they don't meet the minimum, which I think is 10 per hour or something like that, the FAA does not extend the hours. We can talk with you about that.

Senator DAINES. Yeah. We'd like to work with you to get some more flexibility there because we want to incentivize these contract tower operations to have some flexibility there because we're saving the taxpayer dollars with these contract towers and we'll work with your team on that to give us flexibility so we don't have the out-of-pocket costs coming from our airports.

Last question is another connectivity question. It's Amtrak. Of course, connectivity is a big deal for states like Montana. We're off the beaten path. We rely on the Amtrak, particularly on the High Line. Recent news relating to Amtrak limiting or eliminating long distance services are troubling.

We've removed ticket agents from Selby, from Havre, and it impacts our communities directly. The Empire Builder is where my great-great grandma came out to Montana on in fact years ago.

Question is, what can you and Amtrak do to continue to meet the needs of these rural communities who are just disproportionately affected with reductions in Amtrak and ensure they continue to have the access to this national network?

Secretary CHAO. Well, the Federal Government funds Amtrak to the tune of about \$1.5 billion a year. So I know that the President of Amtrak, Richard Anderson, is very concerned about the viability of long distance.

They do capture the dreams, you know. It's kind of rare. Travel is very important. But there's also a subsidy cost per head. So I think Amtrak is trying to reassess how best to address the needs of these rural communities and maintain mobility, but also think of some other way to reduce the subsidy.

So one of the ways that they've tried to do it is through Restoration and Enhancement Grants. They've taken half of the National Network Grant that was enacted last year and put it into Restoration and Enhancement Grants. They want to negotiate with state governments to see whether the states can be phased into taking a larger local share.

Obviously this is going to have to depend on lawmakers agreeing and if legislators don't agree with it, well, then this won't go any place. But that was the original intent because a lot of times travelers, passengers, they don't go all the way from Chicago to California. They go partway.

So it's not usage of the entire long distance route, and I think Amtrak is thinking could there be some other alternative for these shorter hauls to meet the mobility, and transportation needs of these rural communities.

Senator DAINES. I'm out of time, Secretary Chao. Thank you.

Senator COLLINS. Thank you.

Senator Murray.

Senator MURRAY. Thank you very much, Chairman Collins, Ranking Member Reed, and thank you both for your very hard work on the fiscal year 2019 Spending Bill that I think you did a really excellent job and made new investments and we all appreciate it.

Before I begin my questions, Madam Secretary, I would like to make a quick statement on the grounding of the Boeing 737 Max planes.

Nothing is more important than the safety of our families and our travelers and I know the DOT and FAA are working with Boeing to take steps to determine what exactly went wrong.

I understand your department has created a task force to examine the process by which new planes are certified for use and I look forward to seeing your findings so we make sure that nothing like that happens again, and I would like to ask you to continue to work as transparently as possible and to keep us in the loop on any new information or developments that occur.

Secretary CHAO. I will do so.

Senator MURRAY. I would appreciate that.

Secretary Chao, we have spoken several times about a constituent of mine, Allison, who bravely told me about being sexually assaulted on a long distance flight and in the past year, I've heard more and more disturbing reports of sexual assaults occurring on airplanes.

The Association of Flight Attendants conducted a survey of nearly 2,000 flight attendants and found one out of five flight attendants have experienced a report of passenger-on-passenger sexual assault while working on a flight and that's why I worked last year to include language requiring the establishment of the National In-Flight Sexual Assault Task Force in both the 2018 appropriations legislation and in the FAA reauthorization, and while I really do appreciate that the first meeting of the task force is happening soon, I am very concerned that delays, including the delay from the shutdown, have slowed down its development.

I'm also very concerned that key stakeholders I have worked with and heard from are not included in the task force. In particular, I have been in touch with Allison, who recently got a letter saying that she was not being invited as part of the task force, and I really think that is a true shame.

She's been a strong advocate for making meaningful change so that others don't go through what she experienced, and she also told me that the only offer of any sort she received from the task force was to submit a letter. That is not the type of real best engagement with the task force I had hoped the survivors would have.

I wanted to ask you, can you tell me how you do plan to ensure that all stakeholders who are interested in helping to solve these problems will be able to work with the task force?

Secretary CHAO. I want to assure you that this is an issue that is important, that no one should have to worry about sexual assault or harassment when taking a flight, any flight of any duration.

So because of the strong commitment, we did establish the task force, the National In-Flight Sexual Misconduct Task Force, with your leadership, as well. We have structured it so that it can act quickly and that certain information can be held confidential.

There is a way in which people can participate and we can provide more information to your staff on that, as well.

Senator MURRAY. Well, I would appreciate it if you would provide more information, but I think it is important for us to tell Allison, who has started this and has worked so hard on it, that she is more than just a letter to the committee, that her input—and she's worked on this very long and very hard with me and with a number of people.

So I would like to have your staff talk with us to see that we can get her better involved and all survivors, be a voice for all survivors.

Let me pivot quickly to the Capital Investments Grant Program. I want to thank you for completing the Lynnwood Link Full Funding Grant Agreement in December, which will allow that project to move forward and begin construction, and I want to acknowledge the President's fiscal year 2020 Budget Request funding for new

projects, which is a significant departure from years past and more accurately reflects the bipartisan commitment to this program.

It is critical that the State Grants Program is properly executed and projects are moved through this in a timely fashion and one of those projects I did want to call to your attention is the Federal Way Link Extension.

This budget request states, "The Capital Investment Grant Program should focus on projects with high non-Federal funding commitments and currently Sound Transit is working with the Federal Transit Administration to advance this Federal Way Link Extension to a full funding grant agreement this year."

That project is requesting only 25 percent Federal share and Sound Transit's total capital budget calls for a total Federal share of just 16 percent.

Is that the type of project that meets the Administration's criteria?

Secretary CHAO. I can't give you an answer right now, but I've said a number of times in this hearing we're not holding anything back. These are complicated projects. They need to meet certain milestones, and I'll be more than glad to provide an update.

Senator MURRAY. Okay. Well, I would appreciate a response back on that.

And then Sound Transit has also submitted to enter into the engineering phase on the Federal Way Link Extension back in early October 2018, as they've been waiting approval to enter this next phase since December, and in order to maintain the budget for the 25 percent Federal share project, it's essential that they stay on schedule.

So if you can give me an update on that, as well, I would really appreciate it.

Secretary CHAO. I'm pleased to.

Senator MURRAY. Okay. Thank you. Thank you very much, Madam Chair.

Senator COLLINS. Thank you, Senator.

Madam Secretary, I want to return to an issue that I raised in my opening statement about the inadequate funding for the training vessel for state maritime academies.

As you're well aware, in fiscal year 2018, we provided \$300 million for a new training ship for New York's Maritime Academy and in this past bill in fiscal year 2019, we provided another \$300 million for Massachusetts, and according to the department, using an identical design to replace each training vessel helps achieve significant cost savings with each additional ship and there's a learning curve, but no one is suggesting that you could achieve cost savings to make up for the delta that is in this year's budget for the ship that is designated for Maine Maritime Academy.

The Administration cites the lower number of students enrolled at Maine Maritime Academy compared to other state maritime academies in order to justify its proposal, but what we found after further discussions with OMB, which offered that justification, and with the State Maritime Academy is that this fails to recognize the right measure.

What matters is that the Maine Maritime Academy has virtually the same number of Coast Guard-licensed graduates as Massachu-

setts or, for that matter, California and therefore the same training needs because these cadets need training at sea.

So when you look at the number of cadets that need training at sea in order to get their unlimited Coast Guard license, it's the same virtually in Massachusetts as it is in the state of Maine.

So OMB seems to have been operating under a completely wrong assumption in coming up with the funding of only \$205 million.

It simply doesn't make sense to change the size of the training vessel when the Administration last year supported the request for the training ship for Massachusetts having the same number of cadets that need that training at sea.

I would just ask again for your commitment to work with us in finding a path forward so that MARAD doesn't have to go back to the drawing board, spend an enormous amount of time and money in designing a whole new ship, when in fact the appropriate metric is how many cadets in the academy need at-sea training and that is the same for Maine as it was for Massachusetts.

Secretary CHAO. Senator, I hope Maine knows what an advocate they have in you because every time that we talk, you're always advocating for your state, and the latest example is with this school ship.

Your arguments and the points that you made, are very good ones and I look forward to working with you on it.

Senator COLLINS. Thank you very much, Madam Secretary.

I want to switch to the issue of positive train control. As you know in 2018, there was a bad accident in Washington State that would have been prevented had positive train control been installed on that train.

Last December, the department announced a real milestone, that all 41 railroads that are required to implement positive train control systems had met the statutory requirements to qualify for a little additional time, but they had installed the necessary hardware and made sufficient progress in testing positive train control.

I do want to share with you a conversation that I had not on a train but on an airplane with the head of the union for railroad signalmen in the state of Maine and he raised the issue of training.

He said that the trains have done a very good job of getting installed the software and doing the testing but that they haven't done as much training of personnel that they need to do.

So I just wanted to pass that on to you and to ask for you to look into the training issue, as well.

Obviously the software is key, the testing is key, but we need to make sure that the personnel, the railroad signalmen and others involved receive the appropriate training that they need.

Secretary CHAO. Well, I totally agree.

Senator COLLINS. Thank you.

Secretary CHAO. The world is getting more complicated. Technology is rushing ahead so quickly, and training is very important.

Senator COLLINS. And finally, I want to bring up to you another airplane incident. It involved a small aircraft, a commuter airline in Prescott, Maine, and this is our most northern commercial airport in the state of Maine.

On March 4th, a small aircraft, which was coming from Newark and operated, I believe, by United Express, landed very roughly at

the Prescott Airport on its second attempt at landing. It hit the ground. It bounced numerous times. Three people were injured, two passengers and a crew member, and the plane experienced substantial damage.

I've read the preliminary report from the National Transportation Safety Board and what it tells us is that the United Express airplane landed between Runway 1 and the Taxiway A in light or moderate snow. This wasn't one of our huge snowstorms that we get. So it was particularly disturbing and frightening that this happened.

It also happened after the aircraft had conducted a missed approach. So this was the second attempt to land. The flight was found to have aligned right of the Runway 1 during both approaches.

So this was a very disturbing incident, and we very much appreciated the very prompt report that the National Transportation Safety Board did.

My question is, what happens after a report like this? I don't know what the process is. I was very happy that the NTSB immediately sent up investigators. They identified that there had been two faulty attempts at landing that severely damaged the aircraft and caused three injuries, but I don't know what's the next step.

Could you either today or for the record give me information on what happens next to ensure that this kind of preventable accident doesn't happen again?

Secretary CHAO. Senator, I have actually seen pictures from that accident, and it surprises me that you said it was a light snowstorm in Maine. I thought it was quite heavy.

But the point is, what is the FAA doing to help airports that are located in severe weather regions how to handle incidents such as this?

There's, of course, ground control, ground-based instrument landing systems, but that's affected by the snow and the accumulation of snow. The satellite-based systems are much better and the FAA is supposed to be working with the airport on investments in both systems and they're supposed to be working with the airport to take advantage of both types of technology.

Your question is a good one. I will go and see, but they're supposed to be working with the airport and I thought that's what they were doing, but I will check on that.

Senator COLLINS. Thank you very much.

Senator Reed.

Senator REED. Well, thank you, Madam Chairman, and thank you, Madam Secretary, for your testimony today.

We've all been shocked with the scenes from the Midwest of the massive flooding and devastation and it has affected the livelihood, the lives of the thousands and thousands of our fellow Americans.

We will respond. We must respond with emergency support and will have to rebuild bridges and rebuild roads, but we want to make sure we do it in a sustainable way because these used to be sort of one-off experiences.

When you have a hundred-year flood every 3 years, you've got to wonder what's going on, and one of the aspects of this is the fact that in 2017, the Administration took out, eliminated the Federal

Flood Risk Management Standard, which was a guideline for reconstructing bridges and infrastructure so they could be sustainable given the climate change effects and that basically invites some states, particularly under fiscal pressure, to simply put up what they had before, not take into consideration the climate effects, the changing aspects of this.

And this issue of climate is not just the Midwest, though that's the current disaster, and again we are absolutely sympathetic with the people that are suffering out there, but we were talking about the Northeast Corridor.

If you ride the train from here to Providence, Rhode Island, you will go past coastline which is being slowly eroded by rising seas. You'll go through areas where the wetlands are becoming more and more threatening to the tracks. That's going to be a huge cost that Amtrak will have to face.

So the point is, how will you and the department ensure that these transportation projects are built and properly located and designed to withstand what we know is coming, the effects of climate change and rising waters?

Secretary CHAO. Well, I think the resiliency of infrastructure is very important, to be prepared for natural disasters of any sort, and so we need to work to ensure that infrastructure projects are able to meet these unusual circumstances.

The Federal Highways Administration has supported pilot projects to see how we can increase resiliency and I think FHWA has supported about 40 resiliency pilot projects across the country. They've initiated 11 state and metropolitan pilot projects focused on making transportation more resilient and more durable.

Senator REED. Well, I appreciate that, but again we will be, we have to rebuild all these structures in the Midwest and not just in the Midwest, all across the country, and if we don't have the governing rule, then pilot projects are helpful but they won't be decisive.

So I'd urge you to move either to re-evaluate the decision to repeal the regulation or guidance or to put in new more effective guidance in your view.

Let me change topics for a moment. You probably might be aware that we suffered up in Rhode Island a gas outage affecting 10,000 Rhode Islanders, in Newport, in Middletown, and Portsmouth, and we have been working with the Pipeline Hazardous Materials Safety Administration (PHMSA), to understand how it happened. It was a multistate occurrence. So there is involvement in the Federal Government as well as the local government.

Could you give us an update on what you've learned to date on the pending investigation of what went wrong and what we have to correct?

Secretary CHAO. PHMSA is extremely experienced and professional and their highly-trained inspectors concluded that the high customer demand for natural gas during the stretch of extreme cold, combined with an emergency shutdown of a liquefied natural gas facility, created conditions leading to the outage.

PHMSA actually doesn't regulate gas supply matters. But because the Rhode Island Governor, your governor, declared a state of emergency, PHMSA staff immediately reached out to the Rhode

Island Division of Public Utilities and Carriers and tried to work with them.

Senator REED. This raises, I think, a more general issue not just for Rhode Island but these pipelines are old, particularly interstate pipelines, and PHMSA has regulatory authority because of the interstate nature.

Then you have state public utility commissions in Rhode Island and in other states. Usually the responsibility is shared in some respects. In fact, we're told some of the problems occurred in a Massachusetts site but it affected Rhode Island and not Massachusetts.

So one of the things I think we have to do is develop a standard procedure where PHMSA is working with state utility commissions in a proactive way, not just simply reactive, and I appreciate them coming to the assistance of Rhode Island.

Secretary CHAO. And we're still working with them.

Senator REED. Yes, and so that when there is an outage, it's almost like maybe the analogy we've been talking about all morning, the NTSB, where when something happens, they're there on the ground. They're coordinating the response, almost FEMA-like, too. When something happens, FEMA's on the ground with the local emergency management.

It's just this incident—frankly, we're very fortunate in Rhode Island, there were no casualties as there were a few weeks before that in Massachusetts where there was a gas explosion. So we're very grateful for that. But 10,000 people were without heat. A major city in the state closed down for several weeks.

I think we do have to have much more of a coherent and constant coordination between PHMSA and the state utility commissions and I would urge you to look into that.

Secretary CHAO. I understand.

Senator REED. Thank you. Thank you, Madam Chairman. Thank you very much. Thank you, Madam Secretary.

Senator COLLINS. Thank you, Senator Reed.

Secretary Chao, thank you so much for joining us today. As you could see from the number of members who attended, there is great interest in the budget that you've presented and also in the crashes which we have discussed today.

We very much appreciate your forthright testimony and your being here with us today.

#### ADDITIONAL COMMITTEE QUESTIONS

The hearing record will remain open for the submission of additional questions, I suspect both the Ranking Member and I will have a few to send your way, until next Friday, April 5th, 2019.

Secretary CHAO. Thank you.

#### QUESTIONS SUBMITTED BY SENATOR SUSAN M. COLLINS

##### HIGHWAY INVESTMENTS

*Question.* I am concerned that the Administration's budget once again offers no proposals for our nation's highway system once the FAST Act expires at the end of fiscal year 2020. Our states need certainty so they can plan future transportation projects not an abandonment of our duty to foster interstate commerce. The lack of a long-term plan with stable revenue puts American infrastructure on an impossible trajectory. The American Society of Civil Engineers has determined a backlog of

more than \$4.5 trillion in needed infrastructure investments in their most recent 2017 report card.

Madam Secretary, is the Administration developing a plan to provide needed, increased investments in infrastructure?

*Answer.* Infrastructure continues to be a priority for the Administration.

The 2020 Budget commits to working with the Congress on a long-term surface transportation reauthorization to provide our State, local, and private partners the certainty they need to effectively plan and deliver projects. In addition, the Budget provides \$200 billion for other infrastructure priorities, across a range of infrastructure sectors, to be allocated in partnership with the Congress. The Budget also makes targeted investments in the BUILD and INFRA grant programs, and a competitive highway bridge program.

The President has repeatedly stated that when it comes to infrastructure investment, all options are on the table. As we approach the expiration of the FAST Act on September 30, 2020, we look forward to working with our partners in Congress to address the structural insolvency of the surface transportation programs funded out of the Highway Trust Fund.

#### FMCSA BUS LEASE AND INTERCHANGE RULE

*Question.* On September 20, 2018, the Federal Motor Carrier Safety Administration (FMCSA) published a Notice of Proposed Rulemaking to revise a prior 2015 final rule on the lease and interchange of commercial passenger vehicles. This followed the filing of multiple petitions by the passenger motor carrier industry in 2015 and a notice published by FMCSA on August 31, 2016, announcing its intent to revise the rule. Rather than finalizing this new rulemaking that has industry and stakeholder input, DOT has simply continued to delay compliance with the 2015 rule.

Since the comment period ended last fall for a revised rule, can you provide a timeframe for when FMCSA will complete this rulemaking and publish a new final rule?

*Answer.* The comment period for the NPRM ended on November 19, 2018. The Department is working on the final rule and expects the rule to be published this summer.

#### DOT OIG REPORT ON INFORMATION SECURITY

*Question.* The Federal Information Security Management Act of 2002, known as FISMA, requires inspectors general to conduct annual reviews of their agencies information security programs. According to the most recent IG report, DOT's 471 IT systems have significant deficiencies that place DOT's information systems at increased risk and make them a target for malicious attackers. For example, DOT has not transitioned all of its information systems to use of multifactor user identity authentication and many DOT systems do not require use of personal identity verification, or PIV, cards. The lack of user identity authentication and access control may lead to unauthorized access to DOT's information systems.

Madam Secretary, how will DOT improve its I.T. security posture and ensure that unauthorized personnel are not accessing DOT's information systems?

*Answer.* To improve its I.T. Security posture, the Department began multiple lines of effort starting in fiscal year 2018, planned to extend through fiscal year 2020. Foundationally, the Office of the Chief Information Officer (OCIO) initiated its "Destinations Digital" transformation initiative to re-envision and re-align IT procurement, management and operations for improved efficiencies, outcomes, and security as a result of improved resource management, controls, and oversight.

The Department also initiated an acquisition effort for a multiple-award, enterprise-wide cybersecurity contract which it expects to award in fiscal year 2019, with the goal of standardizing practices, reducing duplication of effort, and consolidating the visibility into—and management of—cybersecurity risks associated with DOT systems.

And lastly, the Department will continue its investment in infrastructure and capability enhancements including: completion of a network modernization initiative that provides a software-defined network with improved cybersecurity monitoring and controls, a secure enterprise cloud architecture to host migrated and new DOT mission systems and applications, enhanced vulnerability assessment and management tools and services, and improvements to endpoint security on DOT desktops, laptops, and servers to provide earlier detection, alerting, and automated mitigation of unauthorized activity.

Addressing the imperative to reduce the risk of unauthorized personnel accessing DOT systems, the Department has made it a requirement for personnel to use

multi-factor authentication via their Personal Identity Verification (PIV) cards to access DOT networks, achieving 100 percent mandatory privileged access using a PIV card, and 98 percent mandatory unprivileged access, as of the first quarter of fiscal year 2019. Continued attention on closing the remaining 2 percent gap will address technical issues and use cases that are currently impeding the Department from achieving a full 100 percent of mandatory PIV usage for unprivileged users.

The Department also established a production agreement with GSA for use of its Login.gov strong authentication shared service, and has deployed the service in support of multiple DOT websites and systems. Subsequent efforts in fiscal year 2019 and fiscal year 2020 will evaluate and implement additional upgrades to Departmental authentication and authorization infrastructure to improve controls and visibility in order to detect anomalous or unauthorized access, and to improve and automate the assignment, revocation, and management of access to DOT networks and systems.

Lastly, the Department will re-evaluate its current use of encryption technology, and will work to improve the use of encryption where appropriate in order to better protect information at rest and in motion. Specific attention will be given to agency high-value asset systems, and to known repositories of sensitive information.

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#### QUESTIONS SUBMITTED BY SENATOR LAMAR ALEXANDER

##### FOOTHILLS PARKWAY

*Question.* The Foothills Parkway was authorized by Congress in 1944 to be a 72-mile scenic parkway. Today, there are 33.5 miles Foothills Parkway that are unfinished.

In 2002, the National Park Service—working with the Department of Transportation and the Federal Highway Administration conducted an analysis for the cost of completion of these 33.5 miles and the National Park Service estimated it would cost over \$250 million—or \$7.5 million per mile—to complete.

Could you give me a preliminary estimate of how much it would cost today to build the remaining 33.5 miles of the Foothills Parkway? Could you also briefly explain what steps the National Park Service and the Federal Highway Administration would have to take to complete the Foothills Parkway, and provide a tentative timeline?

*Answer.* The preliminary estimate for the total cost to complete the remaining 33.5 miles of the Foothills Parkway is \$660 million. It is estimated that it would take approximately 10 years to complete the Foothills Parkway.

This timeline includes the following steps with approximated durations: 1 year for field investigations, 2 years to complete a conceptual design and the NEPA process (contingent on being able to do one Environmental Impact Statement for the 3 remaining segments instead of 3 separate planning documents), 3 years for final design and permitting, and 4 years for construction.

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#### QUESTIONS SUBMITTED BY SENATOR ROY BLUNT

##### COMPLETE STREETS

*Question.* Madam Secretary under your leadership the Department of Transportation has started implementing Fixing America's Transportation Act policies, the FAST Act, with states and local municipalities taking into account future forms of mobility, including electric scooters and dockless bicycles. In doing so your department has truly served as a partner with those communities and lawmakers on the ground. As you know, consumer-demand along with innovation continues to drive a more diversified market for new forms of micro- and multimodal mobility options on our streets. This demand, however, needs to be coupled with policies, such as the Complete Streets program as authorized in the FAST Act, that embrace new forms of transportation while also ensuring for the safety and convenience for all users of a transportation system.

How will your department further incentivize states, metropolitan organizations (MPOs), and local jurisdictions to implement complete streets-compliant plans and projects?

*Answer.* The Department supports and encourages Complete Streets that enable safe use and mobility for all modes of travel, whether by automobile, walking, bicycle, or transit. Implementation of Complete Streets ensures that the entire right-

of-way is planned, designed, and operated to provide safe access and mobility for all users. This helps to make streets safe and accessible for people of all ages and abilities in both urban and rural communities.

In response to Section 1442 of the FAST Act, the Department issued a Safety for All Users report, which discusses how State DOTs can integrate policy and program approaches into their project planning, development, and operations to overcome barriers and improve safety for all users of the surface transportation network. The Department also provided technical assistance to nine State DOTs (Delaware, Iowa, Louisiana, Maine, New Hampshire, North Dakota, Pennsylvania, Tennessee, and Virginia) through workshops designed to help them build internal capacity to plan, design, construct, operate, and maintain context-sensitive transportation networks that are safe for all roadway users.

Departmental modes have worked collaboratively to develop resources and training to promote Complete Streets concepts and improve safety. Recently, the Department shared information on its new Bikeway Selection Guide; a resource that assists transportation planners to make informed decisions about trade-offs relating to the selection of bikeway types. The Department also supports the Every Day Counts initiative Safe Transportation for Every Pedestrian (STEP), which includes an innovation that is focused on reducing pedestrian fatalities at uncontrolled crossing locations and un-signalized intersections. Additionally, the Department has developed a variety of resources, including guidance on creating multimodal performance measures to track progress, and on accelerating multimodal project delivery.

Planning efforts and projects that help implement Complete Streets are eligible under a wide variety of surface transportation program funding sources, both discretionary and formula-based. By providing funding opportunities as well as technical assistance and information on planning, design, and implementation, the Department is incentivizing delivery of Complete Streets projects.

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#### QUESTIONS SUBMITTED BY SENATOR JOHN BOOZMAN

##### DRUG-IMPAIRED DRIVING

*Question.* Secretary Chao, as you are well aware, we are seeing an uptick of drug-impaired driving in the U.S. with marijuana legalization, not to mention, the opioid crisis. I applaud your team at the National Highway Traffic Safety Administration (NHTSA), in particular Deputy Administrator Heidi King, for making this a priority.

Would you address your fiscal year 20 drugged driving initiatives from a safety perspective and talk about the need for more research on this issue?

*Answer.* Thank you, Senator Boozman, for your recognition of this important safety priority. Drug-impaired driving has joined alcohol-impaired driving as a serious safety concern on our highways, and that's why the Department of Transportation is supporting the National Highway Traffic Safety Administration's (NHTSA) initiative to raise public awareness and strengthen the tools to reduce drug-impaired driving on our roadways.

NHTSA is spearheading safety initiatives to: 1) build public engagement to discourage drug-impaired driving; 2) strengthen state and local programs that combat drug-impaired driving; and 3) advance the state of knowledge related to all forms of impairment that impair drivers.

To raise public awareness and encourage safe driving behaviors, NHTSA has launched a media campaign and has been working with partners and stakeholders to reach into diverse communities to highlight the importance of reducing drug-impaired driving.

To strengthen state and local programs, NHTSA organized dialogues with local leaders and experts across the country to hear about these issues, and to facilitate the sharing of best practices, lessons learned, and other tools. Further, NHTSA has made available additional grant funds to support law enforcement training.

Because of the number, and combinations of, impairing substances identified in drivers, the complexity of drug-impairment is unprecedented and NHTSA research planning efforts are underway. The fiscal year (FY) 2020 budget requests \$5 million for the drug-impaired driving program, an increase of \$3.48 million from fiscal year 2019 requested levels. The requested levels are intended to support the Drug-Impaired Driving Initiative launched on January 25, 2018. The focus of the program is to: 1) understand the relationship between drug use and crash risk through research; and 2) employ countermeasures, such as training for law enforcement and other criminal justice professionals, and public education.

The initiative will also provide increased drug-impaired driving education and training for all segments of the criminal justice system, expand the national media campaign on drug-impaired driving, and develop new resources and technical assistance to strengthen State and community drug-impaired driving programs.

As the only Federal agency mandated to improve driving safety, NHTSA must be able to provide accurate and reliable data for planning, evaluation and research purposes. Funding will support critical research needed to better understand how drug use and impairment impact driver safety. It is vitally important that law enforcement and toxicologists have reliable methods to detect drug use and driver impairment.

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#### QUESTIONS SUBMITTED BY SENATOR STEVE DAINES

##### AIRPORT IMPROVEMENT PROGRAM FUNDING

*Question.* Many, if not all, of the airports in Montana have applied for supplemental AIP funding to help with expansion.

Could you provide a timeline on when those decisions can be expected?

*Answer.* The FAA awarded a first round of grants (worth approximately \$205 million) from the fiscal year 2018 supplemental AIP funding to airports in 34 states in late September 2018. We are now actively engaged in reviewing 2,652 requests totaling more than \$10.9 billion for the second and final round, for which \$789 million remains available. These proposals include 71 requests from airports in Montana, totaling more than \$232 million.

At the same time, the FAA is working to implement the \$3.2 billion regular AIP grant program for fiscal year 2019, which must be obligated by the end of September 2019. This year's program also involves making changes in the entitlement formulas based on the FAA Reauthorization Act of 2018.

The FAA hopes to begin making decisions on the remaining fiscal year 2018 supplemental funding later this spring, in close coordination with the regular fiscal year 2019 AIP grant program.

Since 2013, the FAA has provided more than \$233 million in AIP grants to Montana airports, including more than \$59 million in discretionary funding.

##### HELENA APPROACH CONTROL RADAR

*Question.* As you likely know, Helena is one of only two FAA towers in the country that does not have approach control radar, and I am pleased to have secured language in FAA Reauthorization last Congress to finally secure that coverage.

What is the status of getting that capability installed and operational?

*Answer.* Consistent with Section 327 of the FAA Reauthorization Act of 2018, the FAA has undertaken an evaluation to identify airports that are currently served by FAA towers with nonradar approach and departure control services. Helena has been identified as one of those airports. We are now looking at the budgetary and flight volume considerations of providing Helena with approach control radar services. In moving forward, our considerations would include appropriate safety and efficiency evaluations.

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#### QUESTIONS SUBMITTED BY SENATOR JOHN HOEVEN

##### BISMARCK AIRPORT—RADAR RELOCATION

*Question.* As you know, the current stock of FAA airport surveillance radars is aging. Forty (40) of the Airport Surveillance Radar—8 (ASR—8) systems, which was originally fielded in the 1970's, currently remain in use, including at the Bismarck International Airport.

In 2004, the FAA had scheduled to upgrade the ASR—8 in Bismarck to a digital ASR—11. However, in 2008, the Bismarck radar was cut from FAA's radar replacement program and the airport continues to operate the existing ASR—8 radar.

Nevertheless, the City of Bismarck spent millions of dollars preparing a new radar site for development, and to this day desires the ability to move forward on future commercial development close to the airport without the existing radar-related impediments.

While I understand that the FAA no longer has a contract to purchase new digital ASR—11 radar systems, will you, and the FAA, continue to work with me and the

City of Bismarck to relocate the existing radar to a suitable location that will allow for commercial development near the airport?

*Answer.* The FAA is committed to working with you and the city of Bismarck to relocate the existing radar. The FAA has not allocated funding for planning or implementation of this project because there is no operational requirement to relocate the existing radar at Bismarck. When an airport authority requires radars to be relocated, the work is typically funded by the airport authority through a reimbursable agreement. We have recently worked with airport authorities in New Orleans, Chicago, Greensboro, and Charlotte to relocate radars via reimbursable agreement. The FAA can work with you to develop an estimate for the cost of relocating the radar systems at Bismarck.

The Bismarck facility consists of both an ASR-8 (primary radar) with an associated antenna and a Mode Select (beacon radar) with associated antenna. Relocating the primary and beacon radars systems requires a leapfrog strategy to provide required services for Air Traffic Control (ATC) operations during the transition period. By using this strategy, ATC operations would be maintained with minimal impact.

The estimated timeline to perform necessary administrative, technical and contracting processes (i.e. selection of final Bismarck radar configuration, de-conflict site schedule, planning, radar siting study, engineering design package, acquisition of land and materials, etc.) is approximately 48 to 60 months to process and complete.

#### GRAND FORKS AIRPORT

*Question.* As you are aware, we have a widespread pilot shortage. I have heard repeatedly from the heads of our Armed Forces—Air Force, Navy, and Army—as well as from the commercial airline industry—particularly the regional airlines that service rural America—that we need more pilots.

The University of North Dakota in Grand Forks is the premier institution for flight education and pilot training in the country. In fact, the Grand Forks International Airport that is home to UND's flight training, is consistently ranked as one of the top 25 busiest airports in the country. Last year alone, UND students flew over 111,000 hours at the airport.

In order to meet the need for more pilots, the Airport is in the process of finalizing their Airport Master Plan with the FAA, which will seek to expand the airports capacity significantly, to enhance safety, promote regional economic development, and increase pilot training capacity.

Will you and the FAA continue to work with me and the Grand Forks Airport to ensure that the airport's Master Plan is finalized and the expansion project is greenlit so that we can continue to educate and train the future of our nation's pilot workforce?

*Answer.* The FAA Office of Airports is working closely with the City of Grand Forks (the airport sponsor) and the University of North Dakota as the airport develops and implements their Airport Master Plan. The FAA provided comments on the master plan in August of 2018. The airport sponsor is reviewing our comments, making adjustments, and working to submit revisions to the master plan in April 2019. The FAA continues to work with the airport sponsor to identify a preferred development option and a corresponding funding plan, including identifying AIP eligible development as part of this overall plan.

An environmental analysis (Environmental Assessment) will be required for any proposed airport expansion projects. This action will likely occur in late 2019 or early 2020.

*Question.* Additionally, in last year's budget you requested \$19.2 million for the replacement of air traffic control tower facilities, and specifically allocated \$1.8 million of that request for the design phase of a replacement Air Traffic Control tower at Grand Forks Airport. However, the fiscal year 20 request does not identify a request for construction funding for the control tower in Grand Forks.

Can you provide me with a status update on the replacement of the Air Traffic Control tower at Grand Forks International Airport? When do you expect construction to begin?

*Answer.* The Federal Aviation Administration plans to start design of the Grand Forks International Airport (GFK) airport traffic control tower in fiscal year 2020. The agency intends to request construction funding in a future budget year as the design matures.

## QUESTIONS SUBMITTED BY SENATOR JACK REED

## LABOR DISPLACEMENT RESULTING AUTOMATED VEHICLE TECHNOLOGY

*Question.* The widespread adoption of AV technology promises to significantly reduce roadway fatalities and accidents caused by driver error. However, numerous studies of the impending workforce impact resulting from this technological shift project the loss of hundreds of thousands of our nation's truck driving jobs. These concerns are compounded because many truck drivers may not have the skills needed for new jobs, live in areas where new jobs arise, or have bargaining power to protect their long-term employment.

As part of \$100 million provided for AV research and development, the fiscal year 2018 Omnibus included \$1.5 million for your department to report on these potential workforce effects, the skills needed for workers to adapt, and whether existing Federal employment and training programs are sufficient to assist those displaced workers. Following last year's budget hearing, you committed to working with the Department of Labor (DOL) to finish this study; that report is now overdue.

When do you intend to finish your analysis of the potential workforce impact of AV adoption and publish the results of that study?

*Answer.* The Department of Transportation is working with the Department of Labor on this study to better understand the impacts that automated vehicles may have on the transportation sector and the related workforce. The first phase of the Workforce Study focuses on the long-haul trucking and transit bus sectors, while the second phase will be expanded to include a broader set of driving occupations and impacts to ancillary job categories. On March 20, 2019, the Department of Transportation hosted an in-person workshop with relevant stakeholders to receive their feedback on the study. We are in the process of taking this feedback, incorporating them into the study, and finalizing the report. The first phase of the study will result in a report to Congress, which is expected this summer.

*Question.* In fiscal year 2018, Senator Collins and I also requested that the Government Accountability Office (GAO) produce a similar report. GAO recently released that report, finding that your department and DOL need to convene a key group of stakeholders to gather information on potential workforce changes, including needed skills and information gaps, as AV technology evolves and to further analyze those potential effects in order to inform any potential regulatory changes. GAO also noted with disappointment that your department only plans to finish its analysis with DOL, as was required in the fiscal year 2018 Omnibus, and does not plan to continue convening key groups as this technology continues to evolve. However, in the most recent AV voluntary guidance, your department did note that a transition strategy needs to be developed to minimize adjustment costs for workers and to provide the help needed to allow each dislocated worker to find productive, high wage job opportunities.

Should we establish a taskforce to review the workforce impacts stemming from AV adoption? Is your department committed to continuing to work with DOL and other relevant departments in order to ensure that these workers acquire skills needed to remain competitive in our economy and to have access to middle class jobs?

*Answer.* The Department of Transportation has been a leader on the topic of automation, as well as its impact on the transportation sector and potential impacts to the American workforce.

As part of our commitment to an open, transparent policy development process, the Department has focused on generating public comment through the Federal Register on our policy and regulatory initiatives, as well as by convening workshops as needed to gather stakeholder input. The Department has conducted numerous stakeholder events to ensure that the introduction of automated vehicles is done in a manner that both maximizes safety and ensures minimal disruption to society.

We remain committed to engaging in a robust manner with numerous stakeholder groups, as well as with all relevant Federal Departments and Agencies, to ensure that the American people are positioned to succeed in an automated environment. As we continue this work, we will continue to assess the best mechanisms for involving and incorporating the feedback from the public and impacted stakeholders.

## QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

## BUY AMERICA

*Question.* As part of the fiscal year 2019 Transportation Appropriations Bill, Congress included language directing FHWA to act on Buy America waiver requests within 60 days. While the merits of Buy America are clear, there are times when projects require materials for which there is no American-made alternative. Congress added this language to ensure that Federal funds will not be held in limbo while FHWA reviews waivers.

Can you provide the Committee your assurance that this direction will be implemented?

*Answer.* The Department takes Buy America very seriously and judiciously reviews each waiver requested. The Department notes that the Buy America waiver process, established by law, requires an informal public notice/comment period. This public notice and comment period is followed by the legal requirement to publish a Federal Register Notice formalizing the waiver decision.

## AIRPORT IMPROVEMENT PROGRAM FUNDING

*Question.* Terminals at the Nation's airports need billions of dollars in repairs in upgrades. Congress has appropriated significant funds to supplement the FAA's traditional allocation of AIP funds.

Would you agree that terminals provide the space essential to ensuring security in air travel?

*Answer.* The security aspect of terminal buildings is a critical function for air travel. Our partners at the Department of Homeland Security, specifically Transportation Security Administration (TSA) and to some extent Customs and Border Patrol are primarily responsible for passenger security. TSA funds the bulk of the equipment necessary for screening passengers and their baggage. However, the FAA does provide funding for terminal building projects to the extent permitted by statute under the Airport Improvement Program (AIP). During fiscal year 2018, we provided more than \$174 million in regular AIP funding, plus another \$15.9 million from the supplemental appropriation, for passenger terminal projects. These projects included funding the passenger terminal building that TSA uses for screening passengers.

The FAA's authorizing statute permits us to fund airport passenger terminals. Title 49 of U.S.C. Section 47119 specifically defines the types of terminal development projects eligible for AIP funding. The statute permits AIP funds to be used for passenger terminal projects, including multimodal terminal development, in non-revenue-producing, public-use areas of a commercial service airport, provided specific requirements and conditions are met.

From the FAA's perspective, safety is our mission. The AIP statute reflects this mission by placing a significant emphasis on projects that enhance an airports' airside safety for the benefit of both travelers and people and property on the ground near airports. The statute also places an emphasis on security of the airport; it permits AIP funding of airport perimeter security fencing, security cameras, and specific airport security equipment to include universal access systems and emergency call boxes.

*Question.* Would you agree that terminals play an essential role in the travel experience for consumers?

*Answer.* Terminals do play an essential role in the travel experience. They not only provide travelers with access from the landside to the airside of an airport, they also provide the critical nexus for a broad array of services, ranging from parking, rental cars and other types of ground transportation, concessions (including food, beverage and retail), security screening, baggage handling, and several other critical functions. In addition, the revenues generated within the terminal and ground transportation areas can be critical to supporting both capital and operating costs associated with other parts of the airport, including a safe, efficient airfield as well as land buffers and access and circulation roadways.

*Question.* Would you agree that the commerce exchanged at terminals benefit both travelers and local economies?

*Answer.* The commerce conducted at terminals is beneficial in numerous ways. Shops, restaurants, parking facilities, and concessions such as rental cars in the terminal buildings create a broad range of employment opportunities as well as direct and indirect economic benefits. Revenues at terminals also help to offset the costs of operating the airport, which may reduce airline operating costs.

*Question.* Given the important role terminals play in security and air travel experience, would you support increasing the number of airports that could utilize this

supplemental pot of funding to finance repairs and upgrades at their terminal buildings?

*Answer.* We appreciate the supplemental \$1 billion that Congress appropriated in fiscal year 2018, and the additional \$500 million in fiscal year 2019, to help fund AIP-eligible and justified projects.

From the FAA's perspective, safety is our mission. The AIP statute reflects this mission by placing a significant emphasis on projects that enhance an airports' airside safety for the benefit of both travelers and people and property on the ground near airports. FAA's 2019–2023 NPIAS report includes estimated costs for projects needed to maintain safety (including reconstruction and airfield standards projects) that total more than \$25.6 billion over this five-year period, or an annual average of more than \$5 billion.

Many airports (particularly the larger airports) have access to other funding sources to assist with their terminal and air travel experience projects—typically a combination of Passenger Facility Charge (PFC) revenues, other airport revenues, debt financing (typically in the form of long-term bonds), and (in certain circumstances) either airline or third-party investors including public-private partnerships.

#### BUILD GRANTS

*Question.* Congress has appropriated billions of dollars for the TIGER and BUILD programs in recent years. Many of the awards from the program have funded large infrastructure projects on interstate and Federal highways. Our local communities have significant infrastructure needs as well.

What steps is the Department taking to ensure that local, municipal projects are funded in the BUILD Program?

*Answer.* The Department believes that local governments best know the infrastructure needs of their communities, and encourages local governments to submit BUILD applications that reflect those needs. The Department reaches out to local and municipal governments as part of the BUILD program's outreach and believes that awarding projects to a variety of local and regional governments is a hallmark of the program. My Department takes the needs of local communities very seriously, and we are fully committed to ensuring that local governments receive full consideration in future rounds of BUILD competition.

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#### QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

##### CAPITAL INVESTMENT GRANT PROGRAM

*Question.* The Capital Investment Grant (CIG) program is the primary Federal grant program to support transit investments in rapid rail, light rail, bus rapid transit, commuter rail, and ferries. I worked to include \$2.644 billion, the highest ever annual appropriations, in the fiscal year 2019 Omnibus for CIG to support ongoing and new transit projects in Washington and throughout the nation. The fiscal year 18 and fiscal year 19 Budget Requests reduced funding for the CIG program, despite Congress's bipartisan commitments of support over the last several years. The Omnibus directs DOT to obligate \$2.2 billion of this funding by Dec. 2019, and to continue to administer the CIG program according to current law. Though the Administration did better on CIG in fiscal year 2020 by including \$100 million for Lynnwood Link to reflect the FFGA signing in December and nearly \$500 million for projects that are expected to sign FFGAs in fiscal year 2020 (fiscal year 2018 and fiscal year 2019 requests eliminated CIG), DOT still must ensure that projects are moving in a timely fashion.

Specifically, I want to flag for you a few projects in Washington state:

- Sound Transit (ST): In December FTA signed the Lynnwood Link FFGA, which commits the FTA to provide 36.0 percent of the funding. The Lynnwood Link has received \$100 million in the fiscal year 2017 Omnibus; and FTA apportioned an additional \$100 million in the fiscal year 2018 Omnibus. The fiscal year 2019 apportionments have not yet been made by the Administration.
- Sound Transit (ST): Building on the Lynnwood Light Rail FFGA, the Federal Way Link Light Rail extension will extend Light Rail from Angle Lake station in SeaTac south to Federal Way. The Federal Way Extension is requesting only a 25 percent Federal share, which is the lowest Federal share in the Capital Investment Grant pipeline. The project is utilizing a design build construction model that will allow ST to submit for a Full Funding Grant Agreement shortly

after receiving Engineering Authority. The fiscal year 2020 New Starts Report included a medium-high rating for the extension. Sound Transit submitted for Engineering Authority on October 11th and was expected to receive that authority in December. However, we are still awaiting Engineering approval at present, and without Engineering approval, ST is unable to submit the FFGA documentation. This is problematic for two main reasons. First, any delay to the project threatens the schedule and budget of the project and with the Federal share locked, any costs due to delay will be borne by Sound Transit. Second, the Federal Way Extension represented the fourth and last TIFIA loan to close under Sound Transit's Master Credit Agreement. Statutorily that loan must close by mid-December of 2019 and FTA's practice is to only close concurrent with the Federal Way Link Extension FFGA signing.

*Question.* Secretary Chao, this year's budget request states that the Capital Investment Grant Program should focus on projects with high non-Federal funding commitments. Currently, Sound Transit in Washington state is working with the Federal Transit Administration to advance the Federal Way Link Extension to a full funding grant agreement this fiscal year. That project is requesting only a 25 percent Federal share and Sound Transit's total capital budget calls for a total Federal share of just 16 percent.

Can you confirm this is the type of project that meets the Administration's criteria? And if not, can you please explain why?

*Answer.* The proposed Capital Investment Grants (CIG) share for the Federal Way project is indeed the lowest share proposed of any project currently in the CIG program, although the dollar amount represented by that percentage share is larger than most awards at \$790 million. In addition to the CIG grant funding being proposed, the project is anticipating using \$18 million in other Federal formula grant funds and seeking a USDOT TIFIA loan of \$629 million. The Department has been very supportive of Sound Transit and its financing approaches for multiple projects, including awarding the Lynnwood Link Full Funding Grant Agreement just a few months ago that includes \$1.17 billion in CIG funding and a \$657 million USDOT TIFIA loan.

*Question.* Secondly, Sound Transit has submitted to enter into the Engineering phase on the Federal Way Link Extension in early October 2018 and has been awaiting approval to enter this next phase since December.

In order to maintain the budget for this 25 percent Federal share project, it is essential that the project stay on schedule.

I would appreciate an update on when I can expect that authority to be forthcoming and the expected schedule for the full funding grant agreement execution.

*Answer.* The Federal Transit Administration approved the Federal Way project into the Engineering phase of the Capital Investment Grants program on April 11, 2019. Sound Transit anticipates meeting the requirements for receipt of a Full Funding Grant Agreement before the end of 2019.

#### MEAL AND REST BREAKS

*Question.* On Dec. 21, the Federal Motor Carrier Safety Administration (FMCSA) sided with the American Trucking Association (ATA) in determining that California state laws on meal and rest break requirements are preempted by Federal law. The decision by FMCSA defies logic, particularly in light of the fact that arguments in support of preemption in this instance have been rejected previously by: the U.S. Department of Transportation (the Department), in response to a nearly identical request by the trucking industry in 2008; the courts, including the U.S. Court of Appeals for the Ninth Circuit and the U.S. Supreme Court (which declined to hear appeals in multiple cases); and Congress, despite multiple opportunities since 2015, including periods with Republican majorities in both the U.S. House of Representatives and the U.S. Senate.

Washington state is one of 20 states and territories that require motor carriers to provide minimum meal and rest breaks to truck drivers. Unfortunately, these laws are now jeopardized by FMCSA's ruling. This is a matter of critical importance, and it stands to have a dramatic impact on the rights of states like mine to protect the safety of the public, our highway system, and the well-being of commercial truck drivers.

Why has the Department chosen to abandon its own position, to disregard the will of Congress, and ignore court precedent in order to side with the ATA?

*Answer.* FMCSA believes that its decision preempting California's MRB rules, as applied to drivers of property-carrying commercial motor vehicles (CMVs) subject to FMCSA's hours or service (HOS) regulations, is an important step toward creating a more reliable and consistent regulatory environment for truck drivers. A con-

sistent set of rules directly benefits drivers, consumers, small businesses, and the American economy.

As FMCSA explained in its December 28 Federal Register notice (83 FR 67470), the California meal and rest break rules (MRB rules) are State laws or regulations “on commercial motor vehicle safety,” to the extent they apply to drivers of property-carrying CMVs subject to the HOS rules. The MRB rules are in addition to or more stringent than the HOS rules; they have no safety benefit beyond what the Federal Motor Carrier Safety Regulations provide; they are incompatible with the HOS rules; Enforcement of the MRB rules causes an unreasonable burden on interstate commerce. Accordingly, the MRB rules meet all the statutory requirements for preemption pursuant to 49 U.S.C. 31141.

The December 2018 determination acknowledged that it represents a change in the Agency’s prior position as articulated in the 2008 Decision and in the government’s amicus brief in *Dilts v. Penske Logistics, LLC*, No. 12–55705 (9th Cir. 2014), that the MRB rules are not regulations “on commercial motor vehicle safety.” In its 2008 decision and in *Dilts*, the Agency reasoned that because the MRB rules apply to employers in other industries in addition to motor carriers, the provisions were not within the scope of the Secretary’s preemption authority under section 31141. It should be noted that in *Dilts*, the United States Court of Appeals for the Ninth Circuit, made no determination concerning whether the MRB Rules were preempted pursuant to section 31141; rather, the court determined that they were not preempted under the Federal Aviation Administration Authorization Act of 1994, 49 U.S.C. 14501(c).

In its recent decision, FMCSA provided a detailed explanation of its reasons for reevaluating and changing the position it took in 2008. FMCSA reexamined provisions of the Motor Carrier Safety Act of 1984 and concluded that Congress intended that there be as much uniformity as practicable whenever a Federal standard and a State requirement cover the same subject matter, such as the MRB rules and the HOS regulations. See S. Rep. No. 98–424, at 14 (1984). The Agency’s determination is also supported by the December 2011 revisions to the Federal HOS regulations, which added a mandatory rest period.

Having determined that the MRB rules are within the scope of the Secretary’s preemption authority under section 31141, the Agency granted the petitions to ensure uniform and consistent rules in order to promote safety and economic growth and to protect drivers and consumers. Safety is FMCSA’s top priority, and the Agency believes that making uniform rules for interstate carriers, where possible, is a key component to increasing safety on the roads. In addition, different rules in different states adds needless burdens on drivers—many of whom are small businesses fighting to make ends meet in a competitive market.

The International Brotherhood of Teamsters (IBT), two IBT locals, several drivers, and the State of California have filed petitions for review in the Ninth Circuit challenging FMCSA’s determination. Since the December 2018 decision, the American Bus Association filed a petition seeking preemption of California’s MRB rules for passenger-carrying CMV drivers, and the Washington Trucking Associations also petitioned the Agency to preempt Washington State’s meal and rest break rules for CMV drivers. Both petitions are under review.

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#### QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

##### BOEING 737 MAX

*Question.* Secretary Chao, in the wake of the two recent crashes involving the same Boeing aircraft model, the public deserve more transparency about the FAA’s safety certification process. In written testimony before the Commerce Committee today, DOT’s inspector general said “while revamping FAA’s oversight process will be an important step, continued management attention will be key to ensure the agency identifies and monitors the highest-risk areas of aircraft certification.”

Do you agree that increased attention by FAA management is key to identifying these issues before problems occur? If FAA management is so important to FAA’s safety certification process, why did the President wait 14 long months before nominating a new head of the FAA, and what does that say about this Administration’s dedication to safety?

*Answer.* Management attention to oversight processes has always been, and continues to be, very strong. The effectiveness of the FAA’s robust aircraft certification and safety oversight systems do not depend on any one individual or group of individuals. Managers and all other employees within the FAA play essential roles in

identifying and resolving safety issues wherever they may potentially or actually appear.

That being said, the FAA is under the strong leadership of Acting Administrator Elwell, who was previously FAA's head of policy from 2006 to 2008. Mr. Elwell served as a military and airline pilot as well as in a variety of industry leadership positions before being appointed FAA Deputy Administrator by President Trump. He is a dedicated, life-long safety professional who has served the agency and the flying public very well in his tenure as Acting Administrator.

*Question.* In the last week, I've sent letters to both the FAA and Boeing asking questions about the decisions involved with qualifying certain important safety features on their Max series aircraft as options only available to airlines at an additional cost. Recent reports indicate that Boeing will now make at least one of those previously optional safety features standard on their aircraft in the wake of these tragic crashes.

I understand that DOT is currently involved in ongoing investigations not only into the cause of the two recent crashes but also into the FAA's role in certifying these planes as safe to fly, but can you confirm that the FAA will require Boeing to add an additional safety feature to the 737 Max 8 series that the FAA previously determined was not required to be standard? If so, why was this safety features not originally required by the FAA to be included on all Max series aircraft?

*Answer.* Required safety standards and features for large aircraft are established in 14 CFR part 25 ("Airworthiness Standards: Transport Category Airplanes"). Features required to meet those safety standards are mandatory on all FAA-certified aircraft, including the Boeing 737 MAX. There are no optional safety standards or features.

*Question.* What testing and data from the manufacturer is required by the FAA to justify a manufacturer's decision to qualify a safety feature as merely optional?

*Answer.* FAA regulations (14 CFR Part 25) prescribe safety requirements an applicant must meet. They are not optional.

#### AMTRAK LONG DISTANCE SERVICE

*Question.* Secretary Chao, among the significant cuts to infrastructure that were outlined in the President's fiscal year 20 budget request, the most troubling for many of my constituents in Illinois is the Administration's proposal to slash funding for Amtrak's long distance service. Amtrak operates 15 long-distance routes across the nation. These trains offer the only Amtrak service in 23 of the 46 states Amtrak serves. Eight of Amtrak's 15 long distance trains run through Illinois. If Congress went along with President Trump's proposal, passenger rail service in Illinois would be significantly reduced, hurting thousands of Illinois students, seniors, and rural riders, who depend on this service the most. For many in Illinois, Amtrak's long-distance service provides them with the only affordable access they have to their jobs, to their schools, to their healthcare facilities, and to their families.

Secretary Chao, please explain to me how President Trump's proposal to cut this vital passenger rail service will benefit the people of my state, especially those living in rural areas?

*Answer.* The fiscal year 2020 President's Budget proposes to begin restructuring Amtrak's Long Distance network, phasing decisionmaking and cost responsibilities to the states over a four-year period via transition assistance through the Restoration and Enhancements grant program. This proposal empowers states such as Illinois to work with Amtrak and other potential operators to define the corridors, services, and markets that best meet the demands of their residents and interests.

The operating and financial performance metrics for Amtrak's Long Distance routes illustrate a struggling business model in need of reform, with its fundamental problem being the inability to meet customer expectations and demand. Markets served via Long Distance routes, including those in rural areas, suffer infrequent service at inconvenient times that are often significantly delayed. The substantial Federal resources required to operate the existing Long Distance network—nearly \$550 million in annual operating costs, hundreds of millions of dollars annually for capital maintenance and upgrades, and a looming multi-billion dollar equipment replacement need—do not provide a justifiable return on investment.

The eight shorter-distance State-Supported routes that operate within Illinois and into neighboring states carry more passenger annually (2.6 million) than the entirety of the eight Long Distance services that traverse portions of the state (2.4 million), while costing taxpayers significantly less in Federal subsidies (less than \$1 million for State-Supported routes vs. nearly \$300 million for the Illinois-served Long Distance Routes). The Federal Government, Amtrak, states, localities, and private sector partners should focus investment in existing and new State-Supported

corridors that provide better performance and more relevant transportation choices for passengers.

*Question.* The budget also calls for states to cover more of the costs of Amtrak service, which sounds a lot like the President's approach to infrastructure funding.

Do you think it's realistic to propose that already cash-strapped states should be footing more of the bill when it comes to Amtrak service?

*Answer.* The Restoration and Enhancement Grant funding will provide transition assistance to states as they assume control over their regional corridor services, covering 100 percent of net operating costs in fiscal year 2020, 80 percent of net operating costs in fiscal year 2021, 60 percent of net operating costs in fiscal year 2022, and 40 percent of net operating costs in fiscal year 2023. The phasing down of this funding is in recognition that major changes to intercity passenger rail service patterns can take time to build a ridership base and generate sufficient revenues against the service's capital and operating costs. By fiscal year 2024, states will assume full responsibility for all operating costs associated with their new services.

States are encouraged to apply with Amtrak for this funding in fiscal year 2020 so they can begin to make informed decisions about their routes and the elements they value to continue operating in the future. During this time, the Department of Transportation, Amtrak, states, and affected local governments will collaborate to rationalize the Long Distance network to more efficiently serve modern market needs as a series of shorter-distance, high-performing corridor services.

While the fiscal year 2020 President's Budget proposes to phase out Federal operating support for Long Distance services, the proposal also includes \$330 million in funding under the Consolidated Rail Infrastructure and Safety Improvements Program in part to assist states in funding capital improvements required to upgrade services on these new state routes. The fiscal year 2020 President's Budget also proposes to continue funding the portion operating costs on the higher-performing State-Supported services that are not covered by annual state payments (\$94 million in fiscal year 2018).

#### BUILD GRANTS & TRANSIT

*Question.* I was disappointed to see that the Administration is calling for a \$1 billion cut to transit grants when there is such a tremendous need for expanding and modernizing public transit around the country. At the same time, this Administration is largely ignoring the growing needs of transit systems when it comes to TIGER/BUILD grants. Less than 10 percent of TIGER/BUILD funding went to transit projects in fiscal year 18, up from less than 4 percent of TIGER/BUILD funding in fiscal year 17. By comparison, 24 and 29 percent of TIGER funding went to mass transit projects in the last 2 years of the Obama Administration. As a member of this panel who was here when the TIGER program was created, I can assure you that it was Congress's intention to have a more balanced and representative set of projects selected from various modes.

Why does this Administration continue to ignore bipartisan support in Congress for increased funding for transit projects?

*Answer.* As you know, the BUILD discretionary grant program is extremely competitive. In the last round of BUILD, the Department received 851 eligible applications—almost twice the amount of applications from the previous round. Approximately 12 percent of the awarded projects were transit projects, which is roughly proportional to the number of transit applications the Department received for this BUILD round. The Department continues to take measures to ensure investment in a variety of transportation modes.

#### POSITIVE TRAIN CONTROL

*Question.* Secretary Chao, you've made a point of touting the progress that railroads have made under your watch towards implementing positive train control (PTC) safety technology. Metra, the commuter railroad that serves the Chicago region, remains on track to have PTC fully operational on all its lines by 2020 despite the enormous costs involved. PTC will cost Metra more than \$400 million to implement and is expected to add \$15–20 million annually to Metra's operating costs. Without adequate Federal funding, implementing PTC has come at the expense of other Metra capital and safety improvements.

If this safety technology is a priority for DOT, would this Administration support a new grant or funding program in the upcoming surface transportation reauthorization to help commuter railroads afford the operating costs of PTC?

*Answer.* Safety is our number one priority at DOT. Positive Train Control vastly improves rail safety and we look forward to full PTC implementation in 2020, as required by Congress. DOT has supported PTC implementation extensively since

the original 2008 mandate—providing guidance, alternative schedules, and over \$2.5 billion in funding for freight, intercity, and commuter railroads to implement PTC through numerous grant and loan programs. We appreciate the dedication and investment the rail community has committed to this life saving technology.

The Department's priority for PTC is getting systems operational by the 2020 deadline and we will continue to engage, support, and monitor railroads efforts to meet the mandate. As PTC systems come on line, DOT will continue strong oversight of rail operations to ensure railroads operate safely and properly maintain all components, including PTC.

#### LOW-NO

*Question.* The FTA's Low or No Emission (Low-No) Program helps transit agencies of all sizes, including small and rural agencies, deploy emerging technology buses and charging infrastructure. But this Administration has consistently awarded these grants including one to Champaign-Urbana in Illinois in amounts that are often lower than the cost of just one bus. Small and rural transit agencies, in particular, have a difficult time making up the funding differential, effectively preventing them from initiating their projects and leaving them far behind larger transit agencies when it comes to implementing clean technologies. I understand that there is only so much funding to go around, but FTA needs to distribute these funds more effectively.

Can you commit to instructing the FTA to ensure that Low-No grant awards will be at levels that are adequate for transit agencies to initiate their projects? Also, can you explain to why the FTA will now prohibit partnerships with non-profit project managers on these projects, which are especially useful for cash-strapped small and rural transit agencies wanting to deploy new technology buses?

*Answer.* The Low or No Emission (Low-No) competitive program has historically been oversubscribed by a wide margin. In fiscal year 2018, the amount requested by applicants was almost seven times greater than the \$84 million of funding appropriated by Congress. In making funding decisions for all competitive programs, the FTA ensures a project can be completed with the amount awarded, including any local matching of funds.

The Low-No Program is the FTA's only grant program that allows agencies to partner with third party entities to execute projects, thus fulfilling the third-party procurement requirement. Requiring a competitive procurement for the Low-No program will comply with Federal requirements for a full and open competition and bring the program in line with the FTA's other grant programs.

Rural and small urban entities that are interested in transitioning to a Low or No Emission propulsion technology can receive technical assistance from the FTA sponsored program manager at CALSTART and from the federally funded National Rural and Technical Assistance Program.

The Department and FTA value the relationship and collaboration we have with the industry and will continue to provide both technical assistance and funding opportunities to support public transportation.

#### VEHICLE SAFETY

*Question.* The Administration has proposed reducing NHTSA's vehicle safety program by \$49 million (26 percent) from the agency's 2019 budget. The FAST Act authorized \$214,073,440 for NHTSA's vehicle safety program for fiscal year 2020. The Administration's request is \$63 million less than the Congressional authorization.

In addition, under the Administration's proposal the enforcement budget which supports the agency's efforts to identify safety recalls and ensure new vehicles meet Federal safety standards will be cut by \$13.5 million (40.9 percent). The rulemaking budget will be cut by \$2.4 million (9.6 percent). Deaths and injuries on our Nation's roads remain unacceptably high. Each day on average, over 100 people are killed and 8,500 more are injured in motor vehicle crashes.

Moreover, today, 95 percent of transportation-related fatalities, and 99 percent of transportation injuries, involve motor vehicles. This is a public health epidemic by any measure and most certainly would not be tolerated in any other mode of transportation, yet, NHTSA receives only 1 percent of the overall DOT budget. According to NHTSA, roughly 41.6 million vehicles equipped with 56 million defective Takata air bags are under recall because these air bags can explode when deployed, causing serious injury or death.

Moreover, additional safety recalls of Takata airbags continue to be issued by NHTSA. Additionally, as Secretary Chao has publicly acknowledged, the U.S. Department of Transportation and NHTSA are facing even greater responsibilities and challenges as autonomous vehicles, also known as driverless cars, are developed and

deployed. NHTSA has failed to meet 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.

The Administration's budget request for DOT includes a \$49 million reduction in funding for NHTSA's vehicle safety program. Included in this cut is a 40 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 new driverless cars, meet Federal safety standards. In addition, the agency's rulemaking budget will be cut by over \$2 million.

At a time when Americans are experiencing safety recalls of millions of vehicles including the deadly Takata airbag fiasco, do you not have concerns about how can the agency will be able to meet its mission to protect the public given the drastic cuts the Administration is proposing to NHTSA's enforcement budget? Would you please share with the Committee the Department's plan to make up for this potential reduction of resources?

*Answer.* The President's budget request for the National Highway Traffic Safety Administration (NHTSA) has held steady in recent fiscal years. Additional funding authorized and appropriated by Congress in fiscal year 2018 and 2019 has helped to support the Agency's work to modernize information technology systems used to manage vehicle safety recalls.

As you know, NHTSA's 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) 2020 President's Budget requests \$929 million to support NHTSA's full spectrum of vehicle and behavioral safety activities, including \$151 million for Vehicle Safety, \$155.3 million for Highway Safety Research and Development, and \$623 million for Highway Traffic Safety Grants. These resources will enable 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.

Regarding enforcement and safety recalls specifically, the fiscal year 2020 budget request includes resources to ensure NHTSA fulfills its critical enforcement goals and objectives, including ongoing oversight of the Takata air bags safety recall, one of the largest and most complex recalls in history.

*Question.* Is it wise to cut NHTSA's rulemaking budget by over \$2 million at a time when the agency is woefully behind in issuing safety rulemakings that were directed by Congress in 2012 including those that would enhance safety for children and motorcoach passengers? Would you please share with the Committee the Department's plan to make up for this potential reduction of resources?

*Answer.* The fiscal year 2020 budget requests approximately \$2.4 million less for NHTSA's Office of Rulemaking. Nearly all of that 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 vary from year to year in order to maintain a high percentage of rated vehicles. NHTSA expects to fulfill its rulemaking goals and objectives—including testing and rating a substantial percentage of the new vehicle fleet in the NCAP program—with the resources requested in the fiscal year 2020 budget.

#### REAR SEATBELT RULEMAKING

*Question.* The majority of passengers in the rear seats of vehicles are children and teens, and studies have shown that seat belt usage by teens is among one of the lowest segments of society. Congress directed NHTSA to issue a final rule requiring rear seat belt reminders in all new motor vehicles by October 2015 in Section 31503 the Moving Ahead for Progress in the 21st Century (MAP- 21) Act (Public Law 112-141).

The February 2019 Department of Transportation Significant Rulemaking Report (the latest report available) indicates that NHTSA plans to issue a notice of proposed rulemaking in May 2019. However, the agency has rarely met such target dates.

Unbelted rear seat passengers pose a serious threat to the driver and other vehicle occupants. Known as "back seat bullets," unbelted rear seat passengers can be thrust at high rates of speed into other occupants, causing fatalities and serious injuries, as well as loss of control of the vehicle. The risk of death for a belted driver seated directly in front of an unrestrained passenger in a serious head-on crash

more than doubles than if seated in front of a restrained passenger. Seat belt use in the rear seat is especially crucial as the safety infrastructure built into the vehicle is not as developed in the rear seat as it is in the front seat.

NHTSA reports the proportion of unrestrained passenger vehicle occupants killed that were seated in the front seat was 46 percent, compared to 56 percent of unrestrained passenger vehicle occupants killed that were seated in the rear seat (NHTSA). Rear seat belt reminders are standard equipment on several models tested by the Euro New Car Assessment Program (Euro NCAP). Congress directed NHTSA, as part of MAP-21, to issue a final rule requiring rear seat belt reminders in all new motor vehicles by October 2015, but the agency has yet to issue even a notice of proposed rulemaking.

With 56 percent of unrestrained passenger vehicle rear seated occupants killed, what is the reason for the egregious delay? Can you assure the Committee that NHTSA will meet its own, most recent deadline for issuing a notice of proposed rulemaking in May 2019? Can you also assure the Committee that a final rule will be issued with expediency thereafter?

*Answer.* One of the safest choices drivers and passengers can make is to buckle up. As part of NHTSA's mission to help Americans drive, ride and walk safely, the Agency works to educate Americans about how to protect themselves and others on the road through public service campaigns such as *Buckle Up America, Never Give Up Until They Buckle Up* (promoting 'tween' seat belt use), and *Click It or Ticket*, (associated with increased seat belt enforcement periods supported by State and local law enforcement across the country). NHTSA research has further informed strategies to improve seatbelt use, including a program in which education by trauma nurses is shown to improve drivers' positive outlook regarding seatbelt use.

NHTSA estimates that 14,955 lives were saved by seatbelt use in 2017. A 2008 NHTSA research note, *States With Primary Enforcement Laws Have Lower Fatality Rates* (Updated) (NCSA, 2008), suggested that seat belt use among killed occupants was at least 13 percentage points higher in States with primary enforcement laws. In addition, results from the annual National Occupant Protection Use Survey (NOPUS) have found that seat belt use in primary law States is consistently higher than use in States with secondary laws or no law (90.9 percent versus 85.7 percent, respectively, in 2017).

In June 2010, NHTSA published a request for comments notice on rear seat belt reminder systems. The agency is currently working on a notice to address this provision in Section 31503 of MAP-21. The timing for completion of the rulemaking process will be determined following the public comment period.

#### MOTORCOACH SAFETY

*Question.* Americans make hundreds of millions of trips on inter-city motorcoaches each year. Over the past few decades, safety problems identified as a result of motorcoach crashes prompted the National Transportation Safety Board (NTSB) to issue numerous motorcoach safety recommendations following in-depth crash investigations.

Based on the NTSB safety recommendations, the Motorcoach Enhanced Safety Act of 2012, part of MAP-21, requires that a number of regulations must be issued by NHTSA to improve motorcoach safety. Two of these provisions, one to improve the structural integrity, i.e., the roof strength or crush resistance of motorcoaches, and the other to prevent passengers of motorcoaches from being ejected through windows during a crash, are long overdue, as NHTSA has missed the deadlines mandated by Congress in MAP-21.

The February 2019 Department of Transportation Significant Rulemaking Report (the latest report available) indicated that NHTSA plans to issue a final rule for the structural integrity rulemaking in June 2019. The agency has not provided any further dates for the ejection rulemaking. The motorcoach safety regulations in MAP-21 were sponsored by both Republican and Democratic members of the Senate and the House and supported by industry and safety advocates as well as crash victims and their families.

Congress directed NHTSA, as part of MAP-21, to issue a number of regulations to improve the safety of motorcoaches. Specifically, the agency was required to issue rules to improve the structural integrity of motorcoaches and to prevent passengers from being ejected. Both of these rulemakings were required to be completed by October 2014. Both rulemakings are long overdue to the unnecessary peril of motorcoach passengers.

What is the reason for the egregious delay? Can you assure the Committee that NHTSA will meet its own, most recent deadline for issuing a final rule for the structural integrity rulemaking in June 2019?

*Answer.* NHTSA is working to improve motorcoach safety in the United States. In addition to the 2013 final rule requiring seat belts on all motorcoaches and large buses and the 2015 final rule requiring electronic stability control on these vehicles, NHTSA published a 2014 notice of proposed rulemaking applicable to motorcoaches and other large buses which proposed requirements for improved structural integrity to maintain occupant survival space in a rollover. NHTSA is currently working on the final rule.

*Question.* NHTSA issued a notice of proposed rulemaking regarding emergency exits, window retention and release and anti-ejection glazing portals for motorcoaches in May 2016 but has not taken any further regulatory action. In fact the rulemaking no longer appears on the agency's regulatory agenda.

What is the status of this rulemaking and what is the reason for this egregious delay?

*Answer.* NHTSA published a 2016 notice of proposed rulemaking applicable to motorcoaches and other large buses that included requirements for advanced glazing on windows and other portals to mitigate occupant ejections. NHTSA is evaluating next steps for this rulemaking.

#### LATCH RULEMAKING

*Question.* Motor vehicle crashes are a leading cause of death for American children age five to 14. When children are properly restrained, their chance of being killed or seriously injured in a car crash is greatly reduced. According to NHTSA, when used properly, child safety seats reduce fatal injury by 71 percent for infants and 54 percent for toddlers in passenger cars.

Nearly 325 lives were saved in 2017 by restraining children four and younger in passenger vehicles. Congress, as part of MAP-21, required NHTSA to issue a final rule to improve the ease of use of the Lower Anchors and Tethers for Children (LATCH) systems in rear seating positions by October 2015. The proposed rule was issued in January of 2015, but the agency has taken no further action.

In the February 2019 Significant Rulemaking Report (the latest report available) NHTSA does not provide a target date to issue a final rule. Congress directed NHTSA, as part of MAP-21, to issue a final rule to improve the ease of use of the Lower Anchors and Tethers for Children (LATCH) systems in rear seating positions by October 2015, but the agency has yet to meet this deadline.

What is the reason for the egregious delay? Please provide this Committee with an update on the status of this rulemaking. Can you assure the Committee that NHTSA will complete this rulemaking within 1 year?

*Answer.* In response to the 2015 notice of proposed rulemaking for improving the ease-of-use of child restraint anchorage systems, NHTSA received public comments on the repeatability and reproducibility of the proposed requirements and criteria. Subsequently, NHTSA initiated research to address several technical matters identified by commenters. This research was just completed in 2018. NHTSA is considering the results in deciding on the appropriate next steps.

#### UTOMATIC EMERGENCY BRAKING

*Question.* Based on NHTSA data from 2003 through 2008, large trucks are the striking vehicles in approximately 32,000 rear-end crashes resulting in 300 fatalities and injuring over 15,000 people annually.

Automatic Emergency Braking (AEB) systems can mitigate or prevent many of these crashes. AEB provides a warning to the driver if the truck comes too close to another vehicle in front of the truck, and can then automatically apply the brakes if the driver fails to do so. NHTSA estimates that advanced AEB systems could save 166 lives per year, a reduction of 57 percent from current annual fatalities, and prevent 8,361 injuries per year, a reduction of 56 percent, in certain types of crashes.

In October 2015, NHTSA granted a petition for rulemaking seeking the issuance of a rule to require AEB on all commercial motor vehicles with a gross vehicle weight rating (GVWR) of 10,000 lbs. or more. The petition was filed by the following safety organizations: Advocates for Highway and Auto Safety, the Center for Auto Safety, the Truck Safety Coalition and Road Safe America. However, the agency has yet to take any further regulatory action.

In October 2015, NHTSA granted a petition for rulemaking filed by several safety organizations seeking the issuance of a rule to require Automatic Emergency Braking (AEB) on all commercial motor vehicles with a gross vehicle weight rating (GVWR) of 10,000 lbs. or more. However, in the more than 3 years since granting the petition for rulemaking, the agency has not undertaken any regulatory actions.

Please provide this Committee with an update on the agency's work in this area since granting the petition and a date certain by which the agency will issue a proposed rule.

*Answer.* NHTSA has researched forward collision avoidance systems in commercial vehicles over the past several years. In 2016, NHTSA completed the first phase of a field operational test (real-life testing) that examined hundreds of drivers operating trucks from different manufacturers equipped with AEB and lane departure warning technologies. In 2018, NHTSA commenced a second phase of a field operational test to account for major technological improvements. This second phase will examine the real-world performance of current generation AEB systems that offer improved detection, greater precision and new features, such as stationary object braking. Once this research and field testing is completed, NHTSA will determine next steps.

Furthermore, regarding the light-duty vehicle fleet, the Agency has closely coordinated with 20 auto manufacturers and the Insurance Institute for Highway Safety (IIHS) to advance AEB safety technology through a voluntary commitment to equip virtually all new light-duty cars and trucks with a gross vehicle weight of 8,500 pounds or less with a low-speed AEB system that includes forward collision warning (FCW) and crash imminent braking (CIB) to help prevent and mitigate front-to-rear crashes.

Ten automakers already report equipping more than half of the vehicles they produced between September 1, 2017, and August 31, 2018, with AEB. Based on reporting by the 20 manufacturers that made the commitment, about half of the vehicles produced during the period were equipped with AEB.

The 10 manufacturers include many high-volume automakers such as Honda, Nissan and Toyota. Three manufacturers—Mercedes-Benz, Tesla and Volvo—report 93 percent or higher conformance with the voluntary commitment, with Tesla at 100 percent.

#### CRISI GRANT PROGRAM

*Question.* The budget proposes \$330 million for the Consolidated Rail Infrastructure and Safety Improvement (CRISI) Grants program. This is above the fiscal year 19 enacted level of \$255 million and equal to the authorized fiscal year 20 level. The budget also provides \$550 million for the Restoration and Enhancement (R&E) program, a substantial increase over both the fiscal year 19 enacted level of \$5 million and the fiscal year 20 authorized level of \$22 million.

However, these funds are provided for a program which the budget proposes to substantially change. The budget alters the program, stating grants are "to support restructuring long-distance routes" and "are not limited to the initiation, restoration, or enhancement of intercity rail passenger transportation."

The budget plans to use this reformed R&E program to enact the above changes to Amtrak's national network. Congress created and funded the Restoration and Enhancement program specifically to support the initiation, restoration, or enhancement of intercity passenger rail service. The clear, bipartisan, purpose was to increase service and ridership.

The Administration proposes to instead use this program to break up Amtrak's national network, reducing service and likely limiting ridership. Meanwhile, support for the existing R&E program is demonstrated by both Congress's continued funding and by applications for funding from across the country.

Do you support funding for the initiation, restoration, or enhancement of intercity rail passenger transportation? What would you tell local communities seeking support for new or expanded passenger rail service, who many no longer have that opportunity under the administration's proposal? How would the administration propose investing in the initiation, restoration, or enhancement of intercity rail passenger transportation should the administration's plan be enacted?

*Answer.* The fiscal year 2020 President's Budget proposes to begin a collaborative process among the Department of Transportation, Amtrak, states, and local governments to restructure the current Long Distance network into a series of shorter-distance, high-performing corridors. The proposal does not consist solely of transitioning costs of the existing, antiquated Long Distance network to states. Rather, the intent is to rationalize the network to provide a modern and more relevant service to passengers, including better scheduled departures and arrivals, and new frequencies and markets served where warranted. The existing routes currently serve many promising city pairs and markets that could flourish and result in significantly improved service if restructured. We look forward to working with local communities and states to invest in an improved network that meets their transportation needs.

The fiscal year 2020 President's Budget requests \$330 million for the Consolidated Rail Infrastructure and Safety Improvements Program. These funds would be available to eligible applicants to support the capital and equipment costs needed for potential new or expanded services.

#### BUILD GRANTS

*Question.* Better Utilizing Investments to Leverage Development (BUILD) grants (formerly TIGER)—The administration proposes \$1 billion for the BUILD grant program in fiscal year 20. This is a welcome departure from previous budget proposals in which the administration sought to eliminate the program. Despite the administration targeting this program for elimination, Congress appropriated \$500 million in fiscal year 17, \$1.5 billion in fiscal year 2018, and \$900 million in fiscal year 2019. The budget also proposes changes to the program, relative to the fiscal year 2019 appropriations.

The most recent round of awards continues a pattern in which the program is oriented away from its purpose of funding projects which are multi-modal, transformative, of national significance, and which are otherwise difficult to fund. This limits the usefulness of the program for local communities and our country.

The BUILD program was created to support multi-modal and transit-oriented projects, projects of national significance, and projects that cut across administrative boundaries within the Department of Transportation and that are therefore not easily accomplished through other funding programs, and I was disappointed by the apparent lack of commitment to these types of projects. Thank you for the robust funding proposed for the BUILD program in fiscal year 2020.

While I appreciate the funding support, how will the administration's budget ensure the program selects projects which are multi-modal, transformative, of national significance, and which are otherwise difficult to fund through formulas and other funding sources?

*Answer.* The Department continues to support broad selection criteria in all rounds of the BUILD discretionary grant program to help award innovative and transformative projects, including multimodal projects. The Consolidated Appropriations Act, 2019 provided \$900 million to be awarded on a "competitive basis for projects that will have a significant local or regional impact". The award size is limited to no more than \$25 million per project.

Because the Department believes that local communities best know their infrastructure needs, the fiscal year 2020 President's Budget included \$1 billion for critical transportation projects, such as those identified by local communities, that will have a significant impact on the Nation, a metropolitan area, or a region. The merit-based, competitive nature of the BUILD program allows the Department to award projects that best align with selection criteria and positively impact the communities in which they are located.

*Question.* Do you agree that projects in urban areas can create benefits for the surrounding community and region, including rural areas? In recent rounds of awards, the administration has selected projects located predominantly in rural areas.

*Answer.* The interconnected nature of the nation's transportation networks require investment in both rural and urban areas. The Department takes measures to ensure an appropriate balance in addressing the needs of urban and rural areas, and is especially committed to addressing the unmet transportation infrastructure needs of rural communities.

For the fiscal year 2019 BUILD Appropriations, Congress stipulated not more than 50 percent of BUILD funds can be awarded to projects in rural and urban areas, respectively. The Department fully intends to meet that Congressional requirement for equitable distribution of funds for urban and rural projects during this round of BUILD competition.

#### INFRASTRUCTURE PROPOSAL

*Question.* In addition to the fiscal year 20 budget, the administration released a fact sheet outlining a new infrastructure initiative. The plan, about which there are few details, calls for a long-term surface transportation authorization and provides \$200 billion to leverage \$1 trillion in state and local investment.

Can you provide more detail about how the administration would propose using the \$200 billion allocated for infrastructure? What does the administration propose as a source for the \$200 billion?

*Answer.* The 2020 Budget called upon the Congress to pass legislation that generates at least \$1 trillion in infrastructure investment. The Budget supports achieving this goal by 1) committing to working with the Congress on a long-term surface

transportation reauthorization to provide our State, local, and private partners the certainty they need to effectively plan and deliver projects and 2) providing \$200 billion in additional funding for other infrastructure priorities to be allocated in partnership with the Congress toward sectors and projects that address the most important needs and confer the largest benefits to the American people. The President has also indicated that a portion of the funding should promote visionary projects and technologies to strengthen our economic competitiveness, including 5G wireless communications, rural broadband, advanced manufacturing, and artificial intelligence. The Administration is committed to working with the Congress on sources for these investments.

*Question.* In fiscal year 2019, the administration proposed an infrastructure package of \$200 billion which it said would leverage \$1.5 trillion. This year, the administration has again proposed \$200 billion which it now says will only leverage \$1 trillion.

Why will the Federal investment leverage \$500 million fewer local and private dollars in fiscal year 2020?

*Answer.* The fiscal year 2020 Budget's infrastructure plan would generate at least \$1 trillion in infrastructure investment. The Budget also commits to working with the Congress on the details of the plan, and those details would drive the amount of non-Federal investment.

#### FEDERALLY FUNDED HIGHWAY PROGRAMS

*Question.* Now that the Eisenhower Interstate system is complete, is it time to revisit our highway funding programs? Are the current formulas sufficient for ensuring enough resources to maintain a state of good repair for the existing system? Do the formulas provide enough guarantee that states and localities will invest in maintenance as opposed to expansion?

*Answer.* The Department supports the transition to a performance based approach to the Federal-aid highway program begun by MAP-21 and continued through the FAST Act. Strengthening the relationship between Federal funding and transportation outcomes related to safety, congestion, and state of good repair is the best approach to ensuring scarce Federal resources are devoted to the most appropriate uses on a state-by-state basis.

*Question.* Too often, maintenance of existing infrastructure takes a backseat to constructing new highway projects. Limited infrastructure dollars can be put to better use investing in maintenance and improving existing infrastructure to maximize mobility and access to jobs. Our national transportation program does not emphasize state of repair work before adding new infrastructure. Nor does it make shrinking the system or any particular road or bridge easy.

How can the national program better support states and local agencies as they struggle with the challenge of maintaining a large system?

*Answer.* Completing the transition to a performance based program will significantly enhance the ability for state and local agencies to respond to their system's needs in the manner most appropriate to their circumstance.

*Question.* What policies would you advance to implement a "fix-it first" process?

*Answer.* Implementation of a performance-based approach, with a focus on state of good repair, is already underway across the Federal-aid highway program. Setting targets and tracking performance provides States tools to improve the condition of their assets.

*Question.* Do you believe P3's can act as a substitute for real Federal funding for infrastructure?

*Answer.* Public Private Partnerships are valuable tools in the toolbox for communities seeking alternative approaches to procurement and project delivery. They are not intended to completely replace other funding sources from any level, whether Federal, state, or local.

Projects which are financed using revenue collected directly from users, whether delivered using a public-private-partnership or by the public sector alone, can help reduce the need for Federal funding.

*Question.* Are P3 projects a realistic funding sources in rural communities?

*Answer.* Public private partnerships are not a one-size-fits-all approach for any community, they represent a tool in the toolbox. Local officials are the best judges of what their communities want and need for both rural and urban areas.

Unlike transportation projects in congested urban areas, projects with lower levels of use due to their location in low-population areas are less likely to be able to finance themselves using revenue collected directly from users. However, certain approaches, such as combining availability payments with bridge bundling initiatives have proven effective at supporting infrastructure deployment in the United States.

SUBCOMMITTEE RECESS

Senator COLLINS. This hearing is now adjourned.

[Whereupon, at 11:58 a.m., Wednesday, March 27, the subcommittee was recessed, to reconvene at a time subject to the call of the Chair.]