

REVIEWING THE IMPLEMENTATION OF THE INFRASTRUCTURE INVESTMENT AND JOBS ACT

(118-8)

HEARING

BEFORE THE
SUBCOMMITTEE ON
HIGHWAYS AND TRANSIT
OF THE
COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES
ONE HUNDRED EIGHTEENTH CONGRESS

FIRST SESSION

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U.S. House of Representatives
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MARCH 24, 2023

SUMMARY OF SUBJECT MATTER

TO: Members, Subcommittee on Highways and Transit
FROM: Staff, Subcommittee on Highways and Transit
RE: Subcommittee Hearing on “*Reviewing the Implementation of the Infrastructure Investment and Jobs Act*”

I. PURPOSE

The Subcommittee on Highways and Transit of the Committee on Transportation and Infrastructure will meet on Tuesday, March 28, 2023, at 10:00 a.m. ET in 2167 of the Rayburn House Office Building to receive testimony on “*Reviewing the Implementation of the Infrastructure Investment and Jobs Act*.” The hearing will provide Members an opportunity to hear from stakeholders to examine the issues, successes, and challenges associated with the Administration’s implementation of the Infrastructure Investment and Jobs Act (IIJA, P.L. 117–58). Members will receive testimony from representatives from the American Association of State Highway and Transportation Officials (AASHTO), the National Stone, Sand and Gravel Association (NSSGA), the Associated Builders and Contractors (ABC), and American Road & Transportation Builders Association (ARTBA).

II. BACKGROUND

IIJA

On November 15, 2021, the President signed IIJA into law, representing the largest Federal investment in decades in the United States’ infrastructure.¹ This legislation provided \$1.2 trillion for infrastructure programs over the five-year period from Fiscal Year (FY) 2022 to FY 2026, to sustain and modernize the Nation’s infrastructure, including roads, bridges, transit, railroads, and airports, as well as energy and broadband.² Of the total provided in IIJA, approximately \$660 billion is administered by the Department of Transportation (DOT).³

The Subcommittee has jurisdiction over the following modal administrations and offices within the DOT: the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), the Federal Motor Carrier Safety Administration (FMCSA), certain programs under the National Highway Traffic Safety Administration (NHTSA), and certain programs under the Office of the Secretary of Transportation.

¹ IIJA, Pub. L. 117–58, (2021), 135 Stat. 429 [hereinafter IIJA].

² Bipartisan Infrastructure Law, FHWA, available at <https://www.fhwa.dot.gov/bipartisan-infrastructure-law/> [hereinafter Bipartisan Infrastructure Law].

³ See DOT, *IIJA, Authorized Funding FY 2022 to FY 2026*, available at https://www.transportation.gov/sites/dot.gov/files/2022-01/DOT_Infrastructure_Investment_and_Jobs_Act_Authorization_Table_%28IIJA%29.pdf (Comm. on Transp. and Infrastructure calculation).

tation (OST).⁴ IIJA provided approximately \$529 billion for programs under the purview of the Highways and Transit Subcommittee.⁵ Specifically, the law provides:

- \$365 billion for highway programs administered by the FHWA;⁶
- \$108 billion for transit programs administered by the FTA;⁷
- \$43 billion for multimodal project, safety, and innovation grant programs administered by the OST;⁸
- \$8 billion for safety programs administered by the NHTSA;⁹ and
- \$5 billion for motor carrier safety programs administered by the FMCSA.¹⁰

Taken together, IIJA’s five-year average funding for modes under the Subcommittee’s jurisdiction increased significantly; for example, FTA funding increased by 67 percent and FHWA funding increased by 56 percent compared to the five-year average funding authorized in the Fixing America’s Surface Transportation Act (FAST Act, P.L. No. 114–94). In addition, IIJA quintupled the amount of competitive grants the Secretary of Transportation will award.¹¹

HIGHWAY TRUST FUND (HTF)

The landmark Federal-Aid Highway Act of 1956 (P.L. 84–627) established a “user pays” funding mechanism to provide financial certainty for the newly authorized National System of Interstate and Defense Highways. It created the Highway Trust Fund (HTF) and funded it through Federal excise taxes levied on motor fuels, heavy truck and trailers, heavy truck tires, and heavy vehicle use taxes.¹²

In 1956, the excise tax rate for highway use of motor fuels was three cents per gallon. The tax rate and structure has been revised several times since then. The current rates of 18.4 cents per gallon of gasoline and 24.4 cents per gallon of diesel went into effect on October 1, 1993. In addition, all receipts from motor fuel taxes originally were deposited into the HTF.¹³

Since 1982, portions of enacted gasoline and diesel tax increases were deposited into a newly created Mass Transit Account (MTA) within the HTF to fund public transportation programs.¹⁴ Currently, of the 18.4 cents per gallon Federal excise tax on gasoline, 15.44 cents is deposited into the Highway Account (HA), 2.86 cents is deposited into the MTA and 0.1 cent is deposited into the Leaking Underground Storage Tank (LUST) Trust Fund. Of the 24.4 cents per gallon Federal excise tax on diesel, 21.44 cents is deposited into the HA, 2.86 cents is deposited into the MTA, and 0.1 cent is deposited into the LUST Trust Fund. All other taxes are deposited into the HA.¹⁵

Federal motor fuel taxes have lost significant purchasing power since Congress last increased the tax rate 30 years ago. In addition, improved vehicle fuel efficiency and vehicles using alternative forms of fuel have further eroded Federal revenues. This combination has contributed to a gap between HTF revenues and expenditures.¹⁶ Since 2008, Congress has periodically transferred amounts from the general fund of the Treasury and other sources into the HTF to ensure that it can continue to pay its obligations.¹⁷ Between FYs 2008 and 2021, Congress transferred approximately \$275 billion to the HTF, of which \$118 billion was transferred to the HTF

⁴H. COMM. ON TRANSP. AND INFRASTRUCTURE, JURISDICTION AND ACTIVITIES SUBCOMM. ON HIGHWAYS AND TRANSIT OF THE H. COMM. ON TRANSP. AND INFRASTRUCTURE, 118TH CONG. 1 (2023) (on file with Comm.) [hereinafter JURISDICTION AND ACTIVITIES].

⁵See Bipartisan Infrastructure Law, *supra* note 2 (Comm. on Transp. and Infrastructure calculation based on IIJA).

⁶See *id.* (providing further information on highway programs).

⁷See FTA, Bipartisan Infrastructure Law, *available at* <https://www.transit.dot.gov/BIL> (providing further information on transit programs).

⁸DOT, *Bipartisan Infrastructure Law Dashboard*, *available at* <https://www.transportation.gov/mission/budget/bipartisan-infrastructure-law-dashboard> (last updated Dec. 28, 2021).

⁹See NHTSA, Bipartisan Infrastructure Law, *available at* <https://www.nhtsa.gov/bipartisan-infrastructure-law> (providing further information on NHTSA programs).

¹⁰FMCSA, *Bipartisan Infrastructure Law: Impacts for FMCSA Grant Programs*, DOT, <https://www.fmcsa.dot.gov/Bipartisan-Infrastructure-Law-Grants> (last updated Jan. 6, 2022).

¹¹Jeff Davis, *Status Check: The First Year of IIJA Competitive Grant Funding*, ENO CTR. FOR TRANSP., (Sept. 6, 2022), *available at* <https://www.enotrans.org/article/status-check-the-first-year-of-iija-competitive-grant-funding/>.

¹²JURISDICTION AND ACTIVITIES, *supra* note 4.

¹³*Id.* at 5–6.

¹⁴*Id.* at 5.

¹⁵*Id.* at 5–6.

¹⁶*Id.* at 6.

¹⁷*Id.* at 6.

under IIJA.¹⁸ Despite these transfers, the Congressional Budget Office’s (CBO) most recent estimate projects the HTF will be insolvent again in FY 2027.¹⁹

To bridge the gap between revenues and spending, Congress would need to significantly cut transportation spending, raise Federal motor fuel taxes, or implement another method to provide revenues for the HTF. In recent years, there has been a growing focus on a mileage-based user fee, which levies a tax on vehicle miles traveled (VMT), as a potential future substitute for the current motor fuels taxes. This user fee could address the challenges of capturing rising fuel efficiency and electric vehicles. In several states, pilot programs are underway to test different VMT collection methods, as well as address subsequent challenges. In addition, IIJA required the Secretary of Transportation to establish an alternative funding advisory board and a National motor vehicle per-mile user fee pilot program.²⁰

III. IIJA IMPLEMENTATION OVERVIEW

Since IIJA’s enactment nearly a year and a half ago, DOT states that FHWA has distributed almost \$125 billion in highway formula funding to the States and announced 300 discretionary grants or cooperative agreements totaling approximately \$2.7 billion.²¹ ARTBA’s Highway Dashboard, which uses data from FHWA, indicates that States have used those formula dollars to support 34,300 projects across the country.²² FTA has distributed approximately \$35 billion in transit formula funding and announced 249 awards totaling \$2.75 billion, and OST has announced approximately \$4.1 billion in discretionary grants.²³ However, some stakeholders have raised concerns with the slow rollout of IIJA funding. A 2023 outlook survey of its member companies by the Associated General Contractors of America found that just five percent of companies responded they have worked on IIJA-funded projects to date, while six percent responded they had successfully bid on projects for which work had yet to begin.²⁴

To provide information on discretionary grants programs, DOT created the “Key Notices of Funding Opportunity website that provides estimated timing for forthcoming Notices of Funding Opportunity (NOFOs) and application closing dates for NOFOs that have already been announced.²⁵ To enable interested parties to track the deployment of IIJA funding, the Administration’s website includes an interactive map showing the location of formula and discretionary projects.²⁶

However, there are several programs that have not been implemented or require additional clarity. For examples, the Department has not yet implemented provisions related to VMT, including establishing the alternative funding advisory board that is a precursor to pursuing a National VMT pilot program.²⁷ Further, the Administration has not issued final guidance related to the Build America, Buy America Act (BABAA). The Administration released initial implementation guidance on April 18, 2022, and on February 9, 2023, the Office of Management and Budget issued proposed guidance.²⁸ In the interim, FHWA issued Questions and Answers related to BABAA on February 1, 2023, and on February 7, 2023, FTA held a

¹⁸ Briefing from Staff, FHWA to H. Comm. on Transp. and Infrastructure Staff (Jan. 19, 2023, 2:00 p.m. ET).

¹⁹ CBO, THE BUDGET AND ECONOMIC OUTLOOK: 2023 TO 2033 18 (2023), available at <https://www.cbo.gov/system/files/2023-02/58848-Outlook.pdf>.

²⁰ JURISDICTION AND ACTIVITIES, *supra* note 4.

²¹ Email from FHWA Staff to H. Comm. on Transp. and Infrastructure Staff (Mar. 14, 2023, 8:04 a.m.) (on file with Comm.).

²² See ARTBA, *Highway Dashboard—IIJA*, available at <https://www.artba.org/economics/highway-dashboard>.

²³ Verbal communication from OST Staff to H. Comm. on Transp. and Infrastructure Staff (Mar. 15, 2023, 2:25 p.m.); Email from FTA Staff to H. Comm. on Transp. & Infrastructure Staff (March 16, 2023, 3:57 p.m.) (on file with Comm.).

²⁴ ASSOC. GEN. CONTRACTORS OF AM., SAGE, HIGH HOPES FOR PUBLIC FUNDING AMID WORKFORCE AND SUPPLY CHAIN CHALLENGES: THE 2023 CONSTRUCTION HIRING AND BUSINESS OUTLOOK, (2023), available at [https://www.agc.org/sites/default/files/users/user22633/2023 Construction Hiring and Business Outlook Report Final.pdf](https://www.agc.org/sites/default/files/users/user22633/2023%20Construction%20Hiring%20and%20Business%20Outlook%20Report%20Final.pdf).

²⁵ See DOT, *Key Notices of Funding Opportunity*, available at <https://www.transportation.gov/bipartisan-infrastructure-law/key-notices-funding-opportunity> (last updated Mar. 23, 2023).

²⁶ See GEN. SERVS. ADMIN., *Bipartisan Infrastructure Law Dashboard*, available at <https://d2d.gsa.gov/report/bipartisan-infrastructure-law-bil-maps-dashboard> (last updated Feb. 15, 2023).

²⁷ IIJA, *supra* note 1, § 13002(g)(1).

²⁸ See M–22–11, Memorandum from Shalanda D. Young, Dir., Off. of Mgmt. and Budget, (Apr. 18, 2022), available at <https://www.whitehouse.gov/wp-content/uploads/2022/04/M-22-11.pdf>; Guidance for Grants and Agreements, 88 Fed. Reg. 8,374 (Feb. 9, 2023), available at <https://www.govinfo.gov/content/pkg/FR-2023-02-09/pdf/2023-02617.pdf>.

webinar on the applicability of the BABAA construction materials provision.²⁹ However, the stakeholder community has stated that it needs additional clarity and final guidance in order to ensure proper compliance with these provisions.³⁰

Stakeholders and some members of Congress are concerned about the Administration's overreach in its promulgation of recent DOT rules and guidance materials.³¹ For example, on December 16, 2021, FHWA released a controversial memorandum entitled "*Information: Policy on Using Bipartisan Infrastructure Law Resources to Build A Better America*" to put forth "an overarching framework to prioritize the use of [IIJA] resources," towards existing infrastructure assets over adding new highway capacity.³² It stated that "FHWA will work with recipients to encourage and prioritize the repair, rehabilitation, reconstruction, replacement and maintenance of existing transportation infrastructure, especially the incorporation of safety, accessibility, multimodal, and resilience features. Projects to be prioritized include those that maximize the existing right-of-way for accommodation of non-motorized modes and transit options that increase safety, accessibility, and/or connectivity."³³ In addition, stakeholders and elected officials were concerned that this memorandum would have contradicted the longstanding Federal-state partnership that has provided states the flexibility to prioritize projects to address their own challenges.³⁴

After repeated Congressional and stakeholder calls to rescind the memorandum were ignored, the General Accountability Office (GAO) determined, on December 15, 2022, that the memorandum was a rule and had a substantial impact on the rights and obligations of non-agency parties.³⁵ Recently, on February 24, 2023, the FHWA issued an update to the memorandum, superseding the December 16, 2021, memorandum, which effectively reversed FHWA's guidance.³⁶

²⁹ FHWA, *FHWA's Buy America Q and A for Federal-aid Program*, available at https://www.fhwa.dot.gov/construction/contracts/buyam_qa.cfm; FTA, *Buy America Update, Construction materials Waiver for Certain Contracts and Solicitations, FTA Internal Webinar*, YouTube, (Feb. 7, 2023), available at <https://www.youtube.com/watch?v=61UYE680by4>.

³⁰ Verbal information provided to the Committee from multiple stakeholders.

³¹ Letter from Sam Graves, Ranking Member, H. Comm. on Transp. and Infrastructure to the Honorable Pete Buttigieg, Sec'y, Dep't of Transp., (Sept. 23, 2022) (on file with Comm.).

³² Memorandum from Stephanie Pollack, Deputy Adm'r, FHWA to Associate Administrators, et. al., (Dec. 16, 2021), available at https://www.fhwa.dot.gov/bipartisan-infrastructure-law/building_a_better_america-policy_framework.cfm.

³³ Jeff Davis, *FHWA Replaces 2021 IIJA "Guidance Memo" with a More State-Deferential Version*, ENO CTR. FOR TRANSP., (Mar. 3, 2020), available at <https://www.enotrans.org/article/fhwa-replaces-2021-iija-guidance-memo-with-a-more-state-deferential-version/?code=FtFDf9FVV30ArEGqXMDV9gnzvdxYHrmvXmSAjE8J33U%3D>; Letter from U.S. Chamber of Commerce, et al. to the Honorable Shailen Bhatt, Adm'r, FHWA, (Jan. 18, 2023), available at <https://www.uschamber.com/assets/documents/Coalition-Letter-FHWA-Memo-1.18.2023.pdf>; Press Release, H. COMM. ON TRANSP. AND INFRASTRUCTURE, *Graves Statement on GAO Determination That FHWA Memo Urging States Against Road-Building Constitutes a Rule*, (Dec. 15, 2022), available at <https://transportation.house.gov/news/documentsingle.aspx?DocumentID=406017>; Letter from Rep. Rodney Davis, et al., to the Honorable Pete Buttigieg, Sec'y, Dep't of Transp. (Mar. 7, 2022), available at https://transportation.house.gov/uploadedfiles/2022-03-07_davis_letter_to_buttigieg_re_ofd.pdf; GAO, Decision, Matter of: Federal Highway Administration—Policy on Using Bipartisan Infrastructure Law Resources to Build a Better America, B-334032, (Dec. 15, 2022), available at <https://www.gao.gov/assets/820/814061.pdf> [hereinafter GAO FHWA Decision]; Tom Ichniowski, *FHWA Issues New IIJA Highway Funding Memo Clarifying States' Role*, ENGINEERING NEWS RECORD, (Feb. 24, 2023), available at <https://www.enr.com/articles/55987-fhwa-issues-new-iija-highway-funding-memo>.

³⁴ Letter from Rep. Shelley Moore Capito, Ranking Member, S. Comm. on Environment and Public Works & Rep. Mitch McConnell, S. Majority Leader to State Governors, (Feb. 9, 2022), available at https://www.epw.senate.gov/public/_cache/files/8/c/8c3b1b65-550b-493b-b6cd-33b108e53eac/B44AC4860614C4E3FD4712AAB8652E9C.2022-02-07-general-iija-governors-letter.pdf.

³⁵ Letter from U.S. Chamber of Commerce, et al. to the Honorable Shailen Bhatt, Adm'r, FHWA, (Jan. 18, 2023) available at <https://www.uschamber.com/assets/documents/Coalition-Letter-FHWA-Memo-1.18.2023.pdf>; Press Release, H. COMM. ON TRANSP. AND INFRASTRUCTURE, *Graves Statement on GAO Determination the FHWA Memo Urging States Against Road-Building Constitutes a Rule*, (Dec. 15, 2022), available at <https://transportation.house.gov/news/documentsingle.aspx?DocumentID=406017>; Letter from Rep. Rodney Davis, et al., to the Honorable Pete Buttigieg, Sec'y, Dep't of Transp. (Mar. 7, 2022), available at https://transportation.house.gov/uploadedfiles/2022-03-07_davis_letter_to_buttigieg_re_ofd.pdf; GAO FHWA Decision, *supra* note 33.

³⁶ See AM. HIGHWAY USERS ALL., *FHWA Administrator Bhatt Rescinds Fix-it-First Memo*, (Nov. 2, 2010), available at <https://www.highways.org/wp-content/uploads/2011/06/deficit-commission-ltr.pdf>; Memorandum from Shailen Bhatt, Adm'r, FHWA, to Assoc. Adm'rs, et. al., (Feb. 24, 2023), available at https://www.fhwa.dot.gov/bipartisan-infrastructure-law/using_bil_resources_build_better_america.cfm.

In addition, FHWA issued a notice of proposed rulemaking to require states and metropolitan planning organizations to establish a new performance measure with declining targets for carbon dioxide and to measure and report greenhouse gas emissions associated with transportation under the Federal-aid highways program.³⁷ Congress included provisions to address climate change and transportation resiliency in IIJA. Although a rule requiring a new highway related greenhouse gas performance measure was included in the House-passed INVEST in America Act (H.R. 3684), it was considered and disposed of during IIJA negotiations.³⁸

IV. ADDITIONAL CHALLENGES

While IIJA provided historic levels of funding to address America’s infrastructure needs, stakeholders have raised concerns that persistently high inflation is undermining those funding increases.³⁹ The majority of funding in IIJA, under FHWA, FTA, and OST, allows recipients up to four years to obligate funding. If high inflation levels continue to hold, IIJA’s funding increases in the outyears also would “erode.”⁴⁰ However, if the higher inflation levels experienced since early 2021 drop, IIJA’s buying power may not be affected in the outyears.

Inflation began rising in January 2021, reaching a 41-year record high of 9.1 percent in June 2022.⁴¹ As of February 2023, the 12-month inflation rate had fallen to 6.0 percent.⁴² This marks the 24th consecutive month that the rate remains far above the two percent the Federal Reserve targets for a stable economy.⁴³ Additionally, producer prices—representing prices paid by businesses producing goods—increased 4.6 percent year-over-year.⁴⁴

In early 2022, the Eno Center for Transportation warned that if inflation for highway costs averaged higher than seven percent through 2027, the increased funding provided for highways under IIJA could be eliminated entirely.⁴⁵ In June 2022, the AASHTO also raised concerns about the ability of states to capitalize on IIJA funding due to inflation, saying “[t]he cost of those projects is going up by 20 percent, by 30 percent, and just wiping out that increase from the Federal government that

³⁷Nat’l Performance Mgmt. Measures; Assessing Performance of the Nat’l Highway System, Greenhouse Gas Emissions Measure, 87 Fed. Reg. 42,401 (July 15, 2022).

³⁸Michael Laris, *DOT proposal would require states to track carbon emissions from driving*, WASH. POST, (July 7, 2022) available at <https://www.washingtonpost.com/transportation/2022/07/07/dot-greenhouse-gas-emissions/>; Press Release, FHWA, *Biden-Harris Administration Takes Step Forward to Combat Climate Change, Announces Proposed Transportation Greenhouse Gas Emission Reduction Framework*, (July 7, 2022), available at <https://highways.dot.gov/newsroom/biden-harris-administration-takes-step-forward-combat-climate-change-announces-proposed-iija-supra-note-1>; H. Comm. on Transp. and Infrastructure Staff conversations with S. Comm. on Environment and Public Works Staff (Dec. 2022); Letter from Rep. Shelley Moore Capito, Ranking Member, S. Comm. on Environment and Public Works, et. al. to Stephanie Pollack, Adm’r, FHWA, (Oct. 13, 2022), available at https://www.epw.senate.gov/public/_cache/files/3/9/39e04649-c8b0-4407-9d5f-3f871a8a6c06/1D2F2CF32C13CBD96816CC0EDAF704DA.10.13.2022-senate-republicans-letter-to-fhwa-re-docket-no.-fhwa-2021-0004.pdf.

³⁹Jenni Bergal, *Inflation is Cutting Into States’ Big Infrastructure Windfall*, THE PEW CHARITABLE TRUSTS, (Nov. 30, 2022), available at <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2022/11/30/inflation-is-cutting-intostates-big-infrastructure-windfall>; David A. Lieb & Michael Casey, *Inflation Taking a Bite Out of New Infrastructure Projects*, ASSOCIATED PRESS, (June 19, 2022), available at <https://apnews.com/article/inflation-usinfrastructure-projects-e89dcd5f3e623e532353f087265f9a63>.

⁴⁰Jeff Davis, *How Much Could Inflation Erode IIJA Buying Power?*, ENO CTR. FOR TRANSP., (Apr. 27, 2022), available at <https://www.enotrans.org/article/how-much-could-inflation-erode-iija-buying-power/>.

⁴¹Press Release, U.S. BUREAU OF LABOR STAT., *Consumer Prices Up 9.1 Percent Over the Year ended June 2022, Largest Increase in 40 Years* (July 18, 2022), available at <https://www.bls.gov/opub/ted/2022/consumer-prices-up-9-1-percent-over-the-year-ended-june-2022-largest-increase-in-40-years.htm>.

⁴²Press Release, U.S. BUREAU OF LABOR STAT., *Consumer Price Index—March 2023*, (Mar. 14, 2023), available at <https://www.bls.gov/news.release/cpi.htm>.

⁴³*12-Month Percentage Change, Consumer Price Index, selected categories*, U.S. BUREAU OF LABOR STAT., available at <https://www.bls.gov/charts/consumer-price-index/consumer-price-index-by-category-line-chart.htm>; BOARD OF GOVERNORS OF THE FED. RESERVE SYSTEM, *What is an Acceptable Level of Inflation?*, <https://www.federalreserve.gov/faqs/5D58E72F066A4DBDA80BBA659C55F774.htm> (last updated July 25, 2011).

⁴⁴Press Release, U.S. BUREAU OF LABOR STAT., *Producer Price Indexes—February 2023* (Mar. 15, 2023), available at <https://www.bls.gov/news.release/ppi.nr0.htm>.

⁴⁵Jeff Davis, *How Much Could Inflation Erode IIJA Buying Power?*, ENO CTR. FOR TRANSP., (Apr. 27, 2022), available at <https://www.enotrans.org/article/how-much-could-inflation-erode-iija-buying-power/>.

they were so excited about earlier in the year.”⁴⁶ Prices for construction materials remain particularly steep. In February, the Associated General Contractors of America again warned that although inflation may be moderating in some areas, construction costs were still rising and squeezing businesses.⁴⁷ However, in testimony before the Senate Committee on Environment and Public Works in November 2022, the ARTBA stated it “interprets the combination of available data as pointing to real—albeit heavily muted—market growth over the last year.”⁴⁸ Additionally, ARTBA stated, “Without the infrastructure law . . . we would likely be looking at a market contraction.”⁴⁹

Fuel costs also began increasing in 2021, and over the past year, gasoline and diesel prices surpassed record highs.⁵⁰ The rate at which these prices increased were also record-breaking.⁵¹ These historically high prices contribute to increased business costs at multiple points in supply chains. After reaching a record high of \$5.81 per gallon last summer, the National average price for a gallon of diesel fuel was \$4.19 per gallon as of March 20, 2023, an increase of \$1.10 per gallon from January 2021.⁵² The average price for a gallon of regular gasoline reached an all-time National high of \$5.00 in June 2022, but as of March 2023 has fallen to \$3.42 per gallon.⁵³

Like many industries spanning the United States economy, construction businesses are experiencing workforce challenges. Stakeholders have raised concerns about the shortage of workers and the impact it is having on building capital projects funded by IIJA.⁵⁴ According a 2023 outlook survey conducted by the Associated General Contractors of America, some 83 percent of members cited workforce shortage as a challenge.⁵⁵ The DOT’s Inspector General stated that skilled labor shortages could affect the ability of grant recipients to complete projects on time and on budget.⁵⁶ The report goes on to note that, in order to help address these challenges, DOT and its operating administrations have undertaken workforce development projects to support transportation industry efforts to recruit and retain employees.

IIJA includes provisions to support worker training and retention. These include an allowance for highway formula funds—including National Highway Performance Program, Surface Transportation Block Grant Program, Highway Safety Improve-

⁴⁶ David A. Lieb & Michael Casey, *Inflation Taking a Bite Out of New Infrastructure Projects*, ASSOCIATED PRESS, (June 19, 2022), available at <https://apnews.com/article/inflation-us-infrastructure-projects-e89dcd5f3e623e532353f087265f9a63>.

⁴⁷ Press Release, ASSOCIATED GEN. CONTRACTORS OF AM., *Prices for Construction Materials Diverge Sharply in January as Demand Shifts from Homebuilding to Factory and Infrastructure Projects*, (Feb. 16, 2023), available at <https://www.agc.org/news/2023/02/16/prices-construction-materials-diverge-sharply-january-demand-shifts-homebuilding-factory-and-0>.

⁴⁸ *Putting the Bipartisan Infrastructure Law to Work: The Private Sector Perspective Hearing Before the S. Comm. on Environment & Public Works*, 117th Cong., (2022) (statement of Dave Bauer, President & CEO, Am. Road & Transp. Builders Ass’n), available at <https://www.epw.senate.gov/public/cache/files/c/a/ca2062bc-d8ed-4fe8-b1fd-17ed6d84e4c2/AC308B484A2FBC9F2384FB9F68A4ED9C.11-30-2022-bauer-testimony.pdf>.

⁴⁹ See *id.*
⁵⁰ See U.S. ENERGY INFO. ADMIN., *Weekly U.S. No 2 Diesel Retail Prices*, available at https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMD_EPD2D_PTE_NUS_DPG&f=W.

⁵¹ Data Spotlight, BUREAU OF TRANSP. STATISTICS, *Record Breaking Increases in Motor Fuel Prices in 2022*, (Aug. 18, 2022), available at <https://www.bts.gov/data-spotlight/record-breaking-increases-motor-fuel-prices-2022>.

⁵² See U.S. ENERGY INFO. ADMIN., *Weekly U.S. No 2 Diesel Retail Prices*, available at https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMD_EPD2D_PTE_NUS_DPG&f=W.

⁵³ See U.S. ENERGY INFO. ADMIN., *Weekly U.S. Regular All Formations Retail Gasoline Prices*, available at https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMM_EPMR_PTE_NUS_DPG&f=W.

⁵⁴ Press Release, ASSOCIATED BUILDERS AND CONTRACTORS, *Construction Workforce Shortage Tops Half a Million in 2023, Says ABC*, (Feb. 9, 2023), available at <https://www.abc.org/News-Media/News-Releases/entryid/19777/construction-workforce-shortage-tops-half-a-million-in-2023-says-abc>; Verbal Information from Stakeholder Meetings with H. Comm. on Transp. and Infrastructure Staff, (Jan.–Mar. 2023).

⁵⁵ ASSOCIATED GEN. CONTRACTORS OF AM., SAGE, *HIGH HOPES FOR PUBLIC FUNDING AMID WORKFORCE AND SUPPLY CHAIN CHALLENGES: THE 2023 CONSTRUCTION HIRING AND BUSINESS OUTLOOK* (2023), available at https://www.agc.org/sites/default/files/users/user22633/2023_Construction_Hiring_and_Business_Outlook_Report_Final.pdf.

⁵⁶ Memorandum from Eric J. Soskin, Inspector Gen. to the Sec’y of Transp., (Oct. 5, 2022), available at <https://www.oig.dot.gov/sites/default/files/OIG%20Correspondence%20-%20Challenges%20Facing%20DOT%20in%20Implementing%20IIJA.pdf>.

ment Program, and Congestion Mitigation and Air Quality Program funds—to be used for workforce development.⁵⁷

V. WITNESSES

- Mr. Marc D. Williams, Executive Director, Texas Department of Transportation, *on behalf of* American Association of State Highway and Transportation Officials
- Mr. Dwayne Boyd, Regional President, CRH, *on behalf of* National Stone, Sand & Gravel Association
- Mr. Aric Dreher, Assistant General Manager, Cianbro, *on behalf of* Associated Builders and Contractors
- Ms. Paula Hammond, Senior Vice President, WSP USA, *on behalf of* American Road & Transportation Builders Association

⁵⁷See FHWA, *Highway Funding for Workforce*, available at https://www.fhwa.dot.gov/innovativeprograms/centers/workforce_dev/OST_Workforce_Development_Fact_Sheet.aspx.

REVIEWING THE IMPLEMENTATION OF THE INFRASTRUCTURE INVESTMENT AND JOBS ACT

TUESDAY, MARCH 28, 2023

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON HIGHWAYS AND TRANSIT,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:01 a.m. in room 2167 Rayburn House Office Building, Hon. Eric A. “Rick” Crawford (Chairman of the subcommittee) presiding.

Mr. CRAWFORD. The subcommittee hearing, “Reviewing the Implementation of the Infrastructure Investment and Jobs Act” will come to order.

I ask unanimous consent that the chairman be authorized to declare a recess at any time during today’s hearing.

Without objection, so ordered.

I also ask unanimous consent that Members not on the subcommittee be permitted to sit with the subcommittee at today’s hearing and ask questions.

Without objection, so ordered.

As a reminder, if Members wish to insert a document into the record, please also email it to DocumentsTI@mail.house.gov.

I now recognize myself for the purposes of an opening statement.

OPENING STATEMENT OF HON. ERIC A. “RICK” CRAWFORD OF ARKANSAS, CHAIRMAN, SUBCOMMITTEE ON HIGHWAYS AND TRANSIT

Mr. CRAWFORD. Good morning, and thank you to our panel of witnesses for being here today.

Our transportation network is essential to Americans’ mobility. It supports our quality of life, and it is vital to our economic competitiveness. Nearly 1½ years ago, Congress passed and the President signed into law the \$1.2 trillion Infrastructure Investment and Jobs Act, or IIJA.

While I did not vote for the bill, our role today is to ensure effective and efficient execution of the current law. IIJA provided historic funding increases to address America’s infrastructure, including over half a trillion dollars for programs under the subcommittee’s jurisdiction. IIJA significantly increased funding for existing programs, created new programs with new eligibilities, and increased, by nearly 500 percent, the amount of competitive grant funding the Secretary will award.

Given the significant funding and discretion provided to the Secretary, it is essential that Congress performs its oversight role to ensure efficient and effective use of taxpayer dollars, and to ensure that the administration is implementing IIJA consistent with the letter of the law.

The Federal Highway Administration and Federal Transit Administration have distributed approximately \$157 billion in formula funding to the States and local entities. In addition, FHWA, FTA, and the Office of the Secretary of Transportation have announced discretionary grants totaling about \$9.6 billion.

While the Department has made progress distributing formula funding and awarding discretionary grants, there are very important areas where progress has stalled. In some cases, the administration is creating confusion among States and stakeholders, which could result in needless project delays.

For example, the administration has not finalized its guidance on IIJA's Buy America provisions that pertain to federally funded infrastructure projects. OMB released initial guidance and later, proposed guidance, and agencies issued waivers and questions and answers, Q&As. Each new release of information has exacerbated the confusion and uncertainty among stakeholders, which is concerning, especially since most of the country is entering its construction season.

We have also seen the Department push its own agenda, in direct contradiction of the law, through memorandum and executive action. Last July, the administration announced a notice of proposed rulemaking to require States and MPOs to create a new performance measure to cut greenhouse gas emissions stemming from transportation. However, requiring a rule related to greenhouse gas emissions was a policy considered during IIJA negotiations. In fact, it was debated at length, but expressly excluded from the final bill.

I ask unanimous consent to enter into the record a press release from July 7, 2022, from Senator Kevin Cramer, who serves as ranking member of the Subcommittee on Transportation and Infrastructure on the Senate EPW Committee, with his statement on FHWA's greenhouse gas emissions performance measures proposed rule.

Without objection, so ordered.

[The information follows:]

Press Release of July 7, 2022, Statement of Sen. Kevin Cramer on Federal Highway Administration's Greenhouse Gas Emissions Performance Measure Proposed Rule, Submitted for the Record by Hon. Eric A. "Rick" Crawford

July 07, 2022

SEN. CRAMER STATEMENT ON FEDERAL HIGHWAY ADMINISTRATION'S GREENHOUSE GAS EMISSIONS PERFORMANCE MEASURE PROPOSED RULE

WASHINGTON—U.S. Senator Kevin Cramer (R-ND), Ranking Member of the Transportation and Infrastructure Subcommittee, issued the following statement in response to the Federal Highway Administration's (FHWA) proposed rule to impose greenhouse gas emissions performance measures on state departments of transportation and metropolitan planning organizations without any new authority from Congress:

“The Biden Administration’s Federal Highway Administration is veering off course once again. First, they issued guidance aiming to upend the funding flexibility given to states and now they want to saddle state transportation departments with emission reduction requirements. In both instances, Congress expressly excluded these authorities in the Infrastructure Investment and Jobs Act and now the Administration is attempting an end-run based on their wishes, not the law.

“This proposed rule needs to be fully rescinded. It is dumb policy and the Biden Administration should take a hint from the recent West Virginia v. EPA decision which reminded agencies to stay within the confines Congress gave them.”

Mr. CRAWFORD. In another effort to exert its progressive policy preferences, FHWA released a December 16, 2021, memorandum that directed States to deprioritize projects that increased road capacity. This policy represented a complete departure from the successful and longstanding Federal-State partnership, was inconsistent with the law, and was met with confusion from the States and concerns from industry stakeholders. I was glad FHWA recently issued an updated memorandum superseding and effectively reversing the December 16, 2021, memorandum.

In addition, the administration has been using its notices of funding opportunity for discretionary grant programs to layer on requirements that do not exist in statute.

Each of the issues I outlined have caused confusion and have the very real risk of delaying critical projects. And as everyone here knows, any project delay results in increased costs: something we can’t afford in this environment of nontransitory high inflation, which is already eroding IIJA’s funding increases.

Oversight is not a Republican or a Democratic issue. Congress must fulfill its duty to ensure IIJA is being implemented as written and that resources are addressing our most pressing transportation infrastructure and supply chain needs. I look forward to hearing from the panel about successes and where improvements can be made as the Department continues implementation of IIJA.

I would also like to recognize and offer my condolences to the families of the six workers killed last week in a highway construction zone near Baltimore. This tragic situation underscores the need to ensure the safety of all roadway users, including construction workers who are simply trying to do their jobs and help improve America’s infrastructure.

[Mr. Crawford’s prepared statement follows:]

Prepared Statement of Hon. Eric A. “Rick” Crawford, a Representative in Congress from the State of Arkansas, and Chairman, Subcommittee on Highways and Transit

Our transportation network is essential to Americans’ mobility, supports our quality of life, and is vital to our economic competitiveness. Nearly one-and-a-half years ago, Congress passed and the President signed into law the \$1.2 trillion Infrastructure Investment and Jobs Act (IIJA).

While I did not vote for the bill, our role today is to ensure effective and efficient execution of current law. IIJA provided historic funding increases to address America’s infrastructure, including over half-a-trillion dollars for programs under the Subcommittee’s jurisdiction. IIJA significantly increased funding for existing programs, created new programs with new eligibilities, and increased, by nearly 500 percent, the amount of competitive grant funding the Secretary will award.

Given the significant funding and discretion provided to the Secretary, it is essential that Congress performs its oversight role to ensure efficient and effective use of taxpayer dollars, and to ensure that the Administration is implementing IIJA

consistent with the letter of the law. The Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) have distributed approximately \$157 billion in formula funding to States and local entities.

In addition, FHWA, FTA, and the Office of the Secretary of Transportation (OST) have announced discretionary grants totaling about \$9.6 billion. While the Department has made progress distributing formula funding and awarding discretionary grants, there are very important areas where progress has stalled. In some cases, the Administration is creating confusion among States and stakeholders, which could result in needless project delays.

For example, the Administration has not finalized its guidance on IIJA's Buy America provisions that pertain to Federally funded infrastructure projects. OMB released initial guidance and later, proposed guidance; and agencies issued waivers and Questions and Answers (Q&As).

Each new release of information has exacerbated the confusion and uncertainty among stakeholders, which is concerning especially since most of the country is entering its construction season. We've also seen the Department push its own agenda, in direct contradiction of the law, through memorandum and executive action.

Last July, the Administration announced a notice of proposed rulemaking to require States and MPOs to create a new performance measure to cut greenhouse gas emissions stemming from transportation. However, requiring a rule related to greenhouse gas emissions was a policy considered during IIJA negotiations—in fact, it was debated at length, but “expressly excluded” from the final bill.

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Each of the issues I outlined have caused confusion and have the very real risk of delaying critical projects. And as everyone here knows, any project delay results in increased costs—something we can't afford in this environment of non-transitory high inflation, which is already eroding IIJA's funding increases.

Oversight is not a Republican or Democratic issue. Congress must fulfill its duty to ensure IIJA is being implemented as written and that resources are addressing our most pressing transportation infrastructure and supply chain needs. I look forward to hearing from the panel about successes and where improvements can be made as the Department continues implementation of IIJA.

I would also like to recognize and offer my condolences to the families of the six workers killed last week in a highway construction zone near Baltimore. This tragic situation underscores the need to ensure the safety of all roadway users, including construction workers who are simply trying to do their job and help improve America's infrastructure.

Mr. CRAWFORD. I now recognize Ranking Member Holmes Norton for 5 minutes for an opening statement.

**OPENING STATEMENT OF HON. ELEANOR HOLMES NORTON
OF THE DISTRICT OF COLUMBIA, RANKING MEMBER, SUB-
COMMITTEE ON HIGHWAYS AND TRANSIT**

Ms. NORTON. Thank you, Mr. Chairman. I would like to thank subcommittee chair Rick Crawford for holding this hearing on the implementation of the Infrastructure Investment and Jobs Act.

The Infrastructure Investment and Jobs Act was one of the most important bills enacted last Congress. Within our subcommittee's jurisdiction, it provided \$365 billion for highways, \$108 billion for transit, \$43 billion for multimodal grants, and \$13 billion for highway and motor carrier safety.

The work of the Subcommittee on Highways and Transit helped set the bar high. Many of the funding levels in the Infrastructure

Investment and Jobs Act are similar to what we proposed in the INVEST Act.

And those Infrastructure Investment and Jobs Act dollars are already being put to work. In my district, the Biden-Harris administration has announced the award of nearly \$10 million for the District of Columbia Department of Transportation to buy zero-emission buses for the DC Circulator fleet. The DC Department of Transportation has also committed \$15 million of Federal-aid highway funds to expand the Metropolitan Branch Trail, and another \$18.7 million to preserve and repair the city's tunnels. That data is courtesy of the Highway Dashboard created by the American Road and Transportation Builders Association, and I look forward to hearing testimony from their witness today, Paula Hammond.

The Infrastructure Investment and Jobs Act isn't a DC-specific success story—as the Highway Dashboard shows, projects are on the ground all across the country right now. The Infrastructure Investment and Jobs Act will benefit communities large and small, urban and rural. It will support private-sector businesses like the ones many of our witnesses today represent, and public-sector transportation departments and transit agencies. It makes meaningful investments in our workers, creating new allowances for States to invest in apprenticeships, on-the-job training, and partnerships with community colleges and vocational schools.

The law also requires 5 percent of all zero-emission bus grants be put toward training our workers to operate and maintain the transit fleets of the future.

The Infrastructure Investment and Jobs Act also includes a new focus on supporting disadvantaged communities and using transportation infrastructure to renew our neighborhoods, rather than tear them apart.

The law can help us start addressing some of the greatest challenges: the threat of climate change, the need to strengthen our economy and supply chains, and the responsibility that we have to build a transportation system that works for all.

I know many Members on the other side of the aisle did not support the bill, but as we will hear today, the benefits of the Infrastructure Investment and Jobs Act are going to all communities, no matter their political leanings.

I look forward to hearing from our witnesses today and working together to oversee this important law.

[Ms. Norton's prepared statement follows:]

Prepared Statement of Hon. Eleanor Holmes Norton, a Delegate in Congress from the District of Columbia, and Ranking Member, Subcommittee on Highways and Transit

I'd like to thank Subcommittee Chair Rick Crawford for holding this hearing on the implementation of the Infrastructure Investment and Jobs Act.

The Infrastructure Investment and Jobs Act was one of the most important bills enacted last Congress. Within our subcommittee's jurisdiction, it provided:

- \$365 billion for highways;
- \$108 billion for transit;
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The work of the Subcommittee on Highways and Transit helped set the bar high. Many of the funding levels in the Infrastructure Investment and Jobs Act are similar to what we proposed in the INVEST Act.

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I know many members on the other side of the aisle did not support the bill—but as we will hear today, the benefits of the Infrastructure Investment and Jobs Act are going to all communities, no matter their political leanings.

I look forward to hearing from our witnesses today and working together to oversee this important law. Thank you.

Ms. NORTON. Thank you, Mr. Chairman.

Mr. CRAWFORD. Thank you, Ranking Member. I now recognize the ranking member of the full committee for an opening statement.

OPENING STATEMENT OF HON. RICK LARSEN OF WASHINGTON, RANKING MEMBER, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Mr. LARSEN OF WASHINGTON. Thank you, Chair Crawford and Ranking Member Norton, for holding this hearing today. It is a welcome opportunity to highlight how Federal dollars are benefiting our communities—spurring transportation and infrastructure projects in every single congressional district that are creating jobs and driving economic growth.

My message is simple today: there are great benefits to infrastructure funding, there are early results of the Bipartisan Infrastructure Law, and there is more to come.

You cannot have a big league economy with little league infrastructure.

Last Congress, this committee answered the call of States, of local and Tribal governments, of industry, and other stakeholders, several of whom are on the panel today, that an aging, congested, and overburdened transportation network was badly in need of an overhaul. And thanks to the Bipartisan Infrastructure Law, or BIL, communities across the country are building better roads, bridges,

transit stations, freight facilities, truck parking, bike lanes, and sidewalks.

Transportation means jobs, good family-wage jobs that cannot be outsourced. These are private-sector construction and engineering jobs on projects scoped and selected by State and local governments with required local public input. Thanks to the BIL, we have updated decades-old Federal transportation policies to reflect economic, societal, and workforce needs. And thanks to the BIL, communities are building a cleaner, greener, safer, and more accessible transportation network.

Congress didn't make this up. We followed the lead of States, cities, counties, and Tribes across the country who have been hard at work to modernize and transform the way people and goods move.

Now, this committee's job is to oversee implementation of the \$660 billion under the U.S. Department of Transportation. This dollar amount and the number of competitive grant opportunities is significantly larger than previous transportation bills the DOT has administered. It represents the largest increase in Federal highway investment since the late 1950s.

The pace at which these dollars are reaching communities is impressive. A total of \$200 billion has been made available from all the initiatives funded in the BIL, even those outside the scope of this committee, and DOT has issued the lion's share. DOT has already made available nearly \$125 billion in formula funds to States for highways and bridges, including funding 21 percent of my own State's transportation budget that passed the legislature last year.

To date, more than 3,700 bridge projects have launched. States supported 36,400 new projects with Federal highway formula funding through January 2023, according to analysis by ARTBA—another accomplishment. There is at least one new project underway in every congressional district in this country.

ARTBA, as well, provided a summary to every member of this subcommittee on what is happening in your district. You know your districts best, but this information will help you know it even better. I encourage my colleagues to review that information.

Thanks to the BIL in my own district, WSDOT is investing nearly \$12 million in Federal-aid highway funds to rehabilitate the SR 529 Snohomish River Bridge in Everett. You don't need to know where it is. You just need to know the money is getting spent.

Thanks to the BIL, U.S. DOT has awarded \$25 million in RAISE grants to Whatcom County to replace the 60-year-old Lummi Island Ferry, and to the city of Lynnwood to construct a new six-lane, multimodal bridge over I-5, which will reduce congestion and build a more accessible transportation system for all.

The BIL has also invested in more than 3,000 workforce projects across the country to train workers for in-demand jobs.

There is more to come. The BIL will boost the U.S. economy, increase our domestic manufacturing base, and make our supply chains more resilient.

We still have more work to do. I will continue to maintain regular communication with the administration. I will continue to work with Chair Graves, Chair Crawford, Ranking Member Norton, and all of you to ensure robust and fair oversight of these implementation efforts. It is critical that we get implementation of

the BIL right. A successful rollout of BIL funding will truly demonstrate the value of infrastructure investment to everyone.

And the BIL is not a set-it-and-forget-it law. We now need the follow through by Congress, State DOTs, U.S. DOT, cities, counties, transit agencies, Tribal governments, and private industry—all of us working together—to deliver these projects so communities get the maximum bang for the buck.

Without investments made by the BIL, the economy would be in far worse shape. To critics who want to brush off benefits of the BIL, I point you to testimony today from Paula Hammond. As it correctly notes, even with inflation taken into account—and inflation is a problem—there still has been market growth over the last year in the construction sector, whereas without the BIL, we would likely have seen market contraction.

So, I am glad to say that, thanks to the BIL, the economy is on the move, but that is why we need to continue to see that implementation of the BIL happens, and I look forward to working with all of you to make sure that happens.

[Mr. Larsen of Washington's prepared statement follows:]

Prepared Statement of Hon. Rick Larsen, a Representative in Congress from the State of Washington, and Ranking Member, Committee on Transportation and Infrastructure

Thank you, Chair Crawford and Ranking Member Norton, for holding this hearing.

Today's hearing is a welcome opportunity to highlight how federal dollars are benefiting communities—spurring transportation and infrastructure projects in every single Congressional District that are creating jobs and driving economic growth.

You cannot have a big-league economy with little league infrastructure.

Last Congress, this Committee answered the call of states, local and Tribal governments, industry, and stakeholders—several of whom are on our panel today—that an aging, congested and overburdened transportation network was badly in need of an overhaul.

Thanks to the Bipartisan Infrastructure Law (BIL), communities across the country are building better roads, bridges, transit stations, freight facilities, truck parking, bike lanes and sidewalks.

The benefits of the BIL are already underway, we are seeing early results and there is more to come.

Transportation means jobs—good, family-wage jobs that cannot be outsourced.

These are private sector construction and engineering jobs on projects scoped and selected by state and local governments with required local public input.

Thanks to the BIL, we updated decades-old federal transportation policies to reflect economic, societal and workforce needs.

And thanks to the BIL, communities are building a cleaner, greener, safer and more accessible transportation network.

Congress didn't make this up—we followed the lead of states, cities, counties and Tribes across the country who have been hard at work to modernize and transform the way people and goods move.

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To date, more than 3,700 bridge projects have launched.

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There is at least one new project underway in every Congressional district in the country.

ARTBA provided a summary to every member of the Subcommittee on what is happening in their district. I encourage my colleagues to review that information.

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The BIL has also invested in more than 3,000 workforce projects across the country to train workers for in-demand jobs in manufacturing, semiconductors and more.

There's more to come, the BIL will boost the U.S. economy, increase our domestic manufacturing base and make our supply chains more resilient.

We still have work to do. I will continue to maintain regular communication with the administration, and I will continue to work with Chair Graves and all of you on robust and fair oversight of their implementation efforts.

It is critical that we get implementation of the BIL right. A successful rollout of BIL funding will truly demonstrate the value of infrastructure investment, and make it easier for Congress to make these investments routine.

BIL is not a "set-it-and-forget-it" law. We now need the follow through—by Congress, state DOTs, USDOT, cities, counties, transit agencies, tribes and private industry working together—to deliver projects so communities get the maximum bang for their buck.

Without the investments made by BIL, the economy would be in far worse shape today.

To the critics who want to brush off the benefits of the BIL, I point you to Ms. Hammond's testimony today.

As ARTBA's testimony correctly notes, even with inflation taken into account, there has been market growth over the last year in the construction sector; whereas without the BIL, we would likely be seeing market contraction.

Congress did its job to give the transportation construction sector the long-term resources it needed to get the economy back on track.

Thanks to the BIL, the economy is on the move.

That's why you'll see a clear focus among Committee Democrats to highlight the benefits of the BIL.

I look forward to working with all of you to ensure the BIL is fully funded and implemented efficiently, effectively and according to Congressional intent.

Thank you to each of our witnesses for joining us today. I look forward to your testimony.

Mr. LARSEN OF WASHINGTON. And with that, I yield back.

Mr. CRAWFORD. Thank you, Mr. Larsen. Before we go to our witnesses' statements, I would like to explain our lighting system.

As you can probably figure out, green means go. Yellow does not mean slow down and proceed with caution, as you might expect. It actually means go like heck, because it is fixing to turn red. So, when it turns red, you will probably hear a little tap, tap, tap to remind you that your time is expired. So, I just wanted to make sure everybody was aware of that.

And with that, I want to introduce our first witness, Mr. Marc Williams.

Mr. Marc Williams is a member of the board of directors of the American Association of State Highway and Transportation Officials and the executive director of the Texas Department of Transportation.

Mr. Dwayne Boyd is with us, as well. He is here on behalf of the National Stone, Sand, and Gravel Association. Thank you for being

here. He is the president of the Midsouth region of CRH Americas Materials.

Mr. Aric Dreher is assistant general manager of Cianbro in Baltimore. We appreciate you being here, as well.

And then finally, Paula Hammond, senior vice president and national market leader, WSP USA, and 2023 chair, American Road and Transportation Builders Association.

I ask unanimous consent that the witnesses' full statements be included in the record.

Without objection, so ordered.

As your written testimony has been made part of the record, the subcommittee asks that you limit your oral remarks to 5 minutes.

With that, Mr. Williams, you will be the first to go. I recognize you for 5 minutes.

TESTIMONY OF MARC D. WILLIAMS, P.E., EXECUTIVE DIRECTOR, TEXAS DEPARTMENT OF TRANSPORTATION, ON BEHALF OF THE AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS; DWAYNE BOYD, PRESIDENT, MIDSOUTH REGION, CRH AMERICAS MATERIALS, ON BEHALF OF THE NATIONAL STONE, SAND, AND GRAVEL ASSOCIATION; ARIC DREHER, ASSISTANT GENERAL MANAGER, CIANBRO, ON BEHALF OF THE ASSOCIATED BUILDERS AND CONTRACTORS; AND PAULA HAMMOND, SENIOR VICE PRESIDENT, WSP USA, ON BEHALF OF THE AMERICAN ROAD AND TRANSPORTATION BUILDERS ASSOCIATION

TESTIMONY OF MARC D. WILLIAMS, P.E., EXECUTIVE DIRECTOR, TEXAS DEPARTMENT OF TRANSPORTATION, ON BEHALF OF THE AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS

Mr. WILLIAMS. Thank you, Chair Crawford, Ranking Member Norton, and members of the subcommittee. We appreciate the opportunity to appear today to discuss the implementation of the Infrastructure Investment and Jobs Act.

As I was introduced, my name again is Marc Williams, and I serve as executive director of the Texas Department of Transportation, and on the board of directors of AASHTO, and it is an honor to testify on behalf of AASHTO's members, the State departments of transportation of all 50 States, DC, and Puerto Rico.

AASHTO thanks the subcommittee for your dedicated and tireless leadership on transportation issues, and my remarks today will focus on how States are working to implement the IIJA, and key opportunities and challenges ahead.

AASHTO members understand the importance of partnerships, and have been working with U.S. DOT to ensure implementation of this important legislation that reflects the statutory provisions and the negotiated balance of policy priorities approved by Congress through the IIJA. Our State DOTs are committed to doing our part to achieve successful delivery of the IIJA by improving transportation safety, mobility, and resiliency.

In Texas, Federal funding represents one-third of our overall transportation program, so, the IIJA's 5-year duration, its record increase in formula funds to States, and increased program flexi-

bility enable Texas and our State DOT peers the ability to address our own unique transportation needs.

Indisputably, the biggest challenge facing State DOTs is the dramatic increase in roadway fatalities over the past 3 years. Every day, we are faced with the tragic loss of life across the country. I join Chairman Crawford in recognizing the six members of the Maryland DOT road crew who were tragically killed in a work zone crash last week, and we extend our condolences to their families and to the families of the over 40,000 individuals we now lose every year on our Nation's roadways.

In Texas, it has been over 22 years since we last experienced a single day without a traffic death. The IIJA's increased funding and flexibility for the Highway Safety Improvement Program allows States to expand our efforts to identify and implement important countermeasures to reduce fatalities and serious injuries.

A particular concern that State DOTs are facing is the inflation and the supply chain challenges that have significantly driven up project costs. In Texas, our highway cost index growth exceeds 30 percent, effectively eroding the gain in Federal buying power offered through the IIJA.

The recently reported \$3.5 billion contract authority discrepancy between the FHWA and U.S. DOT accounting systems is another major concern to State DOTs, as this could negatively impact highway formula dollars, which are the most effective means of delivering Federal investment nationwide. States ask Congress and U.S. DOT to work to ensure that any accounting reconciliation will not impact State contract authority.

While the large number of discretionary grants included in the IIJA presents added funding opportunities, they also create challenges for States, local partners, and even U.S. DOT. The cost of developing one grant application can reach up to \$200,000 for some AASHTO members. The vast majority of proposals are unsuccessful, and those few that are successful can take up to 18 months for the grant to be finalized and funds obligated.

AASHTO members strongly support the expansion of America's manufacturing capacity and workforce that are sought through the policy objectives of Build America, Buy America. However, uncertainty and complexities related to implementation of program requirements contribute to project delays and increased costs, with contractors and utility companies struggling to meet the new and evolving sourcing requirements. AASHTO will continue working with OMB to ensure that sufficient, specific, and permanent Buy America guidance is offered so that critical infrastructure projects are not disrupted while good faith efforts are made to integrate new requirements.

On the new National Electric Vehicle Infrastructure Formula Program, AASHTO and State DOTs are working to deliver the goals and outcomes established by Congress. To effectively utilize this funding, flexibility and adaptability in how and where to install EV chargers and the contracting methods will help States meet their unique needs.

Workforce development remains a critical issue for AASHTO members, as it has contributed to the significant rise in some of the project delivery costs and presented challenges to State DOTs in

managing their programs. Like other States, TxDOT is experiencing the highest workforce attrition rate we have seen in decades. In response, States are implementing measures to enrich workforce development, build initiatives to retain our workforce, and enhance and expand our DBE programs.

To close, AASHTO members take seriously the responsibility to implement the IIJA to deliver critical transportation infrastructure. We are ready to work with Congress and U.S. DOT to continue to address implementation challenges contributing to cost increases and funding uncertainty, while improving program efficiencies.

Thank you again for the opportunity to testify today. I will be happy to answer any questions.

[Mr. Williams' prepared statement follows:]

Prepared Statement of Marc D. Williams, P.E., Executive Director, Texas Department of Transportation, on behalf of the American Association of State Highway and Transportation Officials

INTRODUCTION

Chair Crawford, Ranking Member Norton, and Members of the Subcommittee, thank you for the opportunity to appear today at this important hearing on implementation of the Infrastructure Investment and Jobs Act (IIJA).

My name is Marc Williams, and I serve as Executive Director of the Texas Department of Transportation (TxDOT) and on the Board of Directors of the American Association of State Highway and Transportation Officials (AASHTO). Today, it is my honor to testify on behalf of AASHTO, which represents the state departments of transportation (state DOTs) of all 50 states, the District of Columbia, and Puerto Rico.

I would like to extend AASHTO's utmost gratitude to you and your colleagues on the House Transportation and Infrastructure Subcommittee on Highways and Transit (the Subcommittee) for your dedicated and tireless leadership on surface transportation reauthorization that ultimately led to the enactment of the IIJA. Stable and long-term policy and funding provided through a robust multiyear federal surface transportation bill remains crucial to the work of every single state DOT to meet its goal of improving safety, mobility, and access for everyone, which is articulated in AASHTO's 2021–2026 Strategic Plan¹.

On behalf of TxDOT and its nearly 13,000 employees, I would like to also share our vision of being a forward-thinking leader in delivering mobility, enabling economic opportunity, and enhancing safety and quality of life as we strive to connect our residents, businesses, and visitors with Texas. People represent TxDOT's customers, and over the last decade and every year since then, we have seen our customer base grow as Texas' population has increased more than any other state. In 2022, Texas' population grew by nearly 1,300 people per day as we surpassed 30 million residents.²

Accounting for Texas' ever-increasing population presents challenges in accommodating the growing demand on our transportation system. While many other states may be seeing a stagnant or declining population with little need for new transportation capacity, Texas must continue to grow our transportation infrastructure to meet demand.

In Texas, our growth in freight transportation is even more dramatic. From 2014–2019, it was over three times faster than the rate of population growth. In 2019, our transportation system moved nearly 4 billion tons of freight worth \$2.9 trillion. This freight moves across 80,000 miles of state-maintained highways, through 20 seaports, along 14,700 miles of Class 1 railroad track, through 426,000 miles of pipelines, across 20 commercial border crossings with Mexico, and through 10 cargo airports. Texas leads the nation in global exports and cross-border trade with Mexico. A robust and strong transportation system enables Texas to lead the nation in economic growth and remains one of the strongest and most diverse economies in the world. Efficiency and flexibility in the implementation of the IIJA is critical to en-

¹ 2021–2026 AASHTO Strategic Plan: <https://www.aashtoplan.com/>

² <https://www.census.gov/newsroom/press-releases/2022/2022-population-estimates.html>

sure that TxDOT and all state DOTs can effectively deliver a strong federally supported transportation infrastructure program.³

Today's hearing is an example of Congress' important oversight responsibility in the successful implementation of the IIJA. AASHTO and state DOTs have worked closely with our federal executive branch partners including the US Department of Transportation (USDOT), in providing coordination, collaboration, and direct assistance to ensure that the benefits promised by the IIJA will be fully realized in the coming years and beyond. As key infrastructure owners and operators who will play a leading role in implementing this legislation, state DOTs have conveyed to USDOT that:

- AASHTO membership's input is critical not just at the outset of the IIJA's implementation, but for the full five-year duration of the legislation, including in development of regulations, guidance, and policies;
- Congressional intent behind the IIJA is to provide state DOTs with flexibility in how investment decisions are made with the Federal-aid Highway Program formula dollars to address each state's mobility and accessibility needs, as demonstrated by TxDOT's example above. Therefore, if a range of possible legislative interpretations exist, USDOT should provide flexibility that allows each state to best meet its unique transportation systems' demands, and;
- Collective efforts of states will go a long way in achieving the outcomes that are fundamentally agreed upon between USDOT and state DOTs.






With that in mind, as part of your efforts to oversee timely and effective implementation of the IIJA and to help inform policy for future legislation, I would like to discuss the following areas with you this morning:

- Demonstrating progress on robust multimodal transportation investment under the IIJA
- Improving highway safety
- Ensuring stability and flexibility of federal formula dollars
 - \$3.5 billion accounting discrepancy
 - August Redistribution
- Improving administration of discretionary grant programs
- Build America, Buy America
- Impact of inflation on delivery of the IIJA
- Supporting flexibility in the deployment of electric vehicle charging infrastructure
- Developing the workforce of today and tomorrow

DEMONSTRATING PROGRESS ON ROBUST MULTIMODAL TRANSPORTATION INVESTMENT UNDER THE IIJA

During the lead-up to reauthorization of surface transportation programs, AASHTO's Board of Directors adopted five core policy principles. The state DOT community could not be more thankful to see key policy and funding features reflected in the IIJA that reflects our priorities conveyed to Congress in October 2019.

³Texas Delivers 2050 Texas Freight Mobility Plan: <https://www.txdot.gov/projects/planning/freight-planning/texas-delivers-2050.html>

AASHTO CORE POLICY PRINCIPLES	INFRASTRUCTURE INVESTMENT AND JOBS ACT KEY FEATURES
1. Ensure timely reauthorization of a long-term federal surface transportation bill	 Provides five years of federal funding and policy stability from FY 2022 to 2026
2. Enact a long-term, sustainable revenue solution for the Highway Trust Fund	 No revenue solution, though provides a \$118 billion General Fund transfer to HTF; Continues support of state user fee programs and creates a national user fee pilot program
3. Increase and prioritize formula-based federal funding provided to states	 90 percent of total HTF highway funding is provided to states via core formula programs, including two new programs: Carbon Reduction and PROTECT (for resiliency)
4. Increase flexibility, reduce program burdens, and improve project delivery	 Improves the environment review process by touching up on NEPA, Section 4(f), and stewardship and oversight agreement, among others
5. Support and ensure state DOTs' ability to harness innovation and technology	 Provides substantial funding for EV infrastructure deployment and increased research and development funding

As key infrastructure owners and operators state DOTs' successful delivery of the IIJA remains paramount here in Year Two of this historic legislation. This year, every state DOT is laser-focused on demonstrating tangible progress taking place thanks to the IIJA in improving safety, mobility, and access for everyone.

In Texas, federal funding represents approximately one-third of TxDOT's overall program, so having five years of funding certainty as provided by the IIJA is crucial to ensure an effectively planned federal program. The IIJA has also provided additional resources to local and modal partners across the state. For example, we have seen progress in our rural transit programs with IIJA funds going to help both capital and operational needs, and the IIJA has allowed TxDOT to provide additional funding for localities to improve off-system bridges.

Furthermore, under AASHTO President Roger Millar's leadership⁴, AASHTO and its members are seeking to advance a resilient national transportation system that is safe, sound, and smart. Such a system will have the ability to prepare for—and adapt to—changing conditions and will be able to withstand and recover rapidly from disruptions.

In meeting the expectations of the IIJA, state DOTs are proud of the progress they have been able to make in recent decades to invest in all modes of the transportation system as part of the statewide network. For example:

- In 2019 state DOTs invested \$20.8 billion in public transportation, compared to the federal investment of \$11.3 billion. Formula transit funding in the IIJA for Rural Areas (Section 5311) and Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310) remain crucial for statewide mobility and accessibility.
- With regard to rail service, twenty state agencies provided \$750 million in funding support to Amtrak, providing service to 48 percent—or almost half—of Amtrak riders system-wide in 2019. States will be critical to the successful implementation of the passenger and freight rail investments included in the IIJA, by applying for funding under new rail discretionary grant programs.
- For civil aviation, the Federal Aviation Administration reported that in 2020, states helped to support four million jobs and generated \$850 billion in total economic activity. The increased funding from the IIJA will allow state DOTs to continue to make these kinds of critical investments.

State DOTs are also on the cutting edge of technology and innovation. Through AASHTO's collaborative "inter-committee" working groups, state DOTs are directly addressing some of the most important emerging issues in the transportation sector—such as connected and automated vehicles, electric vehicles, unmanned aerial systems, and shared mobility.

⁴ AASHTO President Roger Millar's Emphasis Areas: https://www.transportation.org/wp-content/uploads/2022/10/2022-Millar-EA-4pgr_final_web.pdf

IMPROVING SAFETY FOR ALL ROAD USERS

For far too long, we have seen a tragic loss of life on our nation's roads and streets, and the recent significant increases in traffic fatalities are even more disheartening. Every state DOT in the nation and the AASHTO community stand with this Subcommittee in your unwavering commitment to do everything in our power to make our roads safer.

The IIJA provides an increase in funding and flexibility for the Highway Safety Improvement Program that allows states to expand their efforts to identify and implement improvements to our surface transportation infrastructure that will counteract the daily tragedies occurring on our roads. But even with the good news of increased safety resources under the IIJA, the horrific estimates from the National Highway Traffic Safety Administration (NHTSA) of the increase in the nation's traffic fatalities confirm a grim truth that so many of us are aware of on both a professional and personal level: 42,915 people died in traffic crashes nationwide in 2021 (last full year data available), or 118 deaths every single day. And the 2022 data remains sobering: NHTSA estimates that an estimated 20,175 people died in motor vehicle traffic crashes, an increase of about 0.5 percent as compared to the 20,070 fatalities NHTSA projected for the first half of 2021.

AASHTO is fully dedicated to combating traffic fatalities and serious injuries in urban and rural areas across the country. We know that as infrastructure owners and operators, state DOTs have a leading role in many of the activities that will get us to zero deaths. With that in mind, AASHTO is organizing a Safety Summit for October 2023 that will focus on identifying tools, procedures, and other resources available for considering safety for all road users throughout the transportation project lifecycle and on identifying gaps in these resources so that we can prioritize the development of solutions for transportation agencies to implement.

We appreciate that the IIJA clearly calls out the principles of the Safe System Approach: that no death or serious injury is acceptable; people make mistakes and are vulnerable; we all share responsibility in preventing serious crashes; we need to be proactive in our efforts; and we need to have redundant safety strategies in place.

The Safe System Approach is often discussed in the context of urban environments and vulnerable road-user safety. Addressing urban roadway safety is important and something state DOTs work hard to improve, along with our local government partners. I would also like to emphasize the potential for the Safe System Approach to help us address fatalities and serious injuries on rural roadways, as well. The rural roadway fatality rate—fatalities per million vehicle miles traveled—is roughly twice the urban fatality rate. As with crashes in urban areas, there are a variety of factors that contribute to the occurrence and severity of rural crashes, but application of the Safe System Approach principles will help us address our rural safety challenges.

AASHTO and state DOTs recognize the need to play a leading role in defining the Safe System Approach to ensure that application of these principles is done in a manner that recognizes the most urgent safety needs and priorities of individual states and local governments without having a one-size-fits-all approach. With each state having urban and rural areas, FHWA's guidance and technical support for the Safe System Approach needs to address both and should be coordinated with any guidance or resources from NHTSA or other USDOT modal administrations.

Texas, like the nation, has seen a dramatic rise in highway fatalities since 2020. Tragically, Texas has not experienced a single day without a death on our roadways since November 7, 2000. To "End the Streak" of this devastating loss of lives, TxDOT has developed our most important safety campaign: #EndTheStreakTX, which is designed to bring awareness of, and put an end to, the needless deaths on Texas' roadways through public outreach, campaigns, and social media.

TxDOT is taking dramatic steps to address this epidemic by increasing our investment and employing a wide range of initiatives aimed at achieving our vision of zero highway fatalities. The Texas Transportation Commission—TxDOT's governing body—has targeted funding for safety projects with an investment of nearly \$17 billion through our ten-year transportation plan. To help coordinate Texas' safety investment in our metropolitan areas, our commission established a Safety Task Force with our twenty-three Metropolitan Planning Organizations to leverage our state funding along with the increased safety investment that is part of the IIJA.

TxDOT is also active in seeking innovative solutions to design safer roadways for all users. Recently, in coordination with the Texas A&M Transportation Institute, TxDOT developed an award-winning "Safer by Design" Toolkit—a suite of tools that evaluate the effect of traffic control, roadside design, bike/pedestrian factors, and other elements that impact highway safety. This toolkit integrates the best available

safety research and provides engineers with the quantitative tools needed to make effective design decisions related to safety.

AASHTO and its members will continue to promote known infrastructure-based opportunities—and to identify new ones—to address the variety of factors contributing to crashes and the roadway safety needs of all road users. AASHTO’s councils and committees continuously identify best practices to share among the states so that we can continue to learn from one another and spread good ideas around the country.

ENSURING STABILITY AND FLEXIBILITY OF FEDERAL FORMULA DOLLARS

The IIJA provided a record \$351 billion for highways over five years from the Highway Trust Fund (HTF) and General Fund, with \$307 billion provided as formula apportionments to states. Fully delivering on this historic commitment by Congress requires a consistent flow of formula dollars to states and localities each year, along with the ability to transfer or “flex” formula dollars quickly based on each state’s investment needs.

\$3.5 billion Highway Funding Discrepancy at USDOT and FHWA

At the beginning of FY 2023, FHWA disabled program codes for pre-IIJA funding from its accounting system—the Fiscal Management Information System (FMIS)—preventing States from obligating these funds. On February 3, 2023, FHWA informed AASHTO’s Board of Directors of the reason for this decision. FHWA tracks program- and project-level data used for paying invoices and reimbursements via FMIS, which, according to FHWA, shows an estimated \$4.7 billion balance in contract authority authorized prior to IIJA. However, USDOT’s department-wide financial management system—Delphi—shows a \$1.2 billion balance. USDOT asserts that because Delphi is their “system-of-record,” the contract authority balance in FMIS needs to be reconciled to that of Delphi, a downward adjustment of \$3.5 billion.

According to FHWA, the discrepancy occurred during the changeover by USDOT to Delphi, sometime between fiscal years (FY) 2003 and 2005. FHWA and USDOT have been unable to find the root cause of the discrepancy. But FHWA has indicated that they will be reexamining FY 2004 through FY 2005 transactions over the next several months to reconfirm that finding. As a temporary measure, FHWA informed state DOTs this February that it is rationing access to pre-IIJA contract authority as the agency looks for ways to fully reconcile the two different accounting system balances.

From AASHTO’s perspective, the most important priorities for states are to:

- Allow states to fully access all pre-IIJA contract authority dollars;
- Make sure states do not see any reduction in their contract authority balance, and;
- Make sure this discrepancy is addressed in a way that would not further exacerbate issues associated with a large August Redistribution of obligation limitation.

AASHTO strongly recommends against any rescission of highway formula contract authority as a means to address this discrepancy. State DOTs are not responsible for this USDOT accounting discrepancy, and state DOTs have developed their multiyear capital programs with the dollars previously authorized by Congress. A rescission would solely penalize states and their local partners by requiring reprogramming of other federal funds and state dollars to meet prior project commitments, which would in turn delay or cancel their planned investments elsewhere in their state—and would result in a net decrease in overall federal investments anticipated under the IIJA.

Ultimately, if reconciling FMIS and Delphi requires a rescission of highway contract authority, we urge Congress to ensure pre-IIJA balances held by states are made whole through a legislative remedy. Our preferred solution is to authorize \$3.5 billion in new contract authority for the Federal-aid Highway Program to make up for this accounting discrepancy. Alternatively, Congress could look to transfer \$3.5 billion of contract authority from unobligated allocated programs (e.g., Transportation Infrastructure Finance and Innovation Act (TIFIA) credit program, Infrastructure for Rebuilding America (INFRA) grant program, etc.) to the apportioned program for states.

August Redistribution

Over the last several years, we have seen an increasingly large amount of annual redistribution of HTF obligation limitation to state DOTs, commonly referred to as August Redistribution (AR). In the most recent cycle, AR reached a record-high level

of \$6.2 billion for FY 2022, which represents a substantial increase from \$1.9 billion in FY 2015. Such a large redistribution created significant difficulties for state DOTs to effectively program these dollars within a very narrow timeframe of about a month before the end of the federal fiscal year. We understand the preliminary estimate from FHWA shows an even larger AR amount for August 2023.

Historically, AR dollars have only come from allocated HTF programs such as TIFIA and INFRA, as state DOTs fully obligate every dollar from the Federal-aid Highway Program. This is due to allocated programs' slower obligation rate compared to HTF formula apportionments to states. In addition, carryover balances from allocated programs have grown larger due to the increased funding they received under the IIJA. This has led to state DOTs seeing a corresponding and relative decrease in the amount of formula obligation limitation they receive at the beginning of the fiscal year. Receiving less obligation limitation at the beginning of the fiscal year—but then receiving large amounts toward the end of the fiscal year—deprives state DOTs of the ability to strategically deploy IIJA dollars and effectively plan their program of projects.

To make the most out of the historic transportation investment made under the IIJA, we request that Congress reform the AR process. The contemporary Federal-aid Highway Program has added many new allocated programs through the enactment of the IIJA, resulting in AR having outgrown its framework developed decades ago. AASHTO's recommendations to improve AR include:

- Redistributing unused allocated program contract authority to the Surface Transportation Block Grant Program (STBGP), as was done in April 2014 under MAP-21 for unobligated TIFIA balances in excess of 75 percent of the amount authorized for TIFIA that fiscal year;
- Expanding the use of the "lop off" provision for all allocated programs, where all unused contract authority from such programs would be converted to STBGP for distribution to states, and;
- Consider redistributing obligation limitation earlier in the year, such as before June 1.

IMPROVING ADMINISTRATION OF DISCRETIONARY GRANT PROGRAMS

The IIJA includes a substantial increase in the number of, and funding for, discretionary programs. Because these programs support Congressional priorities, we believe the efficient and effective delivery of these discretionary programs is critical to the successful delivery of the promises made to Americans by the President and Congress.

As USDOT continues to solicit applications, award dollars to projects, and execute project agreements, AASHTO has offered the following recommendations to USDOT leadership:

- Continue to provide state DOTs with a comprehensive and periodically updated schedule for Notices of Funding Opportunity for IIJA discretionary grant programs;
- Include a "prequalification" process for discretionary grant applications to:
 - Determine project eligibility
 - Review the ability of the grant applicant to meet all Federal-aid requirements (such as NEPA, Buy America, Davis-Bacon, etc.)
 - Ensure project readiness
 - Demonstrate availability of matching funds
 - Determine capacity to effectively administer the project
- Require permission of the project by the owner of the facility that is the subject of the grant request, including local governments' applications for projects on state-owned facilities;
- States should not be expected to administer grants awarded to localities if the state was not part of the application;
- Require that the proposed project be included in the Statewide Transportation Improvement Program;
- To the extent possible, implement the same grant application process across all discretionary grant programs;
- Publish a list of all applications received, and;
- State DOTs are interested in assisting and providing input to USDOT in order to speed up the execution of project agreements.

TxDOT finds discretionary grant programs to generally be an inefficient tool for administering federal funds. The overwhelming number of grants included in the IIJA continues to create challenges for states, localities, and even USDOT. For applicants, the cost of developing grant applications can be onerous, sometimes costing up to \$100,000 per application in Texas, or over \$200,000 elsewhere. If awarded,

it can take 15 to 18 months for the grant agreement to be finalized and funds obligated. USDOT continues to face challenges in managing the large volume of grant programs that they are expected to stand-up and deliver, with at least five IIJA FY 2022 grant programs that have not had Notices of Funding Opportunity issued to date. It may benefit Congress and USDOT to review whether the selected projects will achieve the desired objectives of the programs, and whether the distribution of awards are fair and equitable considering national performance needs and requirements.

To help ensure transparency in the process, TxDOT has long advocated for a more formalized grant debriefing process to increase partnership and collaboration. We have recommended USDOT consider publishing guidelines for applicants seeking debrief meetings on their applications. TxDOT has also advocated for USDOT to provide applicants with their application scoring information and constructive feedback related to the specific deficiencies of each unawarded application.

BUILD AMERICA, BUY AMERICA

AASHTO and the state DOTs strongly support the expansion of America's manufacturing capacity, promoting domestic jobs, and encouraging economic growth. At the same time, we firmly believe there must be a deliberative process for implementing the Build America, Buy America (BABA) Act that ensures timely and successful delivery of critical infrastructure projects funded through the IIJA.

State transportation agencies continue to experience material and product delivery delays due to supply chain issues, material shortages, and worker shortages. Materials including aluminum, which is used in numerous products including light poles, mast arms, and sign panels; glass beads, which are used in retro-reflective pavement markings; fiber optic cable; epoxy; and plastic pipe/conduit are already experiencing delivery delays and material shortages around the country.

With the 2023 transportation construction season under way, there is already significant concern regarding the readiness of industry for the transition to the new BABA requirements for construction materials that went into effect in November 2022 (Docket No. DOT-OST-2022-0123), including the potential for delays in the delivery of needed transportation projects in communities around the country. Thus, while we appreciate the additional guidance that is being proposed by the White House Office of Management and Budget (OMB), AASHTO strongly opposes any expansion of the coverage of these requirements until further market-based research is conducted to determine the availability of American-made goods in the broad cross-section of materials already covered by the existing requirements.

It should be noted that the state DOTs expended significant effort to change specification language, quality assurance language, and other documentation and training to meet the BABA guidance provided in April 2022 in OMB memo M-22-11. Implementation of any additional or modified BABA requirements will require a similar level of effort to implement, which would not be achievable until the 2024 construction season or later. Thus, if the newly proposed rules are finalized, states will need clarification on the timeline for implementation of new or modified requirements by USDOT and its operating administrations.

As with other states, TxDOT has been working diligently to comply with BABA, including modifying our contracts and training, implementing current OMB implementation guidance into our ongoing procurements for projects, and creating a new Buy America certification form and a listing of materials indicating how to classify different items. However, the current and ongoing uncertainty surrounding BABA is impacting the planning and delivery of projects, causing many critical projects to be significantly delayed. These delays hinder TxDOT's ability to deliver on its safety goals and they contribute to rising project costs. TxDOT now assumes an increase in proposal prices due to delays, additional administrative requirements, and supply chain-related material costs. Utility companies are scrambling to find supply chains that meet the new compliance requirements. We have struggled to provide direction for utility companies because OMB has not provided sufficiently specific guidance, and the temporary guidance that has been issued continues to change upon each request for feedback from OMB.

AASHTO believes that it is in the public interest that critical infrastructure projects intended to improve mobility and access for the American public are not disrupted while transportation agencies continue to make good-faith efforts to integrate the new BABA requirements into their program and project delivery processes.

IMPACT OF INFLATION ON DELIVERY OF THE IIJA

As the nation's economy continues to recover from the effects of the COVID-19 pandemic, state DOTs and their partners continue to grapple with an unprecedented construction material supply chain crisis that has significantly driven up material and bid costs. According to a 2022 analysis of government economic data by the Associated General Contractors of America, the prices of materials and services used in new, nonresidential construction leaped nearly 17 percent from the year prior. This figure indicates the lead times for procurement and delivery of many construction materials have dramatically increased, leading to mass unpredictability in the availability and price of some of these materials. Material cost increases have ranged from 15 percent to a doubling or tripling in some markets during this time. From manufactured steel, plastic, steel piping, and paint; to glass beads, lumber, and much more, every region of the country is facing extreme difficulty in procuring any number of crucial project materials.

As a result, crucial infrastructure projects across the country run the risk of delay. State DOTs and the construction industry are unable to foresee disruptive world events, spiking energy prices, and high inflation that impacts the work they do every day. This has been especially devastating to small and disadvantaged business enterprises (DBE) that lack the resources to absorb these unexpected costs. While the transportation industry has deep experience in managing risk, the events and circumstances of the last two years have led to such unique unpredictability in the supply chain and market that contracting firms of all sizes are at greater risk of business failure now than in recent history.

While most agree that the difficulties our industry is facing with supply chain constraints and inflation appear to be leveling off to a limited degree, the transportation industry will continue to face challenges. Likewise, it is important to identify solutions to ensure the success of the IIJA and to be ready for future supply chain or inflationary disruptions.

We believe there is opportunity for USDOT to provide informational resources and greater recognition of existing flexibilities to address supply chain constraints and inflation—including such approaches as early material procurement and payment, the use of escalation clauses and the indexing of commodities and contracting provisions to assist smaller and DBE contractors. USDOT should also encourage additional opportunities to utilize innovative solutions through such avenues as Special Experimental Project Number 14 (SEP-14) related to alternative contracting and SEP-15 for innovative financing, allowing states to explore and expand successful practices.

The dramatic rise in inflation, particularly in infrastructure-related programs, is hampering the pace at which we can deliver projects. According to TxDOT's Highway Cost Index, the year-to-date increase for the 12-month moving average (March 2022 to March 2023) is 34.7 percent. For perspective, the additional funds provided in the IIJA represent a six percent increase in TxDOT's overall funding. Therefore, while we appreciate having five years of funding certainty at the federal level, TxDOT is delivering less with federal funds than we did prior to IIJA, due solely to inflation.

TxDOT continues to look for ways to address inflation during project development and delivery. We continuously update our material and construction prices and account for these changes in the design decisions we make. We must remain aware of the impacts that BABA requirements can have on utility relocations, and the availability of certain materials and supplies that could present costly delays for projects. And we work closely with industry to seek opportunities to minimize costs and improve pricing and competition.

While inflation has reduced the originally expected purchasing power of the IIJA, we firmly recognize that the legislation has enabled state DOTs and their partners to temper the impact of inflation and make necessary investments in transportation infrastructure.

SUPPORTING DEPLOYMENT OF ELECTRIC VEHICLE CHARGING INFRASTRUCTURE

AASHTO and the state DOTs are doing our part to ensure that the National Electric Vehicle Infrastructure (NEVI) Formula Program in the IIJA achieves the goals and outcomes established by Congress.

All 50 states, the District of Columbia, and Puerto Rico developed and submitted their EV deployment plans by the August 2022 deadline. In addition, AASHTO signed a memorandum of understanding last year with the National Association of State Energy Officials (NASEO) and the Joint Office of Energy and Transportation (JOET) to support nationwide investment in EV charging station infrastructure. Through this partnership, AASHTO and NASEO have updated and expanded the

content on the EV Clearinghouse website⁵ created for state agencies, which contains a wealth of resources such as sample requests for proposals and contracts, EV infrastructure siting and assessment tools, and other resources.

In addition, the AASHTO–NASEO–JOET agreement has delivered:

- Peer exchanges and regional dialogues to build capacity, lift up best practices, and ensure coordination across a national EV charging network that also reflects local needs;
- Data, technical, and programmatic assistance as identified by state DOTs to aid in the development, implementation, and refinement of state EV charging plans, and;
- Enhancement of communication between state and federal agencies to enable effective, coordinated, and timely EV charging planning and implementation.

Texas will receive \$400 million over five years to expand our EV charging infrastructure as part of the NEVI formula program. TxDOT's implementation of NEVI is ongoing, and we believe that flexibility and adaptability by FHWA to varying needs across states such as Texas is important to effectively implement this program. Texas is proposing to distribute federal NEVI funds through a competitive grant program that will leverage private investment and participation in program implementation and management. We continue to work with FHWA's Texas Division to establish a clear path forward that can adapt to state and federal procurement requirements on NEVI.

Texas shares the perspective of many rural states, such as Wyoming, Idaho, Montana, and North and South Dakota that have expressed concerns with the rigidity of some of the NEVI program's implementation parameters. Providing flexibility on where and how to install EV chargers will give TxDOT and other state DOTs the opportunity to cater the NEVI program to the unique conditions of our respective states.

With the oversight of Congress, AASHTO and the state DOTs look forward to partnering with USDOT and other key stakeholders on the deployment of EV infrastructure across our nation.

DEVELOPING THE WORKFORCE OF TODAY AND TOMORROW

Strategic workforce management—the systematic approach used to predict, prepare for, and manage workforce needs—remains an urgent and critical issue for all AASHTO members, especially in the aftermath of workforce disruptions experienced during the pandemic. State DOTs across the nation have increasingly expressed concerns about aligning the needs and priorities of the state DOTs with those of its workforce to place the agency in the best position for ongoing success. As technology and innovation advance, and public expectations and demands for more nimble service delivery rise, agencies will need to reimagine their workforce. State DOTs' constituents are increasingly demanding transparency, accountability, increased personalized communication, and on-demand service delivery.

The new technologies associated with this work require different skillsets and competencies than those of traditional state DOT employees. Additionally, as the new generation entering the workforce seeks agility and innovation, and brings a service-delivery mindset, state DOTs need to adjust to the culture of the new workforce to recruit and retain these employees. Restructuring, increased diversity and inclusion, greater employee buy-in and collaboration, and organizational culture change may be required for state DOTs to succeed in the future.

Workforce talent management is experiencing increased workforce movement as well as talent shortages. As a large portion of the state DOT workforce is composed of baby boomers, their impending retirements could result in significant knowledge loss. These retirements will also result in employees being promoted more quickly and, therefore, entering new positions with less experience and skills. In addition, fewer people are entering the transportation industry as a career, and the new skillsets needed increase recruitment and retention challenges. Capturing and transferring operational knowledge through knowledge management strategies and succession plans are critical to train current employees. Many state DOTs already re-examine minimum qualifications, compensation, and job descriptions; use short-term or contract employees; and implement modern work arrangements such as flexible work schedules and/or telework.

State DOTs are increasingly looking to use data science curation and analytics to support efficient decision making. We also need effective information management systems and information managers to handle the multitude of documents, reports

⁵ EV States Clearinghouse: <https://evstates.org/>

and data produced by the state DOTs as well as the increased public expectations regarding access to information.

State DOTs are using innovative approaches to address workforce management issues. Like other states, TxDOT has had a challenging year, experiencing our highest attrition rate in at least three decades. To mitigate this issue, we are working to maintain and expand our workforce development programs, including enhancing our DBE program. We work with contractors' groups and individuals to provide a variety of workforce development efforts, including hosting the Texas Construction Career Academy, an On-The-Job Training Supportive Services program that provides talent development, training, and assistance to increase the hiring and retention of women, minorities, and disadvantaged individuals in the highway construction industry.

In 2021, TxDOT created our ConnectU2Jobs initiative as part of the FHWA's Construction Workforce Partnership to provide training and employment opportunities to justice-involved young adults. Additionally, we have expanded our internship programs for college and high school students to go beyond the summer months, averaging 724 participating interns per year. Importantly these programs lead to career paths. In the last three years, we have proudly had 330 interns return to TxDOT as full-time employees.

In addition, five state DOTs are currently partnering with the Center for Employment Opportunities (CEO) to provide employment to formerly incarcerated individuals. CEO crews support the state DOTs with litter abatement, vegetation management and landscaping, bridge and structure maintenance, and snow removal. CEO's partnership with Caltrans began in 2011 and CEO now has nearly 30 crews across the state providing reliable, high-quality litter abatement along highways in eight counties. These crews provide immediate employment to over 2,000 of California's returning citizens. CEO's partnership with the Colorado Department of Transportation (CDOT) began in May 2017 to help address a labor shortage that prevented CDOT from keeping up with necessary bridge maintenance. CEO and CDOT now operate four crews around the Denver and Colorado Springs metro areas.

To assist the state DOTs with workforce management challenges, AASHTO has established a new Subcommittee on Transportation Workforce Management. The Subcommittee is intended to provide proven, effective strategies to navigate workforce management issues and become a community of practice for state DOTs on strategic workforce management. The subcommittee will also address activities that enable comprehensive and intentional strategic workforce management, such as assessing workforce and workplace diversity, and assessing the capabilities and effectiveness of the current workforce and identifying competency gaps.

CONCLUSION

AASHTO and its members take seriously the responsibility to implement this historic legislation in the coming months and years to deliver public benefits to every corner of our country. Thank you for the honor and opportunity to testify today, and I am happy to answer any questions.

Mr. CRAWFORD. Thank you, Mr. Williams.
Mr. Boyd, you are recognized for 5 minutes.

TESTIMONY OF DWAYNE BOYD, PRESIDENT, MIDSOUTH REGION, CRH AMERICAS MATERIALS, ON BEHALF OF THE NATIONAL STONE, SAND, AND GRAVEL ASSOCIATION

Mr. BOYD. OK, thank you. Good morning, Chairman Graves, Ranking Member Larsen, Chairman Crawford, Ranking Member Norton, and members of the subcommittee. Thank you for inviting me to testify on the implementation of the Infrastructure Investment and Jobs Act.

My name is Dwayne Boyd, and I am the president of the Midsouth region at CRH Americas Materials. I lead our business operations in Alabama, Arkansas, Louisiana, and Mississippi, and have spent the past 38 years in the construction materials industry.

CRH is a leading provider of building materials solutions that build and connect our world. CRH employs over 75,000 people in 29 countries. In North America, our footprint spans 48 States and 6 Canadian Provinces.

I am here representing the National Stone, Sand, and Gravel Association. Our industry operates over 9,000 locations in the U.S., and employs over 100,000 people in high-paying jobs to source 2.5 billion tons of material.

I want to thank the members of this committee for passing IIJA. Your efforts to strengthen America's infrastructure means high-paying, skilled jobs and widespread improvements where we live and work. These investments are helping improve our Nation's infrastructure.

The IIJA reauthorization of the Federal highway funding program for 5 years and the significant increase in funding provides much-needed stability for our States' DOTs and our industry. I want to mention a few areas in the implementation of IIJA for your consideration.

First of all, IIJA included new Federal Build America, Buy America sourcing requirements for Federal infrastructure programs. CRH and the material industry support Buy America, as we primarily source our aggregates and manufacture our products in the local communities where we live and work.

However, due to a limited supply, we as an industry are unable to produce or source enough goods like cement, aggregates, and liquid asphalt domestically. NSSGA and other trade associations, along with a diverse group from my industry, educated Members of Congress on this fact and were successful in getting aggregate-based materials excluded from Buy America. We encourage Congress to implement the exclusion for our materials, as intended in IIJA.

Next, we need permitting reform to streamline the delivery of infrastructure projects. It takes years, if not decades, to plan and approve new projects. We strongly support the bipartisan provisions in IIJA that encourage Federal agency cooperation to reduce permitting decision to 2 years.

As you know, the vast majority of IIJA funding is given to States based on standard formulas. However, there are many funding opportunities through a wide range of grant programs. I have heard from State DOT concerns about the complexity and criteria required to apply for these grants. I urge you to find ways to make it easier for applicants to apply and compete for these opportunities.

One of the biggest challenges in my business is access to a skilled workforce. Today, CRH has more than 3,000 current open jobs. Over 40 percent of these jobs are for drivers and operators. Our industry supports legislation that would expand driver and operator recruitment and training, mine engineering education, developing vocational programs supporting the industry, veteran employment opportunities, and increasing the legal workforce of immigrants in the U.S.

Sustainability is important to us. At CRH and across the industry, we are embracing our responsibility and evolving as a business to help better serve our customers and local communities with inte-

grated, sustainable construction solutions. The products we make and the services we provide are essential, contributing to safer, cleaner, and more sustainable homes, cities, and critical infrastructure.

In my career, we have led in using reclaimed asphalt pavement [RAP] in our pavement mix designs. We support increasing the allowable RAP percentage in construction projects. We have embraced the use of technologies like warm-mix asphalt, the use of alternative and renewable fuels, and are helping to develop more efficient asphalt plants.

Thank you again for the opportunity to testify before you today. CRH and the entire aggregate industry are proud to deliver the resources needed to build our communities and modernize our infrastructure, which is essential to the growth of our Nation.

[Mr. Boyd's prepared statement follows:]

Prepared Statement of Dwayne Boyd, President, Midsouth Region, CRH Americas Materials, on behalf of the National Stone, Sand, and Gravel Association

Chairman Graves, Ranking Member Larsen, Chairman Crawford Ranking Member Holmes Norton, and members of the committee, thank you for inviting me today to testify on the implementation of the Infrastructure Investment and Jobs Act (IIJA).

My name is Dwayne Boyd, and I am the President of the MidSouth Region at CRH, Americas Materials (AMAT). I lead our business in Alabama, Arkansas, Louisiana and Mississippi and have spent 38 years in the construction materials industry. CRH Americas Materials is a leader in construction materials, with a footprint that spans 47 states and 6 Canadian provinces. At AMAT, we focus on asphalt, ready-mix, aggregates and cement.

I am here representing the National Stone, Sand & Gravel Association (NSSGA), the voice of our nation's aggregates industry. Our industry operates over 9,000 locations in the U.S. and employs over 100,000 people in high-paying jobs to source 2.5 billion tons of stone, sand and gravel each year that are used to sustain our modern way of life and build our nation's communities and infrastructure.

First, I would like to echo the comments of my colleagues here today to profoundly thank the members of this committee for their work to craft, debate and advance the bipartisan Infrastructure Investment and Jobs Act (IIJA).

As our country faces economic headwinds and an uncertain future, the infrastructure bill is laying the groundwork to keep the aggregates and materials industry moving forward to build more resilient communities and stronger transportation networks.

Many do not realize this, the products we mine and make in the aggregates industry are the essential components of roads, airports, transit, rail, ports clean water and renewable energy networks funded through the IIJA. These products are quite literally, the building blocks of our nation.

The heart of IIJA, and what lies under this subcommittee's direct purview, is the 5-year, \$350 billion reauthorization of our nation's highway programs. If IIJA was not signed into law in 2021, we would likely be under another short-term extension of our surface transportation programs, facing the current inflationary headwinds with even less resources and certainty.

The passage of the omnibus appropriations bill in late December allowed for the second-year distribution of funding from IIJA to flow to state DOTs. Even though each state DOT must wait until Congress moves the annual appropriations bills to distribute the funds authorized by IIJA, the certainty of knowing how much they are receiving from the Highway Trust Fund over the five-year period has provided needed clarity that is driving planning and execution of new construction.

As IIJA is implemented, my company and the entire construction industry find it critical to ensure the funds authorized and appropriated continue to flow as intended for the life of the bill. The IIJA will provide certainty to state DOTs, and everyone involved in delivering infrastructure projects.

The DOTs in my area appreciate the flexibility of IIJA and the increased funding levels. It has allowed them to insert IIJA funds directly into their budgets. However, they have reported inflation has eroded the buying power of the increased funding levels, resulting in a smaller number of projects being let. Overall, IIJA has ensured they maintain or grow their current programs. For example:

- Mississippi is expected to pass a one-time infusion of funding, \$600M, in part to ensure matching incoming federal funds from IIJA.
- Louisiana has recently seen revenue increases as well. They have added EV fees and sales tax fees to all vehicles to boost their transportation revenue stream, to ensure the state is taking advantage of IIJA opportunities.

The projects underway in each of your states, due to the investments of Congress, are working to relieve congestion, increase movement of commerce and goods and create new energy networks and sources. Our economy is on a stronger path, and these infrastructure investments help relieve pressure points that drive supply shortages and inflation. That is why it is imperative Congress and the administration work to rapidly implement the provisions under IIJA and remove regulatory roadblocks and red tape that hold us back. I will highlight a few areas where we believe greater oversight from this committee and Congress will drive better results that allow us to build:

BUY AMERICA BUILD AMERICA AND THE AGGREGATES PRODUCTS EXCLUSION

One of the key policy changes made under the IIJA was the creation of new federal Build America Buy America (BABA) sourcing requirements, which include the addition of “construction materials” to Buy America preferences for federal infrastructure programs.

The aggregates, cement, concrete and asphalt paving industries worked with this committee and Congress, as they crafted the new statutory requirements to exclude aggregates, cement, asphalt additives and paving binders as covered construction materials. Further, products that are made by combining these items, like concrete and asphalt, are also excluded from the new BABA requirements and subsequent Buy America sourcing rules.

Keep in mind that certain geographic areas of the county do not have the geologic deposits that allow local sourcing of stone, sand and gravel to make concrete, cement and asphalt to be used in construction. These materials must be imported from nearby countries, and often it is less costly and produces less air emissions than shipping material long distances across U.S. regions. Likewise, a lack of cement capacity in the states means cement must be imported. The lack of asphalt production and refineries, especially on the east coast, requires agencies and contractors to import from Canada to meet demand for creating basic street paving materials.

Unfortunately, even after a year of work to implement the new BABA requirements, just last month OMB issued a confusing and contradicting rule that revised previous guidance issued. This new rule introduces new requirements that were not included in the IIJA and places the congressionally mandated exclusion for aggregates-based products, like asphalt and concrete, at risk.

If OMB proceeds with their rulemaking, it will upend years-long work to get the BABA requirements enacted, likely requiring DOTs and federal agencies to delay projects, further complicating implementation of the IIJA’s funding. We encourage OMB to proceed with a full notice and comment rulemaking on its proposed rule that will allow all stakeholders to have their input accounted for to ensure BABA, as intended by Congress, is efficiently implemented to maximize U.S. job creation.

The aggregates industry strongly supports the goals of Congress and the administration to expeditiously improve our outdated infrastructure. It is imperative that federal and state partners responsible for distributing federal investments follow the BABA law and subsequent Buy America requirements, as written by Congress, and not impose any sourcing requirements or paperwork burdens on concrete, asphalt, cement, cementitious material, aggregates, additives and binder. This will ensure maximum project delivery and American job creation.

PERMITTING REFORM IS NEEDED TO BUILD

Currently it takes years, if not decades, to plan, approve and execute new infrastructure projects. From road construction, to adding new port and rail capacity, to building air and transit networks, if bureaucratic delays continue, it will hamper the execution of IIJA. Not only does this harm our businesses, but it significantly diminishes the intended impact of the IIJA’s investment and leaves projects exposed to more inflationary pressures.

We praise the bipartisan provisions in IIJA that seek to expand federal agency cooperation and reduce permitting decisions to two years. Unfortunately, from my experience, we have yet to see this take hold on the ground and planning for new projects still takes years.

That is why our industry is even more concerned with administrative changes to National Environmental Permitting Act (NEPA) that broadens definitions, adds duplicative federal agency reviews, and allows more opportunities for outside activists to sue and stop project development.

Aggregates suppliers across the country crave certainty, as we work to supply the billions of tons of essential materials needed to improve roads; upgrade bridges; advance transportation systems and ports; and advance our modern energy infrastructure that will be funded by the investments provided by the bipartisan IIJA. We are encouraged with the bipartisan calls from many in this room, and around the Capitol, to address permitting challenges and urge action on solutions that will address the current challenges we face.

DISCRETIONARY GRANT APPLICATIONS

The vast majority of IIJA funding is apportioned to states based on mandatory funding formulas dictated by Congress. However, there also exists numerous opportunities for funding through a wide range of competitive grant programs.

While the administration has discretion to shape grant notifications, we have concerns over the complexity and criteria added to the applications. Many times, DOTs and localities will have to devote significant resources, building teams to find the data and answer questions needed to apply to these opportunities. This takes precious resources away from delivering projects to the taxpayers.

Further, certain criteria added to applications that seek to limit new capacity projects or add labor requirements have discouraged states and localities from applying for these opportunities altogether.

We would urge the administration to examine applications and find ways to reduce the application and criteria burdens to ensure the intended benefits of IIJA are realized by all communities

PROVIDE FLEXIBILITY TO STATE AND LOCAL AGENCIES:

For almost two years, our industry has been pushing Congress to adopt the Cornyn-Padilla state and local covid relief flexibility language. This legislation was championed by Rep. Dusty Johnson last congress and received overwhelming bipartisan support from members of the committee. We are pleased Congress added this language to FY 2023 Omnibus Appropriations bill that was signed into law at the end of 2022.

Now enacted, this simple fix gives states and localities the opportunity to use up to \$104 billion in unused covid relief funds for infrastructure projects. Under this legislation, a receiving entity can use up to 30 percent of its ARPA relief on infrastructure, or up to \$10 million, whichever is higher. For state governments, and for very high population cities and counties, 30 percent of their take is always going to be well in excess of \$10 million. Adding up the new flexibility funding that each entity could utilize on infrastructure investments equals \$104 billion:

- \$58.5 billion at the state level
- \$28 billion at the county level
- \$17.7 billion at the city level

Recently, for example, the state of Alabama has dedicated \$660 million in ARPA funds for upgrading local water and sewer projects.

This new flexibility will give states and localities the opportunity to use leftover funds to match federal IIJA opportunities, allowing faster enactment of the bipartisan bill. We are looking forward to seeing updated guidance from the Treasury Department that clarifies how state and localities can apply the funding to infrastructure investments.

RAIL REFORM NEEDED TO MOVE MATERIALS TO MARKET

It is no secret that rail service conditions are failing for the aggregates industry. Deteriorating rail conditions have a direct impact on our ability to supply millions of tons of aggregates and industrial sand, which are used to improve outdated infrastructure, build resilient communities, and drive America's energy production.

In detailed comments to the Surface Transportation Board (STB) last year, NSSGA shared how service disruptions and unwarranted price increases are severely impacting our industry. Increased wait times and poor service are leading to material price increases and restricting our ability to service key markets. Further,

if we are left to truck material to service projects and markets, instead of utilizing existing rail networks, it only increases shipping costs and transportation emissions.

If action is not taken to improve service, the constant delays, and the inability to move product to market will continue to have a direct impact on supplying key infrastructure projects across the country. This will ultimately plague the implementation of the bipartisan Infrastructure Investment and Jobs Act.

NSSGA calls on Congress and the Surface Transportation Board to enact meaningful rail reform that levels the playing field between shippers and carriers. One such proposal is the pending rulemaking at STB related to reciprocal switching. If enacted, this would drive greater competition, especially for facilities captive to one carrier.

WORKFORCE NEEDED TO BUILD

A skilled and highly trained inclusive and diverse workforce is paramount to safely operating quarries that produce the critical materials found in infrastructure projects. Unfortunately, many aggregate producers are unable to hire and retain an adequate workforce in today's labor market. The aggregates and industrial sand industry takes pride in investing in its employees by providing attractive salaries, competitive benefits, robust training, support, and career development. Our industry's average annual salary is over \$75,000, and most employees spend their entire careers in the industry.

CRH continues to work hard to find, hire and train the best team. At the time of this testimony, CRH has over 3,000 current open jobs. Over 40% of these job openings are looking to fill positions in two categories: drivers or operations.

NSSGA supports policies and funding from the federal government to train workers, increase the diversity of our workforce and ensure aggregate producers can access the skilled employees needed to continue producing the building blocks of America. We support legislation that seeks to expand mine engineering and related fields at colleges and universities and develop vocational education programs supporting the mining industry. We also encourage Congress and the administration to continue its bipartisan support for programs that work with America's veterans, active and reserve service members, and their spouses to find meaningful careers and employment opportunities. Finally, we urge Congress to examine and update our immigration laws and provide new opportunities to increase the legal workforce in the United States.

INDUSTRY LEADING THE WAY ON SUSTAINABILITY

Our industry has been leading the way to create more sustainable building materials that help us reach our emission reductions goals. CRH, like many across the construction materials industry, are focused on delivering more sustainable building materials and reducing GHG emissions. As implementation of the IIJA, Inflation Reduction Act (IRA) and work on Buy Clean policies continue, we urge policymakers to continue working closely with industry to identify investments that will help achieve the emissions reduction goals. We urge policymakers to prioritize funding to companies to support adaptation to lower carbon technologies.

The construction materials industry has invested considerable time and resources in developing Environmental Product Declarations (EPDs) to advance the procurement of lower carbon materials based on validated, peer-reviewed methodologies. We encourage Congress to rely on EPDs as the metric for current and future legislation concerning low emission and low carbon materials. This will ensure rapid integration and recognition of low emission materials to build a more sustainable future.

The construction materials industry has been working for many years to improve efficiencies in our materials production and construction operations. Here at CRH we are actively engaged in the sustainability effort. We recently announced we have raised our global ambition of reducing our gross carbon emissions to 30% by 2030. This is an absolute target, covering all of our activities across CRH globally. In the area where my CRH companies operate, Alabama, Arkansas, Louisiana, Mississippi and Tennessee, we are looking to significantly increase the use of Reclaimed Asphalt Pavement (RAP) in our pavement mix designs. Asphalt pavement is 100% recyclable and processed RAP goes directly back into virgin asphalt mix, both reducing the need for liquid asphalt binder and utilizing a recycled material. We support increasing the allowable RAP percentage in construction projects. We have embraced the use of technologies like warm-mix asphalt, the use of alternative and renewable fuels, and developing more efficient asphalt plants.

Our industry is actively engaged with FHWA's sustainable pavements group and greatly appreciate the industry led cooperative partnership to drive greater adoptability and use of sustainable materials.

As implementation of, IIJA, IRA and work on Buy Clean policies continue, we urge policymakers to continue working closely with industry and recognize the work that has already been done. This will ensure rapid integration and recognition of low emission materials to build a more sustainable future.

REGULATORY CERTAINTY ESSENTIAL TO GROWTH

A sound regulatory environment from federal regulators is critical to our ability to keep aggregates materials supplied to every American community. Like all NSSGA members, we go above and beyond the many local, state and federal regulations to protect our surrounding environments.

Remember, stone, sand and gravel are used in nearly all building construction and public works projects, including roads, highways, bridges, dams, energy projects and airports, as well as environmental purposes—such as treating drinking water, storm water, and stream restoration.

Unlike other businesses, we are limited to where natural forces have deposited the materials we use, so we must engage in careful planning to ensure every community has access to aggregates. And because of high transportation and environmental costs, we normally are unable to move the vast amounts of aggregates we produce over long distances.

NSSGA members are deeply concerned that EPA's new WOTUS rule will further complicate an already lengthy and burdensome process to establish a quarry or access reserves in an existing facility. Today, it takes 10–20 years to plan and develop a quarry.

While the new rule is being portrayed as a familiar regulation, it in fact poses more questions than it answers, making it very difficult for business to plan and hire the workforce needed to supply materials. This rule could add millions in costs and delays for accessing reserves and supplying new aggregates to markets. We want to do things the right way, but this unclear rule makes it nearly impossible to know what the right way is.

That is why NSSGA strongly supported the actions of this committee to move a CRA resolution that repeals the flawed WOTUS rule.

Further, we are disappointed this rule was finalized at the same time that the Supreme Court is actively deliberating changes to WOTUS. A ruling could come out any day that will likely change how the definition of WOTUS is determined, requiring the agencies to rewrite the rules. This will force more uncertainty and delays on our industry.

We thank the bipartisan members of Congress who have implored the agencies to wait for the SCOTUS ruling to be finalized, so aggregates operators are not forced to comprehend another rule change while we are working in overdrive to supply construction materials to build projects funded through IIJA.

ENSURE SUSTAINABLE ACCESS TO AGGREGATES

NSSGA strongly supported the inclusion of Section 11526 in IIJA, which establishes a working group to examine and produce policies that ensure our nation has sustainable access to aggregate resources.

This provision was similar to the bipartisan legislation, Rebuilding Our Communities by Keeping Aggregates Sustainable (ROCKS) Act, which was championed by Rep. Greg Stanton (AZ), Rep. Troy Balderson (OH), and members on this committee. While states like Arizona and Minnesota have acted to institute policies that ensure proper planning to maintain sustainable aggregate supplies, the federal government must also be involved in this planning.

This will reduce construction costs and improve environmental outcomes, as the industry works to source materials needed to build the infrastructure funded under IIJA. NSSGA looks forward to working with FHWA, as they form the working group established under Section 11526.

CONCLUSION

Members of the committee, thank you again for the opportunity to testify before you today to provide a progress update on the implementation of the IIJA.

CRH and the entire aggregates industry are proud to deliver the resources needed to build our communities and modernize our infrastructure, which is essential to the growth of our nation.

We thank you for your bipartisan efforts to strengthen America's infrastructure and look forward to working with you to achieve our shared goals.

Mr. CRAWFORD. Thank you, Mr. Boyd.
Mr. Dreher, you are recognized for 5 minutes.

TESTIMONY OF ARIC DREHER, ASSISTANT GENERAL MANAGER, CIANBRO, ON BEHALF OF THE ASSOCIATED BUILDERS AND CONTRACTORS

Mr. DREHER. Good morning. Chairman Crawford, Ranking Member Norton, and members—

Mr. CRAWFORD [interrupting]. Check your mic there.

Mr. DREHER [continuing]. Of the Subcommittee on Highways and Transit, thank you for the invitation to testify this morning, and for the opportunity to discuss the Infrastructure Investment and Jobs Act and efforts to modernize our Nation's most critical infrastructure.

My name is Aric Dreher, and I am an assistant general manager for Cianbro, a full-service contractor that delivers world-class construction services for complex civil infrastructure projects throughout the country.

Founded in 1949, Cianbro is one of America's largest, 100 percent employee-owned, open shop construction and construction services company, operating in more than 40 States and employing more than 4,000 team members.

Today, I am testifying on behalf of the Associated Builders and Contractors, a national construction trade association with 68 chapters representing more than 22,000 members. In my role, I oversee all operations in Cianbro's infrastructure market. My teams have taken on some of the company's most innovative and challenging infrastructure projects, including the phased development of the District Wharf, here in Washington, DC; construction of the 175-foot Capital Wheel overlooking the Potomac River at National Harbor; the U.S. Naval Academy's McNair Road Bridge replacement; and the replacement of the I-295 bridge over Veranda Street in Portland, Maine, in 60 hours, using accelerated bridge construction methods.

The bipartisan Infrastructure Investment and Jobs Act has been hailed as a once-in-a-generation opportunity to build and repair some of our Nation's most critical infrastructure, including the highways and bridges that have been in need of investment for decades. To accomplish this goal, however, critical issues must be addressed.

Since the bill was signed into law in 2021, the administration has taken action, departing from the congressional intent of the bill, showing clear and unnecessary favoritism towards unionized contractors and unionized labor on taxpayer-funded infrastructure projects receiving Federal funds.

We have seen significant changes in our economy that I believe will affect the overall success of this bipartisan effort, including record inflation, supply chain delays, and workforce shortages. Since November 2021, when President Biden signed into law the IJA, input prices for construction projects have increased over 11.1 percent.

The construction industry is facing significant supply chain challenges, with many in the industry finding it difficult to find consistently available building materials such as lumber, steel, and concrete, along with specialized construction equipment. This is driven in part by the new Federal investment in infrastructure and other critical construction, which has led to further delays, and put pressure on suppliers to increase production.

ABC also anticipates the construction industry will need to attract an estimated half a million additional workers on top of the normal hiring pace in 2023 to meet the demand for labor. Cianbro is doing our part to meet this demand, offering apprenticeship opportunities in several trades, including electrical, millwright, pipefitter, ironworker, carpenter, substation technician, and power line worker.

The IJJA Buy America provisions and the cumbersome waiver process that has been implemented will exacerbate these delays and has added costs. These requirements must also be balanced with safeguards against drastic cost increases and excessive delays to infrastructure projects without which could have a severe impact on the ability of contractors to complete jobs on time and on budget.

Finally, the after-the-fact regulations and strings attached to Federal infrastructure grant programs will severely impact the allocation of IJJA funds. President Biden's Executive Order 14063 directs all Federal agencies to require PLAs on Federal construction projects exceeding \$35 million. PLA mandates and preferences will increase costs and reduce competition on federally assisted construction projects.

Americans deserve more efficient and effective policies that will encourage all qualified contractors and their skilled workforces to compete to build long-lasting projects at the best price. I have included additional details in my written testimony on these important points, and I look forward to answering your questions today.

[Mr. Dreher's prepared statement follows:]

**Prepared Statement of Aric Dreher, Assistant General Manager, Cianbro,
on behalf of the Associated Builders and Contractors**

Chairman Crawford, Ranking Member Norton and Members of the Subcommittee on Highways and Transit:

Thank you for the invitation to testify this morning and for the opportunity to discuss the Infrastructure Investment and Jobs Act and efforts to modernize our nation's most critical infrastructure.

My name is Aric Dreher, and I am an assistant general manager for Cianbro, a full-service contractor that delivers world-class construction services for complex civil infrastructure projects throughout the country. Founded in 1949, Cianbro is one of America's largest, 100% employee-owned, open shop construction and construction services companies, operating in more than 40 states and employing more than 4,000 team members. Today, I am testifying on behalf of the Associated Builders and Contractors, a national construction trade association with 68 chapters representing more than 22,000 members.

In my role, I oversee all operations in Cianbro's infrastructure market. With more than 20 years of construction experience, I have led teams on some of the company's most innovative and challenging infrastructure projects, including the phased development of the District Wharf in Washington, D.C.; construction of the 175-foot-tall Capital Wheel at National Harbor overlooking the Potomac River; the U.S. Naval Academy's McNair Road Bridge replacement; and replacement of the I-295 Bridge

over Veranda Street in Portland, Maine, in 60 hours using accelerated bridge construction methods.

The bipartisan Infrastructure Investment and Jobs Act has been hailed as a once-in-a-generation opportunity to build and repair our nation's most critical infrastructure, including the highways and bridges that have been in need of investment for decades.

During the debate over the IIJA, ABC and its members expressed concerns regarding some of the bill's provisions, including the expansion of prevailing wage requirements, so-called "local hire" preferences, the extension of Buy America requirements and the significant authority granted to federal agencies through discretionary grant programs that could be subject to additional requirements under executive orders or agency directives.

At the time, ABC urged the Biden-Harris administration and our federal agencies to not operate outside the scope of the bipartisan bill and implement the law in the same spirit of bipartisanship.

Since the bill was signed into law in 2021, the administration has taken executive regulatory action, departing from the congressional intent of the bill and showing clear and unnecessary favoritism toward unionized contractors and labor on taxpayer-funded infrastructure projects receiving federal funds. We have also seen significant changes in our economy that I believe will affect the overall success of this bipartisan effort, including record inflation, supply chain delays and workforce shortages.

Inflation's impact on construction cannot be understated. Since November 2021, when President Joe Biden signed the IIJA into law, input prices for construction projects have increased on average by 11.1%, and nonresidential construction materials prices are up more than 39% since February 2020. Combined with our current labor shortage and supply chain pressures, it is becoming increasingly difficult for construction projects to continue as originally planned.

ABC anticipates the construction industry will need to attract half a million additional workers on top of the normal pace of hiring in 2023 to meet the demand for labor. ABC has attributed a portion of this demand to a growing number of megaprojects associated with chip manufacturing plants, clean energy facilities and infrastructure, as well as too few younger workers entering the skilled trades.

Cianbro is doing our part to meet this demand. Cianbro's Pre-Apprenticeship Program supports those who are interested in the trades but have little to no experience get into the industry. Cianbro offers apprenticeship opportunities in several trades, including electrical, millwright, pipefitter, ironworker, carpenter, substation technician and power line worker. Our apprenticeship program is registered through the Maine Apprenticeship Program, which is federally recognized, and in each of these programs we utilize the nationally recognized National Center for Construction Education and Research's Core Curriculum. The apprenticeships provide team members with periodic classroom/hands-on instruction and continuous on-the-job learning where they can apply their education. Upon completion, team members become NCCER-certified, journey-level tradespeople, making journey-level wages with zero debt.

The construction industry is also facing significant supply chain challenges, with many in the industry finding it difficult to source consistently available building materials, such as lumber, steel and concrete. This has led to delays in construction as projects wait for materials to arrive or for new material sources to be found.

Additionally, we have seen delays in the delivery of components and parts required for specialized equipment for construction, such as cranes and excavators. The increased demand for construction equipment, driven in part by the new federal investment in infrastructure and other critical construction, has led to further delays and put pressure on suppliers to increase production.

The IIJA Buy America provisions and the cumbersome waiver process that has been implemented will exacerbate these delays and added costs. While strategies to expand domestic jobs and manufacturing to avoid global supply chain disruptions and capture economic benefits within America must be supported, Buy America requirements must also be balanced with safeguards against drastic cost increases and excessive delays to infrastructure projects funded by taxpayers. Without these considerations, Buy America requirements could have a severe impact on the ability of contractors to complete jobs on time and on budget.

Finally, the after-the-fact regulations and strings attached to federal infrastructure grant programs will severely impact the allocation of IIJA funds, restricting competition for taxpayer-funded construction projects to union contractors and workers at the expense of fair and open competition that provides opportunities for all qualified workers while offering the best value for taxpayers.

President Biden's Executive Order 14063 directs all federal agencies to require PLAs on federal construction projects exceeding \$35 million. ABC has also identified a significant number of Biden administration federal agency infrastructure grant programs—totaling more than \$250 billion for infrastructure projects procured by state and local governments—subject to language and policies promoting PLA mandates and preferences that will increase costs and reduce competition on federally assisted construction projects.

Multiple studies of hundreds of taxpayer-funded school construction projects found that PLA mandates increase the cost of construction by 12% to 20% compared to similar non-PLA projects. PLAs also unfairly discourage competition from quality, qualified nonunion contractors and their employees, which make up 88.3% of the private U.S. construction industry workforce, effectively preventing many small, women-, veteran- and minority-owned construction businesses, which skew heavily nonunion, and their workforces from participating in federally funded construction projects.

Americans deserve more efficient and effective policies that will encourage all qualified contractors and their skilled workforces to compete to build long-lasting projects at the best price. Upholding the bipartisan principles included in the Infrastructure Investment and Jobs Act will be key to the enduring success of this legislation and the effective modernization of our country's infrastructure.

Mr. CRAWFORD. Thank you, Mr. Dreher.

Ms. Hammond, you are recognized for 5 minutes.

**TESTIMONY OF PAULA HAMMOND, SENIOR VICE PRESIDENT,
WSP USA, ON BEHALF OF THE AMERICAN ROAD AND TRANS-
PORTATION BUILDERS ASSOCIATION**

Ms. HAMMOND. Thank you. Good morning, and thank you for inviting me here in my role as the chair of American Road and Transportation Builders Association.

The association's public and private-sector members design, build, and maintain all aspects of the transportation network in the United States.

I also serve as the senior vice president for WSP USA, and we are the Nation's oldest engineering, design, and consulting organization.

Before I offer our perspectives on the Infrastructure Investment and Jobs Act, I, as others have, would like to address briefly the tragedy in Baltimore, where six roadway workers were killed last week. Our heartfelt condolences to their families and loved ones. Our members never accept that such work zone intrusions are inevitable. Safety for workers and motorists will always be our top priority.

Now, shifting to the IIJA, I begin with early morning on Friday, January 28, 2022, when the Fern Hollow Bridge in Pittsburgh collapsed without warning, tragically falling 100 feet into the park below. Nine were injured, but miraculously, no one was killed. The bridge failure received national media attention, heightened by a visit from President Biden that same day.

What unfortunately does not get mentioned in the media is what happened after the collapse. In this instance, with the help of \$25 million in Federal funding, including with the IIJA dollars, a new 460-foot, four-lane bridge opened to traffic in less than 1 year. This new bridge is a tangible illustration of how Federal transportation investments can work quickly to benefit communities.

In Idaho, the IIJA is also helping improve a 6½-mile challenging stretch of Highway 95 by building a safer route with added lanes, wider shoulders, and less steep grades. As one Idaho transportation

official observed, “I am glad we are moving forward. The bottom line is: We want to save lives.”

These 2 projects are among the more than 29,000 improvements moving forward last year in every congressional district with IIJA funds. This represents 2,500 more projects than in 2021.

In the first 4 months of fiscal year 2023, the momentum continues. States have committed highway formula funds for 7,400 projects, 3,000 more than the same period last year. We have provided each of you with a fact sheet, as was referenced, to demonstrate the ways your constituents are benefiting from the law.

Mr. Chairman, it is hard to ignore the initial positive ways your constituents—and the benefits of the IIJA, but it is also hard to overlook the impacts of inflation. Increased material costs and supply chain challenges undoubtedly have had a dilutive effect on the law’s investments.

That said, it is also clear this situation would have been dramatically worse if Congress opted for another flat-funded extension of the surface transportation programs. Instead, our analysis at ARTBA points to real market growth over the last year.

Another aspect of the IIJA story relates to new regulatory requirements that may influence cost and delivery of projects. We encourage this subcommittee to continue its oversight role, ensuring that commonsense environmental review and approval process reforms, namely the One Federal Decision, are fully realized. The saying “time is money” is apt here, as these reforms have the potential to reduce overall costs and move projects to construction more quickly.

Conversely, well-meaning new requirements, such as the expansion of Buy America, if not pursued with stakeholder input and articulated clearly, could have the opposite outcome and result in unnecessary project delays.

Mr. Chairman, we are just 16 months into the 5-year infrastructure law. The highway, bridge, and public transportation investments are working as intended. Many more benefits to the American people are yet to come.

Thanks again for allowing me to participate in today’s hearing, and I look forward to your questions.

[Ms. Hammond’s prepared statement follows:]

Prepared Statement of Paula Hammond, Senior Vice President, WSP USA, on behalf of the American Road and Transportation Builders Association

Subcommittee Chairman Crawford, Ranking Member Norton, and members of the subcommittee, thank you for convening today’s hearing. I am Paula Hammond, a senior vice president with WSP USA, a global engineering and design firm. I also serve as the current chair of the American Road & Transportation Builders Association (ARTBA).

Established in 1902, ARTBA is the only national association representing all aspects of the U.S. transportation design and construction community. Our 8,000 members and 36 state affiliates own, manage, design, build and provide equipment and materials for all modes of transportation infrastructure improvements. The transportation construction industry generates \$580 billion annually in U.S. economic activity and sustains more than four million jobs.

ARTBA has long advocated for federal leadership in the development and maintenance of a national transportation network to support continued U.S. economic growth and meet the public’s demand for safe and efficient travel.

The Infrastructure Investment and Jobs Act (IIJA) provides a much-needed boost over the next five years to help support modernization of the nation’s multi-modal transportation network.

With year-two under way, the law’s enhancements are becoming more apparent. From contract awards to construction activity, key market indicators across the project pipeline identify the initial benefits of federal highway investment, despite continued inflation and lingering supply chain issues.

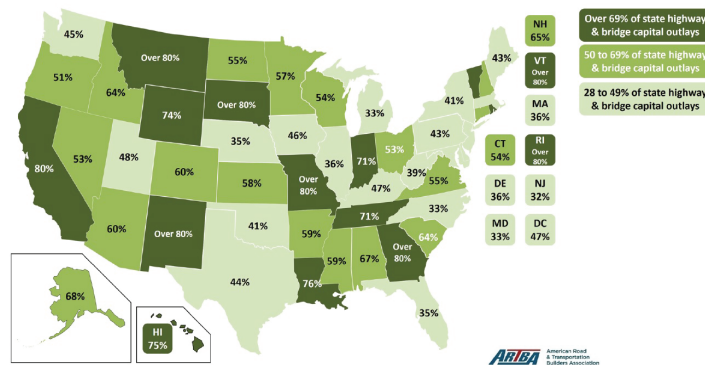
Today’s hearing offers an opportunity to highlight the law’s successes, while acknowledging the challenges that remain.

DRIVING STATE IMPROVEMENTS

Nearly half of the IIJA’s generational investment—\$450 billion—will be spent improving highways, bridges and public transportation systems. The IIJA represents the largest nominal increase in highway funding in 65 years.

The law’s success will be built on the strong partnership between the federal government and states. As the map below illustrates, federal investment supports more than 50 percent of the average state’s capital outlays, with some states relying on federal funds for more than 80 percent.

Federal funds, on average, provided 51% of annual State DOT capital outlays for highway & bridge projects



Source: ARTBA analysis of FHWA Highway Statistics data, total average 2016-2020 from tables SF-1 and SF-2. The percent is the ratio of federal aid reimbursements to the state and total state capital outlays and is indicative of the importance of the federal aid program to state capital spending for highways and bridges. Does not include local capital spending. Federal highway reimbursements are primarily used for capital outlays, including construction, right of way and engineering, but are also used for debt service for GANRE bonds that may represent capital work performed in a different year.

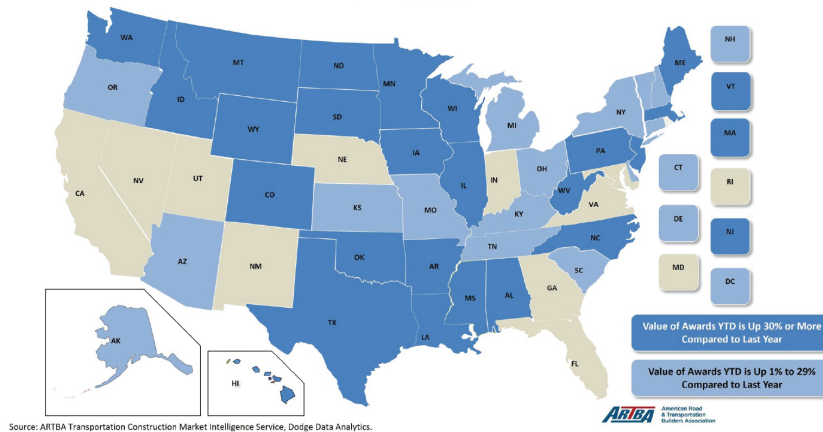
The foundation of the federal-state partnership are the formula programs. Nearly nine out of every 10 dollars spent on highways and bridges are directed via formula programs, which provide state-focused, recurring revenue for priorities like the National Highway Performance Program, the Bridge Investment Program, and the Highway Safety Improvement Program. These programs facilitate the pursuit of national needs in a manner that respects state flexibility in project selection.

The formula programs create state funding certainty, which drives growth in state transportation budgets. State highway and bridge capital outlays are expected to increase 16 percent in Fiscal Year (FY) 2023, according to an ARTBA analysis of all 50 state transportation budgets. This spending reflects planned construction activity and reimbursements for ongoing state and federal-aid highway projects. Over 70 percent of the expected growth in state DOT budgets in FY 2023 will come from federal reimbursements to state transportation authorities.

Further, 37 states saw an increase in the value and number of contract awards for highway and bridge improvements over the last year. The value of state and local government highway and bridge contract awards jumped 25 percent in 2022, as agencies increased the number of projects by 4,280.

The chart below highlights states that have increased the value of highway and bridge contract awards, reflecting IIJA, state, and local funds.

Value of State & Local Government Highway & Bridge Contract Awards, 2022 Up versus 2021



Projects Advanced Nationwide

Congress did not finalize the 2022 appropriations process until about six months after the fiscal year's Oct. 1 start, and four-and-a-half months after IIJA's enactment. States nevertheless were able to commit year-one's \$53.5 billion in highway formula funds to thousands of projects by the Sept. 30 deadline.

Congress avoided a similar situation in FY 2023 by completing the appropriations process in December, thereby affording states 10 months of funding certainty. Accordingly, ARTBA's analysis of U.S. Treasury data shows, in the first four months of FY 2022, states committed \$3.4 billion in funds, compared with \$7.2 billion in funds over the same time for FY 2023. This increase represents 3,000 more new projects compared with the first few months of the IIJA.

Taken together, in the first 16 months of the IIJA, states committed funds to nearly 34,700 new projects, totaling \$61.3 billion in formula and discretionary funds through Jan. 30, 2023. These new projects stretch from coast to coast, with at least one new project underway in every congressional district.

Formula programs allow states flexibility to choose the type of work that best suits their needs. Some states are prioritizing major Interstate capacity improvements, while others may bundle bridge repairs to address maintenance backlogs. Here is a sample of how states are using formula funds to positively impact urban and rural communities.

- In Arkansas' first district, a nearly \$40 million project is underway to repair and rehabilitate a section of Highway 148.
- Missouri's Nodaway and Andrew counties in the sixth district congressional district will see \$11 million in the rehabilitation of Highway 71.
- Washington, D.C. will be using \$16 million in formula funds to conduct maintenance on tunnel infrastructure in the district.
- The state of Washington began \$34 million worth of work on two bridges over the Snohomish River in the second district.

The IIJA's long-term funding certainty is helping states to move forward on large projects. The number of large projects receiving federal support of \$50 million or more increased by over 50 percent in FY 2022. In total, 105 projects across 29 states saw \$50 million+ in federal investment compared to just 69 projects in 25 states in FY 2021.

The table below highlights the top projects receiving formula funds during the first 16 months of the IIJA.

FY 2022 Top IHA Highway & Bridge Formula Fund Projects

Rank	State	Description	Formula Funds (in millions)
1.	Texas	Expanding Loop 1604 on I-10 in San Antonio	\$365.7
2.	Texas	635 East Project in Dallas	\$225.0
3.	Arizona	Roadway Widening on I-17 Split	\$214.3
4.	California	Statewide Preliminary Engineering Work	\$178.7
5.	Texas	Irving Interchange Project in Dallas	\$171.5
6.	Florida	Interchange Improvements I-4 at Sand Lake Road	\$160.6
7.	Minnesota	US 53 Resurfacing, Multiple New Bridges and Bridge Rehabilitation	\$141.9
8.	South Carolina	Phase 1 Carolina Crossroads I-20/26/126 Corridor Improvement Project	\$137.9
9.	New York	Van Wyck Expressway Capacity & Access Improvements to and from JFK International Airport	\$134.4
10.	Washington	I-5 Denny Way to NE 177 th Street, Concrete and Bridge Repair	\$110.4

Source: ARTBA Highway Dashboard, data from Federal Highway Administration for FY 2022. Does not include additional federal funds that may have been committed to these projects through appropriations, supplemental, emergency, or COVID relief funding.

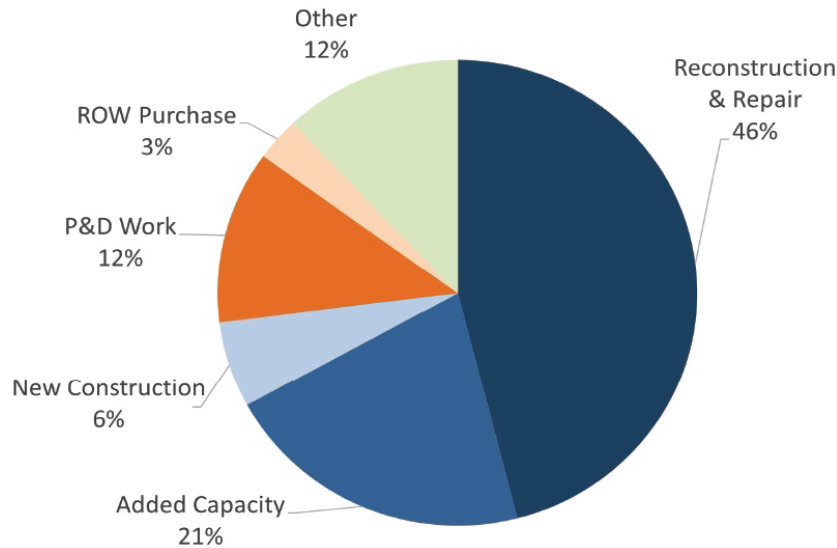


How Formula Funds Are Directed

ARTBA uses data from a range of federal sources to track how formula funds are being spent. We have made this data available via www.artbahighwaydashboard.org to illustrate projects by state and congressional district. All subcommittee member offices have received a copy of their district's information.

The data also allows us to track the types of projects formula funds are supporting. The figure below depicts the breakdown of highway project investments in FY 2022.

Value of Federal-Aid Highway Projects by Type



States are prioritizing maintenance activities, which received nearly half of federal funds. Adding capacity to an existing right-of-way is the second largest recipient of funds at 21 percent. Construction of a road or bridge that did not exist before accounted for six percent of total project costs.

Other spending (accounting for 12 percent of project costs) included projects related to bridge inspections, intelligent transportation systems, research, planning, and other eligible activities.

The advantage of formula programs is that most project selection decisions are made by those who know first-hand how best to improve mobility and safety in their communities—the states.

Project Profile: The Chester Bridge, Perryville, Mo.

Committing federal funds to projects is typically step one of a multi-year process to see a project through to completion. The Chester Bridge project in Missouri illustrates the process of federal support from initial commitment through completion and reimbursement.

The bridge spans the Mississippi River and connects Perryville, Missouri, and Chester, Illinois. The 2,827-foot bridge was originally constructed in 1942 and is in “poor” condition, according to the 2022 National Bridge Inventory. The bridge sees more than 7,000 vehicle-crossings per day.

In FY 2022, Missouri committed over \$107 million in IIJA formula funds towards the design-build project. The Missouri Department of Transportation (MoDOT) issued a request for qualifications in June 2022 and followed up that month with industry and community briefings. The request for proposals was released in September 2022 and the contractor team was selected in March 2023.

Ames Construction Inc. and Parsons Transportation Group were awarded the \$284 million contract to construct the three-tower, cable-stayed bridge. Work will get underway on the bridge this year and with expected completion in 2026.

As construction work is completed, MoDOT will reimburse the construction team and will in turn be reimbursed by the U.S. Treasury for the federal portion of the project.

Transit System Improvements Underway

Enhancements to transit systems are taking place throughout the country thanks to the Capital Investment Grants (CIG) program, which funds major capital improvements to expansion and core capacity projects. Types of projects receiving 2023 CIG awards include:

- New 10-mile bus rapid transit line in St. Paul, Minn.
- 13-mile bus rapid transit project in Las Vegas, Nev.
- Phase 2 of Second Avenue Subway in New York City.

Discretionary Grants Supplement Formula Work

The IIJA commits \$45 billion over five years to supplemental and discretionary grant programs designed to address freight networks, promote resiliency, and provide focused support to rural and mega projects. About 13 percent of the IIJA’s funds will be distributed via these programs by the U.S. Department of Transportation (U.S. DOT).

To date, the Biden administration has awarded projects evenly between urban and rural areas.

For example, National Significant Freight and Highway Projects, known as INFRA grants, were awarded for FY 2022 with 15 projects to rural communities and 11 to urban areas, though urban projects received a larger share of funding.

Similarly, the Local and Regional Project Assistance Program, known as RAISE grants, equally divided funding for the 166 projects between urban and rural areas. Roughly half of the awards went to road-related project improvements.

Nearly all FY 2022 grants have been awarded, however grants to fund charging infrastructure, resiliency projects, and smaller bridge projects are still outstanding, even though we are approaching the midpoint of FY 2023.

Making Headway on Deficient Bridges

The Fern Hollow Bridge in Pittsburgh became a front-page story when it collapsed in January 2022, shortly after the IIJA was signed into law. Thanks to federal transportation investment, including the IIJA, the Fern Hollow Bridge is a success story. It was rebuilt and reopened in less than a year.

The law’s dedicated bridge formula program will empower states to begin addressing the more than 223,000 bridges in need of repair or rehabilitation, according to ARTBA’s most recent analysis of U.S. DOT’s National Bridge Inventory database. Nearly 43,000 bridges are classified as structurally deficient or in poor condition, and the IIJA’s investments will help ensure states take meaningful action to repair them.

Major bridge discretionary grant awards often draw headlines, but bridge projects large and small are advancing across the country. For example, in Illinois, \$107 million was dedicated to a project that includes an interstate bridge replacement in the central part of the state. Pennsylvania used formula dollars to commit to 129 bridge improvements in year-one of the IIJA.

Some states with a high number of rural bridges are using the law’s flexibility to bundle bridge projects, like in Alabama and Oklahoma, to access funds and accelerate repairs.

AMID PROGRESS, CHALLENGES REMAIN

Funding increases in the infrastructure law are yielding real world improvements in communities across the country. However, the reforms included some of the most significant changes to federal surface transportation policy in over a decade, and if implemented properly, have potential to speed up project delivery.

Impact of Inflation

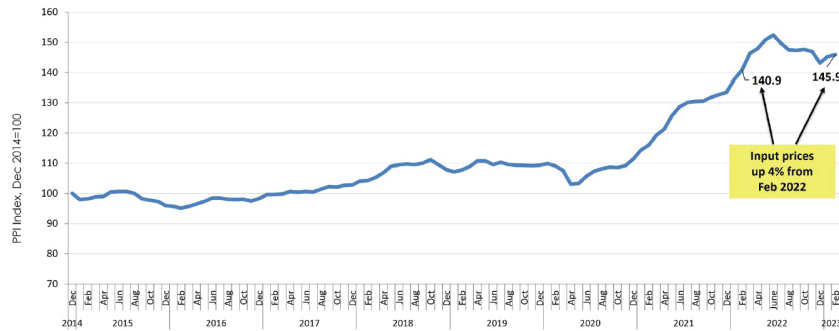
There are few public sector actions that can deliver the same level of short- and long-term economic benefits as transportation infrastructure investment. Increased construction activity provides immediate job creation and retention, while putting in place capital assets that support supply chain improvements and enable access to jobs, services, materials, and markets for decades. These dual-track benefits are particularly critical during times of economic uncertainty and disruptions.

Recent adverse economic conditions cannot be separated from an analysis of the IIJA’s first year. Increased materials costs—and decreased availability or extended delivery times in many cases—have undoubtedly had a dilutive impact on the new law’s historic investment levels.

ARTBA’s tracking of the costs for highway and street construction inputs, like energy, goods and services, show increases of almost 30 percent since January of 2021 and 11 percent since the IIJA’s enactment. Estimates of total project cost inflation, which also accounts for labor, overhead and other less volatile inputs, are not as extreme but still significantly elevated over historical growth rates.

The chart below illustrates the monthly increase in highway and street construction goods since 2014. Cost increases began around the onset of the pandemic and picked up significantly in 2021. Though some signs of easing have occurred recently, prices are still elevated and volatile.

Monthly Price of Inputs for Highway & Street Construction
(excluding capital, labor and imports)



Source: U.S. Bureau of Labor Statistics, PPI for Net Inputs to highways and streets, excluding capital investment, labor and imports.



This national data underscores the challenging environment in which the infrastructure law’s investments are being deployed. However, there is variance among states, regions and project types. We have received reports of input cost increases of more than 40 percent for some commodities, along with difficulties in procuring key materials. At the same time, we have seen a significant number of states in which project bids continue to come in below the initial engineer’s estimates.

The dilutive impact of inflation on highway and bridge investment underpins ARTBA’s repeated urgings that the U.S. DOT adopt a consistent and pragmatic policy regarding price escalation clauses. As part of this dialogue, we have urged the Federal Highway Administration (FHWA) to modernize its practices and allow federal funds to be used for price escalation clauses on contracts pre-dating the bulk of COVID-induced economic disruption. The unprecedented and unforeseen increase in costs our industry has experienced in the last two years warrants enhanced flexi-

bility in the use of these funds to preserve the continuity and efficacy of these projects.

Ultimately, though, as challenging as this situation has been for states and the transportation construction industry, ARTBA interprets the combination of available data as pointing to real market growth over the last year.

Furthermore, any discussion about materials prices and inflation needs to also recognize that, without the infrastructure law, we would very likely be looking at a market contraction.

Awaiting Project Delivery Implementation

The IIJA featured project delivery reforms, known as “One Federal Decision,” which exemplified a bipartisan spirit. The current environmental review process takes an average of *five to seven years* to complete for a new federal-aid transportation project¹, and in some cases, ARTBA members have even experienced projects taking up to 14 years for review. These delays come at significant cost to taxpayers and illustrate the need for reform. However, in the time since IIJA’s enactment, there has been little visible progress.

One Federal Decision seeks to alleviate costs associated with project delays by setting a two-year goal for project reviews and moving projects from the study phase to construction more quickly, without sacrificing important environmental safeguards.

At the same time, the White House Council of Environmental Quality (CEQ) is currently rolling back recent National Environmental Policy Act (NEPA) reforms designed to reduce project delays. Reversing these improvements undermines the goal of saving time through streamlined project reviews and reinstates a NEPA process which often features excessive litigation over projects and procedural minutiae.

Later this year, the U.S. DOT is scheduled to submit a report to Congress on the efficiencies of the environmental review process and impediments to reaching the IIJA’s project delivery goals². The agency should prioritize the implementation of these overdue reforms to ensure they have an opportunity to be utilized before their impacts are the subject of such a report. The IIJA’s success will be judged, in part, by delivering infrastructure improvements to communities in a timely and cost-effective manner. A workable review process is integral to meeting this objective.

We appreciate the committee’s oversight to date of the infrastructure law’s implementation and urge you to remain vigilant in the months ahead.

Build America, Buy America

The “Build America, Buy America Act” (BABA), embedded in the IIJA, remains a significant implementation challenge. ARTBA supports the clear congressional intent to grow domestic manufacturing capacity in the long-term. Our concern relates to the potential for short-term disruptions of projects emanating from the IIJA’s new requirements in this area.

For more than 40 years, Buy America has required a domestic manufacturing process for iron, steel and certain manufactured products permanently incorporated into federal-aid highway and transit projects. The IIJA expanded Buy America coverage to five categories of construction materials (non-ferrous metals, plastic and polymer-based products, glass, lumber, and drywall).

After U.S. DOT deferred this new requirement for six months, it took effect on November 10, 2022. At the same time, the department proposed narrow waivers from Buy America requirements for items falling under modest de minimis thresholds and for the smallest of federal-aid projects. It also proposed (and finalized on Jan. 30) a waiver of the construction materials requirement for projects in advanced stages of procurement or for which contracts were already in place.

More than 16 months following the IIJA’s enactment, many of the parameters for Buy America implementation remain unsettled, underscoring our concerns about potential disruption of projects. Specifically:

- The Office of Management and Budget (OMB) has yet to complete guidance on the new requirements, to ensure consistent implementation by all FHWA division offices, Federal Transit Administration (FTA) regional offices and state and local transportation agencies.
- OMB is considering extending Buy America coverage to items, including aggregates and other paving materials, which Congress explicitly exempted in the IIJA.

¹Executive Office of the President, Council on Environmental Quality, Environmental Impact Statement Timelines (2010–2018), available at https://ceq.doe.gov/docs/nepa-practice/CEQ_EIS_Timeline_Report_2020-6-12.pdf, p. 10.

²Sec. 11301, Codification of One Federal Decision.

- The de minimis waiver described above is still pending after more than four months.
- There is still no centralized, national effort to assess the domestically-made availability of products falling under the five categories of construction materials in the law.
- FHWA is now reviewing its longstanding waiver for manufactured products. Rolling back this waiver will result in significant administrative costs and delays, in part because contractors will need to document the origin of small, inexpensive commercially-available off-the-shelf (COTS) products that exceed the proposed de minimis thresholds.

We urge this committee to engage with OMB's Made in America Office, which is overseeing all domestic preference programs and evaluating all proposed waivers, to seek clarity in these areas. Moreover, U.S. DOT brings more than four decades of experience implementing Buy America. OMB should incorporate that expertise into this effort, rather than imposing unrealistic policies that are beyond the scope of BABA and could undercut the IIJA's investments with project cost increases and delays.

Safety

The March 22 tragedy on I-695 in Baltimore is a heartbreaking reminder of the risks facing men and women employed on roadway construction sites. The lives of six roadway workers were lost when a vehicle crashed into an active construction site.

Approximately 850 fatalities occur in and around these sites annually, and as many as 200 are roadway workers. Ensuring a safe workplace for the thousands of men and women tasked with building mobility and safety enhancements provided by the IIJA is ARTBA's top priority.

As the IIJA supports thousands of new projects, there will also be an increased number of work zones, resulting in increased risk exposure for workers. The transportation construction community is committed to doing its part to mitigate an increase in the number of safety-related incidents.

The health and well-being of workers who build, maintain, and renovate transportation systems are not always fully considered by those who depend on them to create a safe system. FHWA discusses ways to enhance pedestrian safety for "vulnerable road users," but additional emphasis on protecting workers is critically necessary.

Previous law requires the use of positive protection in certain high-risk work zones, and we urge that Title 23's Subparts J and K regulations be updated in accordance with the Moving Ahead for Progress in the 21st Century (MAP-21) reauthorization law that required additional considerations for use of positive separation. It also incorporated provisions to allow greater enforcement and/or consequences for those who do not follow the law.

We also call on FHWA to require positive separation considerations and suppositions in the forthcoming Manual on Uniform Traffic Control Devices (MUTCD).

LOOKING AHEAD

The key takeaway from the 16 months of the IIJA is that its highway and bridge funding provisions are working as intended, with state transportation departments breaking ground on improvement projects in communities across America.

A virtue of the multi-year surface transportation reauthorization is the economic benefits that will follow project completion—be it increased state and local tax revenue, local job creation, or a boost to household income—are only set to compound from where we are today.

ARTBA members remain committed to working in partnership with state transportation agencies to maximize IIJA's transportation improvements.

We will continue to provide members of Congress with regular IIJA updates. The association has also recently created a new resource (www.transpoinfo.org) that provides macro-level insights on the role transportation plays in every congressional district, detailing the scope of the transportation network, economic and safety data, and commute times. We trust you will use this tool to track improvements in your district as the law progresses.

ARTBA appreciates the opportunity to testify before the subcommittee and will continue its efforts to share the project success stories of the IIJA in the coming years.

Mr. CRAWFORD. Thank you, Ms. Hammond. I appreciate all the testimony that our panelists have given this morning. We will start with questions from Members. I will recognize myself to begin with. I am going to pose this question to each of you; I will start with Mr. Williams.

IIJA contained provisions to streamline permitting processes to help speed up project delivery, including codification of the One Federal Decision policy. Especially as States and industry are continuing to face persistently high inflation, as has been indicated in our testimony today, it is important that we address needless delays in permitting to ensure projects can move forward expeditiously.

So, my question is this. The Department has told the committee that it has fully implemented One Federal Decision and other streamlining provisions contained in IIJA. Mr. Williams, has DOT communicated that to you, or are you otherwise aware that these provisions have been implemented?

Mr. WILLIAMS. Thank you, Chair Crawford. We are aware of the U.S. DOT's provisions with One Federal Decision. We have not yet had a chance to see that in action on any of our major projects yet. There are a variety of things that have factored into that, but we look forward to hopefully achieving that and seeing some benefits.

Ultimately, in our view, realizing the benefits of One Federal Decision is going to be up to the willingness of each of the individual agencies that are involved to work with DOTs and other infrastructure operators to expedite their own processes internal to their programs, so that we can ultimately see a reduction in the Federal permitting time that goes to environmental decisionmaking in our country.

Mr. CRAWFORD. Thank you.

Mr. Boyd, any comments?

Mr. BOYD. Obviously, Marc would have more insight into the permitting issues, but just from a contractor's perspective, obviously, we would love to see it streamlined. The faster the better. And as a contractor, we are sitting on gold, and any delays, obviously, we are not in favor of. So, just from a contractor's perspective, we would love to see it streamlined and sped up.

Mr. CRAWFORD. OK. Mr. Dreher?

Mr. DREHER. Yes, I share the same sentiment as Mr. Boyd.

A lot of times, when we bid a project, sometimes the permits are not obtained. So, we are selected to start the project, and we don't have the permits. So, sometimes that just leads to further delays.

And on the front end of the job, getting all the permits before we start work, and the clients put the job out to bid, just increasing that overall duration, definitely poses challenges to the overall schedule.

Mr. CRAWFORD. Ms. Hammond, your comments?

Ms. HAMMOND. Mr. Chairman, I think you are hearing a theme here.

The one thing that keeps project transportation investments moving is certainty of the funding which you have applied in the IIJA bill, but also an understanding and quick processing of decisions at the Federal level in permitting agencies.

We know that any efforts towards moving the One Federal Decision forward to streamlining the processing time, while protecting the environmental provisions of NEPA, are important and will certainly save us funds.

Mr. CRAWFORD. On that note, how committed do you think the administration is to improving permitting processes, especially given the fact that President Biden has moved to reverse NEPA reforms made during the previous administration?

Well, I will go ahead and start with you, Mr. Williams.

Mr. WILLIAMS. Thank you again, Chairman. Well, we have seen statements that have come through the administration through U.S. DOT that cause concerns about potentially overlaying additional regulations on top of what we see as statutory provisions in law. That raises concerns and questions for us going forward in terms of our ability to expedite the permitting, especially on the environmental side.

One of the things that is very important for us in terms of streamlining that process, Texas and several States enjoy a delegation of NEPA authority to us, where we are responsible for administering the NEPA programs within the Federal laws that exist. That has proven to be successful. We hope and expect that that will continue to exist. But that is an area that we have concerns that the administration is showing signs that they are pushing back on some of the flexibilities that are provided to States to take advantage of delegated NEPA authority.

Mr. CRAWFORD. Excellent. Anybody else have any comments on that?

No? Let me ask you this in the last almost 40 seconds that I have left. On greenhouse gas performance measures, the Texas DOT filed docket comments in opposition to the administration's proposed greenhouse gas performance management rule. In that proposal, FHWA sets very aggressive targets for carbon emission reduction and effectively takes away from States the ability to set their own targets. However, there is no legal authority for this proposed rule. Such a mandate was actually specifically excluded from IIJA during negotiations.

So, putting aside the lack of legal authority, the proposed rule also does not distinguish between urban and rural areas, and rural States where larger cities are still relatively small can't meaningfully reduce carbon by building a subway or a bus rapid transit system in an effort to reduce commuter automobile traffic, even if it was affordable.

So, is the administration's greenhouse gas performance measure a one-size-fits-all mandate?

And how can States reduce carbon emissions from transportation in rural areas?

Mr. WILLIAMS. Thank you, Chair Crawford. We agree that it is our position in Texas that the administration's proposed greenhouse gas rules go far beyond what is available in statute.

We support continuing the reduction that we have seen in greenhouse gases. But the proposed rules, along with the targets that they have established, are completely unrealistic, in terms of the ability of State DOTs through the transportation process, to see those achieved.

Mr. CRAWFORD. Thank you. I will now recognize the ranking member for 5 minutes.

Ms. NORTON. Thank you, Mr. Chairman.

Ms. Hammond, one of the goals of the Infrastructure Investment and Jobs Act is to help America tackle its biggest transportation projects by providing increased funding and long-term certainty. Your testimony notes that the number of large projects receiving Federal support increased by over 50 percent last fiscal year.

Can you speak to the economic and job creation benefits we see when we invest in critical large investment projects?

Ms. HAMMOND. Thank you. What we have seen and know about transportation investments is that there are early wins and long-term wins in transportation investment.

First, early wins, the benefit of added jobs in the community and construction jobs that are well-paying jobs and create a livable wage for folks.

Long term, these kinds of transportation infrastructure projects not only keep our travelers safe, but also enable them to live and travel in a way that economic growth and quality of life are enhanced within their communities.

So, it is a win-win, both early and throughout the continuation of investments and the benefits.

Ms. NORTON. Thank you.

Mr. Williams, in 2020, the American Association of State Highway and Transportation Officials adopted a resolution titled, "Addressing Race, Equity, Diversity, and Inclusion." The resolution aims to promote—and here I am quoting—"equity, diversity, and inclusion to address racism and inequality."

In a similar vein, the Texas DOT says the principles of diversity, equity, and inclusion must be integrated throughout all levels of Texas DOT to continually innovate and advance.

Can you speak, Mr. Williams, to how Texas DOT is working to address racism and inequality and promote diversity, equity, and inclusion, in line with the American Association of State Highway and Transportation Officials' resolution and goals outlined on your website?

Mr. WILLIAMS. Thank you, Ranking Member Norton. We are proud of the progress that we have made, both at the national level through AASHTO and within Texas, in growing the diversity of our programs, reflecting Texas and our Nation, and who we are and what we do.

And we have actually seen results. We have had a number of programs that have been designed to provide opportunity to a broad cross-section of individuals. Recently, our ConnectU2Jobs program that we have through the Texas DOT was recognized nationally in providing opportunities to previously justice-involved young adults, and introducing them and bringing them into the transportation industry, helping to expand the workforce that we have that I emphasized in my earlier remarks have been challenging for the industry.

I can also say that we are seeing results within the Texas DOT, and those results are aligning with Federal and State law that focus on merit and equality in how we go about hiring and promotion.

Looking at senior leadership appointments within my DOT over the past year, two-thirds of the hiring and promotion within senior leadership areas within the Texas DOT last year involved individuals with diverse backgrounds.

So, we are proud of the progress that we are making, and we look forward to continuing that going forward.

Ms. NORTON. Mr. Williams, in your testimony you discussed the importance of improving safety for all road users and applying the principles of a Safe System Approach. Sadly, traffic fatalities continue to rise across the country. I am particularly concerned with the safety of our most vulnerable road users, including pedestrians.

According to the Governors Highway Safety Association, pedestrian deaths are increasing faster than all other traffic fatalities. In Texas, pedestrian fatalities accounted for one in five of all traffic fatalities in 2021. What steps is Texas taking to translate the principles of the Safe System Approach to real-world project design and selection?

Mr. WILLIAMS. Thank you again for that question, Ranking Member. You are correct, focusing on vulnerable road users has been a top priority for the State of Texas as we have sought to reduce the rising level of fatalities that we are having in the State of Texas. And Texas is not alone. We have seen similar increases in State DOTs around the Nation, and focusing on all of the different contributing factors is very important.

One of the things that we have been doing in Texas—and you mentioned the Safer By Design approach—that applies to both rural and urban areas. We have been integrating that into updating our design standards that we utilize on both our rural and urban highways to better integrate designs for vulnerable road users.

In addition, we have developed a toolkit with the Texas A&M Transportation Institute to help look at tradeoffs on different types of safety measures that we can make when we are designing our roads to ensure safety in those programs.

Mr. BURCHETT [presiding]. Thank you. Notice the aggressive nature that I take with that mallet. Effective leadership has now taken over this committee. I just want you all to know that. No, just kidding. Who is next?

Oh, Mr. Webster, you are recognized.

Mr. WEBSTER OF FLORIDA. Thank you, Mr. Chairman. Thank you, witnesses, for showing up. It is really good. I read your testimony.

Mr. Boyd, you probably know that, from the U.S. Treasury, we have sent probably \$300 billion of moneys to pump up the Highway Trust Fund since maybe the last 15 years or so, which means we are really broke. We just aren't saying it. And so, we pump it up with money that we really don't have from sources that don't apply to transportation. But we do.

Are you in any way concerned about the certainty of future years of coming up with money and the solvency of the Highway Trust Fund?

Mr. BOYD. Absolutely, sir. I guess the greatest benefit, from a contractor perspective, from the IIJA was the 5-year guaranteed funding. And so, we have lived in—for so many years it was just

continuing resolution, continuing resolution, and it made it really difficult on the DOTs to plan. It made it difficult on a business such as CRH to plan, to invest, to invest in people, to invest in assets.

And so, yes, there is a concern. Where are we in 5 years? How do we fund it in 5 years? And that is why we are going to look to great Congressmen like yourself to help figure this out.

Mr. WEBSTER OF FLORIDA. Well, that is what I was going to ask you.

[Laughter.]

Mr. WEBSTER OF FLORIDA. Do you have any—

Mr. BOYD [interrupting]. I don't have that answer. I have no idea how we fund it in the future. But, obviously, we are going to need new revenue streams. And I am sure each of you have ideas on how that would be funded. But I do know, as far as a contractor in this industry, we would like, at the minimum, a 5-year plan so we can plan.

Mr. WEBSTER OF FLORIDA. So, you think we need something to plan on, I guess, in the future.

Mr. BOYD. Yes, yes.

Mr. WEBSTER OF FLORIDA. I have got a bill I might ask you to—I didn't think about this, but I do, and it is a bill that doesn't require any Federal, State, or local moneys. It is an infrastructure bill, but it is based on private money, not public money. And so, I would love your support for that.

We just filed it here the first week of the session, and we believe that there is money out there, billions of dollars out there that people are willing to invest in it from the private sector. And even if the road, which—I don't figure this is going to happen—it goes belly up, they would—there would be no dollars, Federal dollars, State dollars, local dollars spent on sort of fixing that up. It would be all public, and they would have to bear the burden if the project failed.

But anyway, I would give that to you as one example of something, and the good thing is, it would not distinguish between fossil fuel taxes and other opportunities for vehicles, electric-powered or otherwise, to skip some of those. And so, anyway, that is one thing I would like to tell you about.

But does anyone else have anything to say about the continuation of the Highway Trust Fund, as far as the solvency of it?

Yes?

Ms. HAMMOND. ARTBA has long supported the notion that transportation revenues should be collected from the users. So, user fees, certainly, are what we support, and have supported many opportunities for looking at vehicle-miles traveled or road usage charge kinds of collection systems to truly charge the users as they are using the transportation system.

That said, we know that in this transition between now and when we have a national pilot, we think that there are opportunities to make sure that even electric vehicles are paying their share and their fair use of the system. Thirty-two States, I believe, have enacted registration fees for electric vehicles, and we are encouraging the Federal Congress to consider a fee for electric vehicle

usage, so that they are also contributing to the investments in the transportation system.

Mr. WEBSTER OF FLORIDA. All right, thank you. Time is out.

I yield back.

Mr. BURCHETT. Thank you, sir. My friend, Congressman Larsen, is recognized.

Mr. LARSEN OF WASHINGTON. Yes, thank you, Mr. Chair. I couldn't help but note that in one of the testimonies the passage of the law was called a once-in-a-generation opportunity. And I really want to break us of that. Because when you look around the paintings of this room, you are reminded that passing a transportation bill was like a once in every 5- to 6-year opportunity. It used to be the regular, boring work of Congress to fund the infrastructure on a consistent basis. And I think we need to get back to that, rather than wait another generation to do something like we just did. And so, I hope that we can start putting pieces in place over the next several years so in 4 years or so, we can return to looking at this again, and pass another round of policy change and funding to continue the great work that this current bill is doing.

But this bill does—we do have challenges, as well, with this bill. And I want to first go to Paula Hammond, because your testimony, as well as others, talks about the rising costs of inflation. I think we need to recognize that as an implementation challenge. I don't think we should shy away from that. But Mr. Williams said that we want to work with the DOT to address that.

So, I am going to ask you first, what can we do to address that, from a construction perspective, from a—

Ms. HAMMOND [interrupting]. Well, one of the things that we know as we recover from the pandemic and the supply chain issues and the rising cost of inflation is that, without this money, we would all be in trouble. The transportation industry would be in a contraction area.

The benefits the transportation projects are creating for the users—let's not forget the people that we are serving—is going to help, I think, with the economic recovery of our country and in communities and States.

I think certainty is the most important thing that Congress and U.S. DOT can give us on how we take care of bringing back manufacturing to the United States, how we do it reasonably and practically, and not hold up the delivery of projects with the uncertain Buy America provisions. We need those to be settled, because we support this happening, we just need to know some certainty. And I think that is one of the most important things that we can move forward with.

Mr. LARSEN OF WASHINGTON. Yes, Mr. Williams, do you have anything to add on maybe how to address this particular challenge?

Again, it is a real challenge, and we shouldn't shy away from it.

Mr. WILLIAMS. Thank you, Ranking Member. I would echo the comments of the witness. Certainty in regulatory and permitting issues, but also flexibility, flexibility in our ability to utilize the different formula portion programs within the IIJA to meet the unique needs that each State has, so that we can direct those funds

to the projects that can move forward most efficiently and effectively, and put those dollars to work.

Mr. LARSEN OF WASHINGTON. Mr. Boyd, one of the challenges you outlined was workforce availability, workforce development. How are you dealing with workforce availability as well as workforce development?

What are you doing? Maybe what you are telling your members, as well.

Mr. BOYD. We are getting very, very involved in vocational schools from the front end. We are encouraging high school students to look at vocational schools. We have a very robust intern program ongoing, and the thousands and thousands and thousands of job fairs we are trying to participate in.

And the workforce is a challenge. And like I said in my opening statements, drivers and operators seem to be our biggest hole. But we would gladly support any Federal help we can get, whether it be through vocational schools or any kind of driver or operator training that we can get done. But the workforce is an issue.

Mr. LARSEN OF WASHINGTON. Great. Mr. Dreher, I don't recall if your testimony exactly—if you addressed—maybe you did address Build America, Buy America. I would argue it is something we here on the committee are, as well, going to walk through a little bit to get it to happen. Do you have some thoughts about how we can do that?

Mr. DREHER. So, just the Buy America provisions, we are pretty familiar with it. A lot of the jobs that we bid, we understand the provisions. And when we run into challenges as we are on the project and there are only certain components of that project that might actually come from nondomestic sources, and we have to apply for the waiver. And sometimes that waiver process takes well over 12 months.

It just ends up adding costs, it delays the job. And if you can't get these components, that ends up pushing the overall schedule.

Mr. LARSEN OF WASHINGTON. Well, thank you. Thank you very much. And Mr. Chair, there are benefits to infrastructure funding. We have seen early results. There is more to come, and I appreciate the chance, and I will yield back my negative 28 seconds to you.

Mr. BURCHETT. Thank you. I will covet that for never.

[Laughter.]

Mr. BURCHETT. This is coming to the weird part of this thing, where you recognize yourself. So, I am recognizing myself, which I always thought as kind of odd. But anyway, thank you all for being here.

Mr. Boyd, I am curious about the excessive waters of the United States regulations that have affected your industry. How have they, and is it negatively or in a positive manner?

Mr. BOYD. First of all, Congressman, thank you for visiting our asphalt plant in Knoxville. So, thank you for that.

Mr. BURCHETT. Yes, sir. It is the most recycled product in the world, is asphalt.

Mr. BOYD. Absolutely, absolutely. And I assume you are referring to WOTUS.

Mr. BURCHETT. Yes, sir.

Mr. BOYD. I think they are causing issues, not only for the DOTs, where the—probably new capacity, new construction-type products, but they also are causing issues for the contractors such as ourselves, from a permitting—trying to find new sand and gravel or limestone or granite quarries.

And I gave an example yesterday to a group of people, where permitting was ultimately denied on a potential aggregate site, just due to—a farmer had just a little pond in his pasture for his cattle, like, less than an acre pond. And the water would get in the pond 3 months out of the year. Sometimes it would overflow over the dam. And somehow or another that overflow got the attention that it was a navigable stream, or went to a navigable stream. So, anyway, ultimately, that permitting got denied because of that little issue.

So, we do need clarity around WOTUS. It seems, the rules, to be changing. And from a contractor perspective, that is our biggest issue, is from the permitting side.

Mr. BURCHETT. Thank you, Mr. Boyd. Another question, and I wear these old Carhartt jackets, and I remember one time my friend, Maxine Waters, when I was just a young freshman up here, asked me, “Are you that boy that always wears that barn jacket?”

And I said, “Yes, ma’am.”

And she said, “Why do you wear that?”

And I said, “Well, Chairlady, because that jacket is just like me.” I said, “Three reasons: it holds up under pressure, it is American-made, and it is cheap.”

And she said, “We are going to get along just fine,” and we have become best of friends since then. I know that causes both sides of the aisle much anger and fear, but I think it is kind of cool, myself.

And I say that because I am always about buying American. I don’t even buy Levi’s anymore, I buy them off of eBay, because they are not made in America, just like this style of Carhartt that I like.

Why is it so important that construction materials be excluded from the Buy America?

Mr. BOYD. And that is a region-to-region issue. There are parts of the country that—I am going to use liquid asphalt for an example. That is the binder that goes on the hot mix asphalt. There are parts of the country in the Northeast that do not have access to that material. And most of that is brought in from Canada. So, obviously, that would create an issue.

The other issue would be from an aggregate perspective. On the gulf coast, we have been used to getting aggregate in from South America on boats and ships. And so, if that is negated, that is obviously going to cause a supply issue on the gulf coast part of this country.

And that is two examples that we have in our business.

Mr. BURCHETT. All right, Mr. Dreher, you kind of look a little lonesome over there, so, I am going to ask you a question. How can the Federal Government get out of your way so your projects can get built better and at a lower cost?

And I do appreciate the ABC, they have been a constant thorn in my side for about 26 years now, and I have enjoyed that relationship.

Mr. DREHER. Thank you. Permitting, right? So, the overall duration of the project from start to finish, funding, permitting, to construction, the overall duration, just removing the redtape to improve that process.

PLA mandates, we have heard it a lot today. There is a significant workforce shortage in all industries. We believe in fair and open competition. Mandating only unionized contractors can bid projects only exacerbates the workforce shortage issue. So, fair and open competition and allowing more bidders to participate in the projects ultimately will open the competition, reduce costs, and reduce schedule.

Mr. BURCHETT. Thank you.

Mr. Williams, in 5 seconds, can you tell me what the biggest challenge for States to deliver infrastructure projects is?

[Laughter.]

Mr. WILLIAMS. Inflation.

Mr. BURCHETT. Thank you. I yield nothing back to no one, and I recognize Representative Strickland.

[Pause.]

Mr. BURCHETT. Who have we got next?

Mendez—Menendez. I am sorry, brother.

Mr. MENENDEZ. Hey, you got it right the second time. That is all that matters.

Mr. BURCHETT. Yes, nobody gets Burchett right, don't worry.

Mr. MENENDEZ. Thank you, Mr. Chair.

Mr. Boyd, I just want to go to you real quickly. I think in your written testimony you state that CRH has over 3,000 current open jobs. Is that correct?

Mr. BOYD. That is correct.

Mr. MENENDEZ. And you have testified today that our workforce is one of the biggest challenges that we have in moving these large-scale infrastructure projects?

Mr. BOYD. That is correct.

Mr. MENENDEZ. And you point to developing vocational schools, is that correct?

Mr. BOYD. Yes.

Mr. MENENDEZ. I agree with you. You also point to bipartisan measures for programs for America's veterans, active and Reserve servicemembers. Is that correct?

Mr. BOYD. Yes.

Mr. MENENDEZ. I agree with you, sir. Finally, you urge Congress to examine and update our immigration laws and provide new opportunities to increase the legal workforce in the United States. Is that correct?

Mr. BOYD. Yes, sir.

Mr. MENENDEZ. I agree with you, sir. And I would just urge you and all people in your industry across the country to urge your Representatives to do the same. We are here, and we are capable of passing those laws to get you the workers that you all need. And I would love, love to work with my friends across the aisle to make that happen for all of you. So, thank you for including that in your testimony.

Ms. Hammond, your testimony highlights that at least one new project is underway in every congressional district. Is that correct?

Ms. HAMMOND. That is correct.

Mr. MENENDEZ. In your experience leading a State DOT, how important is it that every community receive equitable infrastructure investment?

Ms. HAMMOND. Well, first of all, the benefits of the Federal law allow for flexibility for States to make the investments that are needed in their States and regions and communities.

As those dollars are spent flexibly, the formula dollars, and even in the new discretionary programs, States and local agencies can compete to invest in the kinds of projects and programs that either enhance the ability for freight to move better, for people to live in a suburb and work in the city, but also for those communities who have been harmed in the past by some of the investments our forefathers made in the transportation interstate and other kinds of investments, just like environmental impacts that we have seen we have made over the years, we are correcting those.

And so, now our investments are able to go to the right place at the right time to enhance the quality of life and the economy of the communities that we serve.

Mr. MENENDEZ. Correct, and I appreciate that. And by—in a short way, saying that having a project in every congressional district basically assures the American people that no one is getting left behind with the implementation of this law. Would you agree with that statement?

Ms. HAMMOND. Absolutely.

Mr. MENENDEZ. Thank you so much. One more question for you. We want to maximize this investment, every single dollar. How can our communities leverage these Federal dollars to ensure they continue to see projects delivered for their constituents?

Ms. HAMMOND. Communities can and should be working with their State DOTs not just when there is an opportunity for a grant, but early and often communicate on developing a transportation plan that works not just for the State, but for the communities, as well.

And so, the more cooperation we get at the local level with our delivery partners and owners of the State's infrastructure, and the more or the less redtape that is provided on delivering those dollars, the better. Certainty in the rules as they are coming out on the delivery of IIJA, and understanding what it takes to get these projects delivered is critical.

Mr. MENENDEZ. Absolutely. I appreciate that. So, let's work together is what I am hearing, right?

Ms. HAMMOND. Yes.

Mr. MENENDEZ. Federal Government, States, municipalities across the country?

Ms. HAMMOND. Yes.

Mr. MENENDEZ. I agree with you. You also mentioned—sorry, I am going to come back to you for one more thing. You mentioned flexibility in this comment. You also mentioned certainty, and that the best thing that Congress can do is provide certainty for municipalities, States, and their planning of these large, large projects.

Would you agree that the certainty of fully funding and implementing the Bipartisan Infrastructure Law would be helpful, and provide the certainty that you alluded to earlier? Yes or no.

Ms. HAMMOND. Yes.

Mr. MENENDEZ. Extremely helpful. One more quick question with my 42 seconds.

Mr. Williams, Texas Department of Transportation, I believe there are 38 congressional districts in Texas, which means there are at least 38 projects going on in Texas right now. I represent New Jersey. We only have 12 congressional districts. So, when we think about this as a national issue, how important is it that all 38 congressional districts in Texas are participating in this program?

Mr. WILLIAMS. It is very important, because—and we work with not only those districts, but with the MPOs and the local communities to advance those projects and to leverage the Federal funds, along with State funds, to help address safety, resiliency, and relieve congestion around the State.

Mr. MENENDEZ. Absolutely. And I don't have any more time, but that was because the chair got my name wrong, so, I yield back my negative time. Thanks so much.

Mr. CRAWFORD [presiding]. The gentleman yields. Mr. Nehls is recognized for 5 minutes.

Mr. NEHLS. Thank you, Chairman.

Mr. Williams, good to see you and the others on the panel. I represent Texas' 22nd Congressional District, southwest Houston, a very, very busy, busy area, a growing suburban area of Houston, and just growing leaps and bounds. And we had a great conversation yesterday, Mr. Williams, talking about some of the obstacles, some of the hurdles that we are having to deal with, with the population growth that we are seeing in the great State of Texas. And I appreciate your time.

And one of the things that is really incredibly frustrating for my constituents, and I think for Americans across the entire country, is the politics, the politics that get involved with things that could have or have a potential impact on our lives, things that could improve our lives.

The example I would like to share with you is: The Federal Highway Administration sent a letter to TxDOT, sent it to you, asking you all to halt construction of Interstate 45's expansion project because of civil rights and environmental justice concerns. This pause, it lasted 2 years, 2 years. There was a letter sent to the DOT up here, and a complaint was filed that said that this project, an \$8 billion project, violated the Civil Rights Act of like 1964 or 1965.

I don't know how this road project was considered racist. It was there to reduce congestion. And if anybody lives around that Houston area, if you ever want to try to drive to Dallas on I-45, or if you live off of 45 and you want to get into Houston, I highly recommend you don't start work at 8 o'clock in the morning and try to get home at 5 o'clock. A 4-hour trip to Dallas could take 6 hours, because it is just—it is crazy, that road. And we need this road.

I believe, Mr. Boyd, that you talked about permitting, the delays of these permits.

I think, Ms. Hammond, you talked about inflation. I can't imagine this project has been in the works for 17 years, 17 years. It kept getting delayed. They were coming out there. The environ-

mental justice warriors are saying that the project is racist. Big, big problems. I can't imagine what the inflation has done now. Maybe it is not going to be \$8 billion, maybe it will be \$9 billion, maybe it will be \$10 billion because of these continued delays.

Mr. Williams, is that I-45 project racist?

Mr. WILLIAMS. I don't believe that highway projects in and of themselves are racist. We work hard to ensure that, when we develop projects, that they align with Federal environmental policies, and we work with the communities that are served by those to mitigate and minimize impacts to those communities.

Mr. NEHLS. I agree. Did the project not consider environmental concerns?

Mr. WILLIAMS. We went through a number of years of environmental permitting, working as well with the Federal Highway Administration. When we reached our Record of Decision 2 years ago, it was immediately after that that the project was paused.

We did not agree with the pause. We feel that that time duration that was involved was entirely too long, and the project was severely impacted by rising inflation costs.

We are pleased that we have reached a voluntary resolution agreement with the Federal Highway Administration that allows the project, as it was originally approved environmentally, to once again proceed. But the 2-year delay certainly has had a significant impact on that.

Mr. NEHLS. That is great. Common sense prevails, I guess, here.

U.S. DOT and State DOTs are supposed to be partners, supposed to be partners coming together in support of the Nation's transportation system. How is that working out for us?

Mr. WILLIAMS. Well, I would say that, on balance, we have a good partnership with our Federal Highway Administration. Our division office in Texas is one that we work with very carefully, and we work with and we appreciate the involvement of different levels of individuals within the Federal Highway Administration.

I would say that the memorandum that was drafted a couple of years ago in December of 2021 that sought to redefine a century-old relationship between States and FHWA caused concern, not just for Texas, but for many of our AASHTO member States. We are pleased that that memo has been largely rescinded and replaced with a memorandum by the new Administrator that reflects and reaffirms that commitment.

Mr. NEHLS. One of the things we discussed yesterday was the Railroad Crossing Elimination Program. And I am very interested, obviously, in this program. It seems like something that would eliminate lengthy delays at railroad crossings. I think it improved safety, and something that the freight industry would support. And I ask that you work with us, work with my office on improving the program, and any other State DOT that thinks they have some good policy suggestions to either expand the program or make it more efficient.

Obviously, in the news recently, rail derailments—I mean, individuals crossing these rail crossings unsafely, we can do better at that. And I want to work with you to make sure—and anybody else, any other State that is interested in improving that program, because I think it is very important.

Thank you, sir, and I yield back.

Mr. CRAWFORD. The gentleman yields. Mrs. Napolitano is recognized for 5 minutes.

Mrs. NAPOLITANO. Thank you, Mr. Chair.

Mr. Williams, your testimony discussed the need for the Federal Government to provide flexibility to States in deployment of electric vehicle charging infrastructure. I am very concerned that the Federal law currently prohibits States from allowing electric vehicle charging stations at highway rest stops.

Do you believe highway rest stops would be an ideal location to install electrical vehicle charging stations to address range anxiety for long-distance travels, and adding charging stations in rural locations?

Do you believe Congress should allow States to install these at public rest stops?

Mr. WILLIAMS. Thank you, Congresswoman. Speaking for AASHTO, I know that a number of States within the AASHTO organization are looking or would appreciate opportunities for allowing electric vehicle charging at rest areas.

Speaking on behalf of Texas, I don't believe that that would be an area that we would be directly focused on. I think we recognize the importance of collaborating with the private sector to allow for electric vehicle charging infrastructure to be provided and implemented around the State. And that would be our first course of action, would be to look at existing private-sector infrastructure as partners in that program.

Mrs. NAPOLITANO. Wouldn't it add to the area of anxiety relief for travelers?

Mr. WILLIAMS. Well, I believe each State has an opportunity to make their own decisions in that area. And so, I think, to the degree to which Congress can allow flexibility for those States to do that, I know that that would be welcome.

Mrs. NAPOLITANO. OK, sir. Mr. Williams, Texas and my home State of California are both impacted by highway-rail crossings and the safety and congestion issues associated with them. How important is the highway-rail grade crossing elimination program to the States?

Mr. WILLIAMS. They are very important. And I would say, too, that speaking for a State that has got 88,000 miles of highway and 14,000 miles of Class I railroad, we have got a large number of at-grade railroad crossings. We get \$20 million a year to address those, which is entirely insufficient. And so, we are often supplementing those funds with State funds and flexibility with other Federal program dollars to address them.

We do appreciate, as well, the partnership that we have with Class I railroads, who often contribute some of their own funds to help address those needs. But there are large needs in that area. Yes, ma'am.

Mrs. NAPOLITANO. All right. Ms. Hammond, in the past, we have heard fears of partisanship with discretionary grants—the idea that the Biden administration might play favorites, or fail to award grants to rural areas, or refuse to award grants to highway projects. Your testimony finds that isn't the case.

Can you speak to what your organization has learned about how the administration has distributed funds under discretionary grant programs like INFRA and RAISE?

Ms. HAMMOND. Thank you, Congresswoman. The data that we collect at the ARTBA dashboard—and I encourage you, any of you, to go look at it at any time, not just the materials we provided today—really is identifying the kinds of benefits and areas where these discretionary grant investments are being made.

We are seeing urban and rural investments made. We are seeing freight investments, highway safety investments, and a number of community enhancement investments, as well. So, I would say that, so far, we are pleased with how the administration is distributing funds. We are not seeing favoritism, but we are seeing much and long-needed investments being attended to through some of these targeted discretionary funds, and also with our formula funds that States have flexibility with.

Mrs. NAPOLITANO. And this helped the communities that are at risk, or that are low-income?

Ms. HAMMOND. Excuse me?

Mrs. NAPOLITANO. This helped many communities that are at risk and at low income?

Ms. HAMMOND. Yes, yes. And I mentioned before, the issue of some of the impacts that our investments and major interstate construction specifically have caused for communities over the years. And this is a 50-, 60-year challenge and issue.

And one of the benefits of what we are seeing in the industry now is not just through discretionary grants, but our State DOT partners and our local agencies are looking hard at how to reduce and mitigate the impacts that have been caused reconnecting communities, not just communities of color, but low-income communities that were severed and impacted greatly in the past.

Mrs. NAPOLITANO. Thank you very much.

I yield back.

Mr. CRAWFORD. The gentlewoman yields. Mr. Mann, you are recognized for 5 minutes.

Mr. MANN. Thank you, Mr. Chairman, and thank you all for being here today.

I represent the Big First district of Kansas, 60 primarily rural counties in the western and central parts of our State, where transportation infrastructure is vitally important. We have a lot of agriculture, we have a lot of roads and bridges. We have got to have the infrastructure in place to get our ag products out of fields, away from feed yards, and to the mouths that will consume them. As a geographic center of the United States, Kansas offers excellent transportation advantages for several industries. But in order to maintain these advantages, it is imperative that our State's infrastructure is up to date.

I have met with many of our road and bridge contractors all over Kansas. These are fantastic people, great Americans that are building and maintaining our infrastructure, despite incredible challenges with labor, regulations, redtape that they have cut and fight through every day.

I believe strongly that everyone on this committee and everyone in Congress, whether we voted for the infrastructure bill or not, it

is imperative that we oversee this thing to make sure that, if we are going to spend \$1.2 trillion, that we actually get \$1.2 trillion of infrastructure for this Nation and for the taxpayers in return.

My first question for you, Mr. Boyd, can you elaborate specifically on the permitting challenges that you see, and how does it impact project costs?

Mr. BOYD. First of all, thank you for visiting our Ash Grove cement plant back in your home State.

Mr. MANN. Yes.

Mr. BOYD. So, thank you for that.

Back to what I said earlier about permitting issues, from a contractor perspective, we are ready to go to work. And to see the DOTs delay projects because of permitting, obviously, it causes workforce issues because we need to hire people, we need to put them to work. We don't need to be waiting.

And so, we would just like to see, obviously, more clarity in the permitting process to help speed up projects. From a contractor's perspective, that is what we would like to see, just more clarity, and streamline the permitting process.

Mr. MANN. And when you look at a project cost, generally speaking, how much do you—it is going to vary widely by project, I understand. But if it is a \$10 million project, how much typically goes to permitting regulations with the compliance side of the job, so to speak, in your mind?

Mr. BOYD. I am going to kind of look at Marc. I would say 10 percent, 15 percent.

Mr. WILLIAMS. That is probably a fair—yes. And the time delay is—the time involved, especially for environmental approval, is often as much as it takes to construct the project itself.

Mr. MANN. Yes, and I think that is important for us to remember, especially when we are in an inflationary environment. Delays cost money, and costs are increasing, and you all are trying to manage the bid that you made. You have got to bid high, knowing that the costs are moving underneath your feet while you are experiencing these delays.

Mr. BOYD. Yes, I mean, and so, if the Texas DOT had a project they were ready to bid 2 years ago, but they weren't able to because of some kind of permitting issues, today that same project is probably 20-plus percent more than it would have been 2 years ago.

Mr. MANN. There you go. So, you think about spending \$1.2 trillion, 10 to 20 percent, we are hundreds of billions of dollars just in the permitting. And I just think it is important for this committee to keep that front and center, and for the American taxpayer to understand that, as well.

A similar question for you, Mr. Dreher. Regulations like WOTUS, NEPA, all this stuff, what would be your perspective on what it really costs the industry, and how much we are adding to project costs?

Mr. DREHER. I will get back to you with an answer on that, but just very similar to the permitting, just all the regulatory items end up just driving up costs significantly, whether it is pre-construction or on-the-job costs, at the end of the day.

Mr. MANN. Yes, great. Well, with that I yield back. I just think we have got to be hyper-focused on making sure, if we are going to spend \$1.2 trillion, let's get \$1.2 trillion of infrastructure in return for this great country while we move forward.

So, thank you for the time, Mr. Chairman.

Mr. CRAWFORD. The gentleman yields. Mr. Johnson is recognized for 5 minutes.

Mr. JOHNSON OF GEORGIA. Thank you, Mr. Chairman, for holding this hearing, and thank you to the witnesses for your testimony today.

In 2015, President Obama signed the FAST Act, which was the first Federal law in over a decade to provide long-term funding certainty for surface transportation infrastructure planning and investment. Fast forward to 2021, and we saw President Biden sign the Infrastructure Investment and Jobs Act into law, furthering Democratic leadership's commitment to improving this Nation's infrastructure that had been neglected for so long.

We have seen many positive results in just the first year of implementation of the IIJA, including implementation of the largest Federal investment in transit in this Nation's history.

In August of last year, the Federal Transit Administration announced funding for the Low- or No-Emission Vehicle Program. This program provides funding to help transit agencies buy or lease U.S.-built, low- or no-emission vehicles, including related equipment and facilities.

I was happy to hear that the Metropolitan Atlanta Rapid Transit Authority received \$19.3 million in grants to purchase 25 electric buses and charging infrastructure. Ms. Hammond, for decades, infrastructure in Georgia and other States has suffered from a systemic lack of investment. In fact, in 2021, the American Society of Civil Engineers gave Georgia a C grade in its infrastructure report.

The historic Infrastructure Investment and Jobs Act is beginning to make real and positive impact on the lives of millions of Georgia residents, while spurring economic development and creating a generation of good-paying union jobs, which positions Georgia to continue its significant role in building the 21st-century economy in our great Nation.

Without Federal funding, how would America be able to rebuild old and build new infrastructure to secure our future as a world economic leader?

Ms. HAMMOND. In short, we wouldn't. I would like to recognize that in Georgia and States across the country, State legislators are enacting State revenues to participate in and partner with the Federal Government in building our Nation's infrastructure, so, much progress has been made in recent years.

I would say that we need to do this from both the Federal, State, and local area, and get our users involved in paying their fair share for the use of the system.

Mr. JOHNSON OF GEORGIA. Thank you. The IIJA provides \$50 million in funding for the Disadvantaged Business Enterprise Supportive Services program through 2026. Can you speak to the importance of this program in improving access of small businesses to compete as prime and subcontractors on federally assisted contracts?

Ms. HAMMOND. I would say today you have heard the common theme of workforce challenges. There is not enough of us at any aspect of the transportation delivery process. The disadvantaged business programs are going to help bring new partners into the transportation delivery process.

The more we can help people contribute to the mission that we are on to invest in our Nation's infrastructure, the better. So, I encourage more of these kinds of programs and the ability for disadvantaged businesses to come into the business.

Mr. JOHNSON OF GEORGIA. Thank you. Mr. Williams, you testified earlier about the great work that the State of Texas is doing in terms of diversifying workforce. What is the State of Texas doing to encourage diversity, in terms of businesses that are doing business in Texas?

Mr. WILLIAMS. Thank you, Congressman. You mentioned the Disadvantaged Business Enterprise program, and that has been one that we have been very invested in and growing over the past several years. As our program has grown, so too has our investment in disadvantaged business enterprises.

One of the things that I would call attention to, and I ask that Congress and U.S. DOT to continue to look at, is just the threshold that is established for companies to remain qualified as disadvantaged businesses. As the inflation and the cost of projects has risen, so too does some of the criteria in terms of net worth and the receipts for those companies. Those two also need to keep up so we can keep those companies in the program, and help them grow and become more established.

Mr. JOHNSON OF GEORGIA. Excellent point. Thank you, Mr. Williams.

And thank you all for your testimony. And with that, I yield back.

Mr. CRAWFORD. I thank the gentleman. And Mr. Yakym is recognized for 5 minutes.

Mr. YAKYM. Thank you, Mr. Chairman, and thank you to our witnesses for being here today to lend your expertise as we conduct this important hearing on IIJA oversight and implementation.

This legislation represented a significant investment in our Nation's infrastructure, and such a significant investment carries with it a significant responsibility on the part of this committee to exercise oversight and make sure that we are being good stewards of our taxpayer dollars. This means ensuring that worthy projects are funded, that the administration is following legislative intent, and that projects have a smooth runway, from initial concept all the way to the ribbon cutting.

We also want to ensure that local governments with limited resources aren't so overwhelmed with burdensome regulation that they don't apply for funding, and thus miss out on the opportunities that are created by this legislation.

I wasn't in Congress when IIJA was passed, but I want the Infrastructure Investment and Jobs Act to create quality infrastructure investment and jobs around the country, as well as my congressional district back in Indiana. In hearing the testimony today, it makes me concerned that we are not hitting some of those benchmarks.

All of you talked about the impact of inflation, which is the single top issue I have heard from my constituents inside my district when traveling around the district. One of the first meetings I had as a Member of Congress was actually with a regional planning authority who told me that inflation created a \$10 million shortfall for an important overpass project that they wanted to do inside my district. Ten million dollars is a rounding error for the Federal Government. But for Indiana's Second Congressional District and some of these local municipalities, it is real money, and it is oftentimes real money that they don't have.

So, the question becomes, what do they do? Do they take on more debt at a time of rising interest rates? Do they postpone the project and direct funding to other projects? Or do they just scrap the project altogether? It is truly a menu of bad options for local governments, State governments, and municipalities. Inflation is sand in the gears that is reducing the effectiveness of IIJA.

But I have some other concerns on implementation, as well. Specifically, Mr. Boyd, you mentioned the OMB's confusing and contradicting Buy American rule that may end up upending a lot of the groundwork that assumed that the administration would follow congressional intent. Will this rule, as presently written, and the seemingly unnecessary confusion it has created, increase or decrease the cost of infrastructure projects?

Mr. BOYD. Obviously, it is going to increase the cost. If the exclusions are not made for the bill of materials that we have requested, costs will go up.

Mr. YAKYM. Thank you. Will it speed up or slow down the cost of infrastructure projects?

Mr. BOYD. It is going to slow down.

Mr. YAKYM. Will it increase or decrease the number of infrastructure projects that can be completed?

Mr. BOYD. It is obviously going to reduce the projects.

Mr. YAKYM. And do you believe that this rule will increase or decrease the effectiveness of IIJA?

Mr. BOYD. It will decrease it.

Mr. YAKYM. Thank you, Mr. Boyd.

Ms. Hammond, you talked about the challenges of permitting, and how it takes 5 to 7 years, on average, to complete just an average environmental review for a Federal-aid transportation project. And that is nothing to speak of lawsuits or other litigation that may come their way and have to work through the court system before going fully under construction.

You know that the White House's Council on Environmental Quality is rolling back NEPA reforms, and I want to ask you the same question as Mr. Boyd. Will the White House's NEPA reform rollback increase or decrease the cost of infrastructure projects?

Ms. HAMMOND. I am not sure I can answer that. I don't totally understand the reform rollback you are mentioning.

Mr. YAKYM. OK, great. Thank you.

And Mr. Chairman, I yield back.

Mr. CRAWFORD. I thank the gentleman and recognize Ms. Brownley for 5 minutes.

Ms. BROWNLEY. Thank you, Mr. Chairman.

Ms. Hammond, you mentioned this morning the recent accident in Baltimore. And in your testimony, you also mentioned the need for what you called positive separation to help reduce work zone accidents. Can you elaborate a bit on what that entails and how it will improve safety?

Ms. HAMMOND. Certainly. If you consider a heavily traveled highway or freeway, and when inevitably you are widening that road, it is always under traffic. And so, as the States and the local agencies are making their construction projects available, one of the things that we are all talking about is how to keep our workers safe—not just contractors, but our State employees, as well.

And so, positive separation really means median barrier, or Jersey barrier, as you see often. That doesn't solve every problem. States are investing more in impact attenuators to protect their workers. But the more kinds of precautions we can take like that, in addition to speed enforcement in work zones—there are great gains there we need to continue—as well as the education of our drivers, which IIJA provides for, and then enforcement in general is critical as we put people's lives at risk every day on the road.

Ms. BROWNLEY. Thank you for that. And again, to ask an entirely different question, Ms. Hammond, what are your organizations doing specifically to help recruit and retain women in construction?

Ms. HAMMOND. Personally, I have just recently been the chair of WTS, which is Women in Transportation, an association that has really been working to advance women in transportation throughout their careers. I have been in this industry for 44 years. It has been pretty lonely, I will admit, at times.

We don't get to see nor have we effectively, all of us, marketed transportation careers to not just men, and not just engineers and planners, but to the wealth of disciplines that are necessary to pull off the kinds of transportation investments we are making for communities.

So, I think we need better coordination amongst all of us looking to expand our workforce and build a diverse workforce that truly represents the citizens that we serve.

Ms. BROWNLEY. Thank you. Thank you very much for that.

Mr. Williams, in your testimony you noted that some rural States are seeking flexibility in the National Electric Vehicle Infrastructure Program. Can you elaborate on that a bit, on some of the specific challenges rural States are having, and what specific flexibilities are you seeking?

Mr. WILLIAMS. Thank you, Congresswoman. So, specifically, Texas, along with several other rural States—Montana and a few others—have asked for flexibility in the 50-mile placement requirement for electric vehicle charging stations. We believe that the location of those should be somewhat market-driven in areas, while still addressing equity and the effective distribution of those.

But it is going to be costly in some areas of the State, in Texas and other locations, to potentially meet that 50-mile spacing requirement for electric vehicle charging. And so, that was the specific reference that we were—

Ms. BROWNLEY [interrupting]. I see. And what you mentioned earlier with regards to your own State, you said you were going to

really deal with the private sector in terms of building that infrastructure. Is that one of the limitations, that there is just not the private sector out there in the rural areas to partner with?

Mr. WILLIAMS. Yes, ma'am, a combination of that and just the market demand with vehicles in those areas, as well. There have to be users, there has to be a market demand for those vehicles, for those charging stations to be maintained and profitable. State DOTs are not in the business of running gasoline stations or electric vehicle charging stations. So, we have to work with the private sector if we are going to be successful with that program.

Ms. BROWNLEY. Thank you for that.

And I just have a few seconds left, Mr. Dreher, to ask you a quick question. You mentioned the need for new construction equipment in your testimony. And when your company looks at these new purchases, would you consider zero-emission heavy duty vehicles in that process?

Mr. DREHER. Absolutely. Whatever the most economical option is, we are certainly open to that to reduce our carbon footprint.

Ms. BROWNLEY. Great. Thank you very much.

I yield back, Mr. Chairman.

Mr. CRAWFORD. The gentlewoman yields. Mr. Edwards, you are recognized for 5 minutes.

Mr. EDWARDS. Thank you, Mr. Chair.

To all of you, thanks for sharing some time with us this morning. We appreciate it. And I know some of you came quite a distance. I will begin with this question for the gentleman on the left, Mr. Williams. I can't see that far anymore, so, thank you.

There is a clear theme here, that we are experiencing inflationary measures that are slowing projects down, making projects more expensive. We are experiencing supply chain interruptions, there are permitting issues. Because of those delays, how much of the \$1.7 trillion in the IIJA might not be spent in any time that is required to be spent in that act?

Mr. WILLIAMS. Thank you, Congressman. So, the delays are certainly going to translate into a longer time period over which the IIJA funding would be spent. Texas will certainly spend all of the money that is formula apportioned to the State of Texas. We are going to get the money out. The challenge is in the timeframe and the expediency in being able to do that.

And so, the additional permitting requirements, regulatory requirements can add to that. Furthermore, they can also increase the cost of projects themselves. And so, ultimately, the buying power of Federal funding has been diminished, and significantly so over the past couple of years in Texas, to the point that I made earlier, that where it stands right now we don't believe that the Federal buying power that we have, even with the increase in funds through the IIJA, is as much as it was just 2 years ago.

Mr. EDWARDS. And so, what are the options when a project experiences these cost overruns? If a project has got \$50 million assigned to it, we have now spent \$50 million, but because of inflation and delays it is going to require \$75 million, what are the options at that point?

Mr. WILLIAMS. Well, there are no real good options. In some instances, the project may have to be scrapped. In other instances,

the project may need to be rescoped. Or we have to find additional funds to cover the cost of that project, which means that another project somewhere else in the State is being delayed. So, there are really no good options when we are in a situation where the cost of projects is growing so significantly.

Mr. EDWARDS. And so, you are telling us that a project might be scrapped. That means that money has been spent—in some cases, a tremendous amount of money has been spent—and somewhere along the line, we are just going to stop a project.

Mr. WILLIAMS. If we have to stop a project, it is going to result in money that has been wasted. Yes, sir.

Mr. EDWARDS. All right. One of the things that I have not heard much talk about that I know takes place, and that is legal delays and expenses in projects. I know that many highway projects, bridge projects, for one reason or another, end up in litigation. Can you speak at all to the cost or the time involved in legal disputes that you have seen as a result of these projects?

Mr. WILLIAMS. Well, it has been a very real impact for Texas, as it has been for a number of States. Not to diminish the importance of ensuring that our projects align with State and Federal laws, but as the Congressman from Texas previously spoke about, we had a major project in Houston that was delayed by 2 years because of legal challenges that came about through that. And through that 2-year period, we had to work with the Federal Highway Administration and some of the local governments to address their concerns.

The outcome of that was basically the project that we had approved environmentally was approved to move forward, only 2 years later, with the impact of additional inflation costs being put on top of that.

Mr. EDWARDS. And so, you have assigned a value—I think I heard maybe about 30 percent—being added to a project because of inflation. Can you assign a value to the legal expenses and delays?

Mr. WILLIAMS. It is very difficult to do that, because they take different forms. But I can say that it is very significant. And we spoke about the inflation cost of 2 years of delay. Adding to that, that will translate into the hundreds of millions of dollars on the project that we referenced in Houston alone on that, as a minimum.

In addition to that, just the time and expense that goes in to the professional services and other fees that are involved in addressing the regulatory and permitting issues, the legal expenses that go into that, all of that factors in to drive up the cost of delivering highway infrastructure.

Mr. CRAWFORD. The gentleman's time has expired. I am going to have to move on.

Mr. EDWARDS. I yield.

Mr. CRAWFORD. Mr. Stanton is recognized for 5 minutes.

Mr. STANTON. Thank you very much, Mr. Chairman.

Since its enactment 16 months ago, Arizona has received over \$2.1 billion for roads, bridges, and other major projects under the Infrastructure Investment and Jobs Act. Every corner of Arizona is benefiting, and my district is no exception: \$223 million has been

allocated to reconstruct and expand the I-10 Broadway Curve, one of the most heavily traveled sections of freeway in the entire region.

This project, which runs through my congressional district, is the largest freeway reconstruction project in Arizona's history. It includes modified interchanges to improve traffic flow, added lane capacity, including high-occupancy vehicle lanes, new bridges, and improved connections to Interstate 17. It will enhance safety, reduce travel times, increase access to our largest employers, and other transportation options, supporting our growing population. And it will have a significant economic impact: 1,400 new construction jobs and 250 long-term jobs.

Mr. Boyd, in your testimony you discuss how the products you mine and make in the aggregates industry are quite literally the building blocks for infrastructure projects like the I-10 Broadway Curve, and how important it is to proactively manage these resources to ensure continued access. To build the infrastructure funded through this law, we must consider where our building materials are coming from, and how we get them to construction sites. On this front, Arizona has led the way through smart policies to keep these resources accessible and affordable.

Can you discuss the importance of the Federal Government being involved in preserving access to these resources, and how important it is for the Federal Highway Administration to stand up the working group established under the law?

Mr. BOYD. Thank you, Congressman, and I believe what you are probably referring to is the ROCKS Act?

Mr. STANTON. Correct.

Mr. BOYD. And I want to congratulate you and your team for being so forward-thinking on doing such.

Obviously, from an infrastructure perspective, aggregates are going to be needed. From a water perspective, aggregates are going to be needed. And the longer we can plan out for where such is going to come from, obviously, the better the DOTs, the local municipalities, even land developers, can plan. And the cost of aggregates is one thing. Transportation is the other. So, the closer the aggregates are to the final home or the resting place, whether it be in a home or on a bridge or on a roadway, the less expensive these projects are going to be.

So, securing these pieces of property that have aggregate and protecting them is important, yes.

Mr. STANTON. All right, good. And keeping those trucks off the road is good for the environment, as well.

Mr. BOYD. Yes, sir.

Mr. STANTON. So, it is a win all around. As we make these investments in our Nation's infrastructure, we cannot overlook the role inspections play in keeping our bridges and other critical infrastructure in the best shape possible. Drones are playing an increasingly pivotal role in the way we inspect infrastructure. So, the next question is for Mr. Williams.

Can you discuss the benefits of utilizing drones for inspections, and how best Congress can support State DOTs in harnessing this technology?

Mr. WILLIAMS. Thank you, Congressman. The use of new technology across the board is vitally important, not only for speed and efficiency, but also safety.

In Texas, we have what was established a couple of years ago as an urban air mobility task force that was established by our Governor and the legislature to bring industry together, working with TxDOT to look at ways that we can utilize drone technology most effectively. And we are deploying that and making use of that within TxDOT. We have a regular training program for our personnel to learn how to effectively utilize and operate drones within FAA regulations, and we are seeing that deployed both in bridge inspections, as well as in inspection of roadway projects.

That also gives us an avenue to improve efficiency and safety for those personnel that may be tasked with being out in the roadway. If we can utilize drone technology to inspect our roads and minimize the amount of exposure that our staff may have, that is a benefit to us.

Mr. STANTON. That is great. And I have a bill to try to better support small cities and smaller governmental entities and the Tribal communities, so that they can get the benefits of drone technology, as well, for infrastructure investment.

It looks like I have run out of time, so, I will yield back the rest of my time. Thank you, Mr. Chairman.

Mr. COLLINS [presiding]. Thank you. The Chair now recognizes Mr. Burlison for 5 minutes.

Mr. BURLISON. Thank you, Mr. Chairman. You are looking good in that seat. I have a question for Mr. Dreher.

You mentioned in your testimony that the Biden administration has prioritized union contractors on taxpayer-funded projects. Why do you believe the administration—I mean, this is just a basic question—why do you believe they are pursuing that policy?

Mr. DREHER. The common theme today has been workforce shortage. By having that mandate in place, we are limiting competition. We are limiting the amount of open shop contractors that can bid that project. And the result is increased costs. It only exacerbates the current challenges that are facing us right now.

Mr. BURLISON. And those costs are borne on the taxpayer.

Mr. DREHER. On the taxpayer. Less competition and challenges to the workforce leads to increased costs.

Mr. BURLISON. So, would it be safe to say that we are getting less roads, getting less bridges, less infrastructure for our same dollars?

Mr. DREHER. Yes, sir.

Mr. BURLISON. OK.

Mr. DREHER. And recently, we had some nice opportunities, nice projects that fit Cianbro very well. We had to pass on them because of the PLA mandates.

Mr. BURLISON. And the time delays that this might create, how—give me some real-world—

Mr. DREHER [interrupting]. Just the overall duration of the job and just tying that back to workforce shortages and some of the permitting challenges. In our world, time is money. Any delays in the permit process—you bid a job, sometimes you don't get the per-

mit until 3 months into it. It ends up adding to the back end and drives up costs significantly.

Mr. BURLISON. Thank you.

Mr. Boyd, I have a few questions for you, sir. Can you explain some of the permitting challenges that you are seeing?

Mr. BOYD. I am going to go back to an earlier statement, going back to WOTUS, and that has been our biggest challenge, from an aggregate industry. And it seems there has not been a lot of clarity around WOTUS, and it seems to be changing.

From an aggregate facility, we are looking 10, 20 years out. And we don't need to make a financial decision or a business decision based on what if's—so, we would like some clarity around WOTUS.

Mr. BURLISON. Well, I hear from farmers all the time about WOTUS, but can you elaborate on how it impacts you in aggregate?

Mr. BOYD. Any time you move dirt, any time you do any stripping, clearing, whether it be trees, whatever, obviously, you have to do some pre-work to see if you have blue streams, blue water, anything that would fall under WOTUS. So, any time you turn any dirt over, WOTUS seems to get involved.

Mr. BURLISON. OK, so, you can't—any time you move dirt at all you have got to get permitting for it.

Mr. BOYD. Yes.

Mr. BURLISON. Can you elaborate on the importance of having construction materials excluded?

I noticed that in your testimony that you said that they were excluded in what was a bipartisan legislation, but the new rules threaten to have this aggregate material now included in the Buy America.

Mr. BOYD. That is correct. The industry has asked for aggregate cement, liquid asphalt, and other building materials to be excluded from Buy America. And the reason being is some of the country is unable to source those local materials, whether it be aggregates in the gulf coast area, or liquid asphalt, which is the binder that goes in the hot mix, that has historically come from Canada. And if these products are not excluded, obviously there is going to be a significant increase in cost, a great possibility of projects not even being able to get done. And if they get done, the transportation cost is probably going to make them not feasible.

Mr. BURLISON. I talked to people today. In fact, I talked to someone who is building a home, and they were shocked at the price of concrete. And so, this would only exacerbate that problem.

Mr. BOYD. Yes, it would. A lot of cement is imported.

Mr. BURLISON. Thank you, I yield back.

Mr. COLLINS. Thank you. The Chair now recognizes the gentlelady from Ohio, Mrs. Sykes, for 5 minutes.

Mrs. SYKES. Thank you, Mr. Chair, and to the ranking member, for organizing this meeting for us today.

I am from Ohio, as it was indicated, and one of the reasons I wanted to be on this committee, and particularly this subcommittee, is because of all of the highway infrastructure in our State. And just in case you are not familiar, Ohio has 121,000 centerline miles. We are the fourth largest interstate system in the country, the eighth largest roadway network, and the fifth highest

volume of traffic nationwide, according to the Ohio Department of Transportation.

And even if I were to drill down a little bit into Ohio's 13th Congressional District, where I am from, where I represent, and knowing that we have a lot of construction needs statewide, also locally, thinking of our Summit County High Level Bridge, which is the bridge that connects Akron to Cuyahoga Falls over the Cuyahoga River. It is 220 feet high. It is 75 years old. It is 8 years older than the Interstate Highway System itself, and needs some significant repair as we are looking at the civil engineers grading us a C-minus for our infrastructure, which I think is probably a little generous.

This Bipartisan Infrastructure Law is incredibly important to our State, our economy, and our safety, and its implementation is incredibly important to me in my community.

But one of the things I want to talk about is the permitting, the regulatory issues, because we have focused on that quite a bit. And this question, I will ask all of you to answer it very, very quickly, because I do only have a couple more minutes left.

The Buy America, Build America program is important. I come from Akron, Ohio, where we literally built the tires and organized the ability for people to get to and from on that interstate system. Building in America, having my hometown, my friends and neighbors build things, is not only important for our progress, our economy, our hope, our future, it is a big deal, and it is what made us build the best middle class in the country.

What is the one thing that the administration could do to move the Buy America, Build America process along? Very specifically, not general. We talk a lot in generalities. What very specifically can or should we be pushing for?

And I will start with you, Mr. Williams. Just a few words.

Mr. WILLIAMS. Thank you, Congresswoman. Very specifically, I would say practical and reasonable waivers when those are necessary, and clear guidance for industry and States to adopt into our specifications.

Mrs. SYKES. Thank you.

Mr. Boyd?

Mr. BOYD. CRH does support Buy America, and I guess to answer your question is to exclude the products that we ask to be excluded, from a construction material standpoint.

Mrs. SYKES. Mr. Dreher?

Mr. DREHER. A simplified waiver process during construction.

Mrs. SYKES. Ms. Hammond?

Ms. HAMMOND. And I would say certainty of the rules.

Mrs. SYKES. Thank you. Thank you all for working with me, and being so brief in your responses.

So, Mr. Dreher, I heard you say PLAs were problematic for some of this work. And it caught my attention because in Ohio we have bipartisan support for project labor agreements. We have consistently protected them through Republican Governors, Democratic Governors, Republican super-majority legislatures in Ohio. We have found this to be incredibly important for our State in building the infrastructure.

And it is my understanding that PLAs are good because they help control construction costs, they help prevent overruns, they help ensure efficient completion of projects. And really, one of the most important parts is ensuring fair wages for people to work. Our most important, valuable asset is the people we have in our communities, and giving them the ability for safe working conditions where they can earn enough money to continue to live in our communities is really one of the best parts about it.

And so, when I hear you criticize them, I take it very personally when I think about the laborers in my community, and the operating engineers, and the folks who are working these projects, knowing that they need those fair wages so they can bring them home to their families and participate in our economy.

So, tell me again why you are against project labor agreements, why you are against getting these fair wages and safe working conditions for our people, for the people that I represent in Ohio 13?

Mr. DREHER. We work with union contractors all the time. We are not anti-union. However, there are certain provisions in these agreements that we just can't agree to. We are paying dues, union dues that our workers won't see the benefits to after the project is complete.

So, overall, limiting the amount of competition when a project is advertised is only going to exacerbate the challenges that we have right now with the workforce shortage. Less contractors bidding a project results in increased costs.

Mrs. SYKES. Thank you, Mr. Chair. I think my time is up, and I yield back.

Mr. COLLINS. All right. The Chair now recognizes the gentleman from Minnesota, Mr. Stauber, for 5 minutes.

Mr. STAUBER. Thank you, Mr. Chair. Inflation has and continues to be a detriment to all Americans.

Let me paint a picture. Working class families struggle to put the food on their table as their grocery bills skyrocket. So, they go to work to put in more hours and hopefully take home more pay. But now they can't afford the materials to complete their projects. Since no one can afford materials for their projects, they get terminated or abandoned. Now, no one gets paid: a spiral of doom created by the reckless spending of this administration.

The IJA was supposed to be the largest investment in infrastructure in decades, but pair that with a \$3.5 trillion reconciliation bill, a \$700 billion spending bill, and the value simply erodes.

Back home, I have been told over and over again that inflation has eaten up nearly all of the funding for our infrastructure projects. The status quo should not be acceptable to any of us.

Mr. Dreher, can you describe in more detail how inflation has eroded the buying power of IJA and the impact on your business?

Mr. DREHER. So, inflation has driven up costs. Costs are up, I think, over 40 percent in the last few years. We have seen projects where we have bid, we are actually the low bidder and successful, and States don't award the job because sometimes the budgets are done 5 years ago, and we are way over the budget, so, sometimes the project gets shelved and punted to another time or rescoped.

So, it just really limits the opportunity to execute these projects, build the bridges, and it is having a significant effect.

Mr. STAUBER. So, would you say inflation and supply chains have been rather devastating?

Mr. DREHER. Yes, devastating. And also during construction, a lot of the challenges that we spoke about today when we can't get a particular material because it doesn't meet the Buy America provisions just adds to extended schedule, extended costs.

Mr. STAUBER. Right. Thank you. Changing gears a bit, I want to discuss permitting reform. Members on this committee, including myself, have spent months crafting legislation that will be on the floor this week that will streamline permitting for mining and infrastructure projects.

Mr. Boyd, it is great to see you. Could you please explain how some of these reforms, if passed, would help advance infrastructure investments?

Mr. BOYD. First of all, thank you for your leadership on H.R. 1, and CRH proudly supports you with this endeavor. So, thank you.

I am just going to repeat what you said. Streamlining, streamlining the permitting—

Mr. STAUBER [interrupting]. Yes, and I will repeat the question, Mr. Boyd. Can you please explain how some of these reforms, if passed, would help advance infrastructure investments?

Mr. BOYD. It would obviously speed them up. I think we said before in this panel that time is obviously money. I think that is the biggest impact, just speeding the projects up.

Mr. STAUBER. When you delay a project for, let's say a year—in northern Minnesota our construction season is shorter. When you delay a project, if you delay a project because of the lengthy permitting process, if you delay it for one construction season, can you give us an idea what that additional cost would be?

Mr. BOYD. I am just going to go over our 38-year history, OK? So, historically, it has been 3 to 5 percent a year.

Mr. STAUBER. Yes.

Mr. BOYD. The last 2 years, it has been double digits, 15 to 20 percent more.

Mr. STAUBER. So, 15 to 20 percent more in the last couple of years, that it costs more for investment in infrastructure. And that is what I was getting at, the inflation.

Is the inflation, in your opinion—you have got a lengthy career—causing some projects not to move forward because of the cost?

Mr. BOYD. Yes, there is no doubt about that.

Mr. STAUBER. And many projects, or just a few?

Mr. BOYD. I wouldn't know a number. Obviously, these DOTs have a fixed budget. And so, they are going to do as many projects as that money allows. So—

Mr. STAUBER [interposing]. Right.

Mr. BOYD [continuing]. The more it costs, the less projects are getting done.

Mr. STAUBER. I think that the investment in our infrastructure is critically important, but with the inflation, we are not going to be able to have the buying power that we need.

And with that, my time is up. Mr. Chair, I yield back. Thank you.

Mr. COLLINS. Thank you. The Chair now recognizes the gentlelady from Oregon, Ms. Hoyle, for 5 minutes.

Ms. HOYLE OF OREGON. Thank you. My first question is for Ms. Hammond, who I would like to point out is a graduate from Oregon State University, the land-grant school in the heart of my district.

So, Ms. Hammond, your testimony notes that 37 States saw an increase in value and number of contract awards for highway and bridge improvements over the last year. The value of State and local contracts also increased. Can you speak to the impacts of this increased Government funding on private-sector jobs in the construction industry?

Ms. HAMMOND. Well, certainly, when we saw the contract awards stable or going down over the years, we see a loss in the ability for construction jobs. What we have seen in the last year—in 2022, for example—contract awards were up 24 percent. We actually think in our data that we are reviewing that inflation accounted for about half of that, so, 12 percent. And in every region and State, it is different.

So, as these investments are rolling forward, and through the rest of the act, through the 5-year life of the act, we are seeing people be able to not just come work on a job on a project, but that careers are being developed. We talked about the ability to bring more people into our industry for the long-term health of the industry and for delivery of ongoing future transportation. The importance of bringing people in for careers, high-paying jobs, and the ability to earn a living wage is just critically important.

So, we see that we are back on an uptick of investments, which mean jobs now and in the future.

Ms. HOYLE OF OREGON. Great, thank you. Previously, before being in Congress, I was a labor commissioner, statewide labor commissioner in Oregon, and worked a lot on expanding access to apprenticeships and getting into the building and construction trades.

I think one of the worst things that we have done is stigmatized these jobs in that they are good jobs with good wages, with good pensions, and no college debt. And if you want to know how valuable those jobs are, just try and get a plumber or an electrician.

So, one of the things that we did, because you would never have someone go to college and not know what kind of program is good or bad, is before I left, I started working on a report card for all of our programs, and the current labor commissioner will be posting those so that we can have transparency about what programs have higher graduation rates, how much you can make after you graduate this program, whether or not there is a pension, how much it costs to go into the program, because transparency allows people to make a decision based on the merit of the program. I would say it is a merit-based decision, as it were.

I will say, although I worked with open shops very well, and I worked with union shops very well, the data that I have seen is that the union programs have better graduation rates, the union programs have higher employment rates, they have higher wages. So, with this report card system, what I would encourage you, Mr. Dreher, is once that is up, we will get it over to you to look so that you can work with your programs. And if they are good, say great job. And if not, see if they can raise their standards so that we can

have exceptional programs for people in the trades and have that be equal to a college degree.

But my next question—my—actually, that is a comment, not a question. Mr. Boyd, CRH is an employer in my district, provides good jobs, and it is a good place to work. I know a number of my constituents that work there. As we are talking, I know you have done a lot with workforce. Can you just speak to just the idea of how do we get the word out about jobs like the ones that you provide that will provide good careers? How do we get the word out that this is a good option?

Mr. BOYD. RiverBend Materials, correct?

Ms. HOYLE OF OREGON. Yes, sir.

Mr. BOYD. OK. So, thank you. We are making a conscious effort to start recruiting at a lot younger age, and even getting into the elementary schools, and trying to introduce them to construction. We do a lot of job fairs, where we may have equipment out there, inviting young children to come sit on a piece of equipment, or put on a hard hat, or put on a safety vest, just trying to get some interest.

I got a text from a customer yesterday, and he was reminding me—he is in the ready-mix business, and he was reminding me that he had concrete truckdrivers in Memphis, Tennessee, that made six figures last year. So, that might not sound like a lot of money, but in Memphis, Tennessee, that is pretty good money.

And so, these young kids can make a living, a good living, and without having to go to college. And we are just trying to get that message out.

Ms. HOYLE OF OREGON. Thank you. I am looking forward to working with you on that.

And I yield back my time.

Mr. COLLINS. Thank you. The Chair now recognizes the gentleman from California, Mr. LaMalfa, for 5 minutes.

Mr. LAMALFA. Thank you, Mr. Chairman.

Panelists, let me just go right down the line real fast. What percent of our atmosphere is CO₂? Take your best guess. You don't have to be accurate. All down the line.

Mr. BOYD. Repeat that question.

Mr. LAMALFA. What percent of our atmosphere is CO₂, carbon dioxide?

[No response.]

Mr. LAMALFA. Wild guess, it is OK.

Mr. WILLIAMS. I will bite. Five percent.

Mr. LAMALFA. Five?

Mr. BOYD. I will just follow you.

[Laughter.]

Mr. DREHER. We will go 7 percent. That is my favorite number.

Ms. HAMMOND. I will see their 5 percent and suggest that we know that transportation causes 49 percent of CO₂, so, that is why we are all working on energy transition.

Mr. LAMALFA. Right. So, what number do you think it is?

Ms. HAMMOND. Five.

Mr. LAMALFA. Five? How about you? I didn't hear you, Mr. Dreher.

Mr. DREHER. Oh, 7 percent.

Mr. LAMALFA. Seven. Did you have one, Mr. Boyd?

Mr. BOYD. So, we have got a 5, 7?

Mr. LAMALFA. It is "The Price is Right."

Mr. BOYD. Eight, at the high end.

Mr. LAMALFA. All right. Well, I appreciate that, and I don't mean to put you on ice. I ask a lot of people that because all we hear is climate change, climate change, CO₂, CO₂. I heard a couple of you on the panel saying you are looking to change your vehicles to electric, even though we don't have the electric grid. And me, as a farmer, I wouldn't be real happy about running out and replacing \$300,000 or \$500,000 or million-dollar pieces of equipment because someone wants it to be electric.

The answer is 0.04 percent, not 1 percent, not one-half of 1 percent. It is 0.04 percent, and it has gone up from 0.03 over the last couple of decades. This is what we are being all contorted into doing, is this tiny change in CO₂. If we get below 0.02, plant life starts dying off.

So, let me ask Mr. Boyd, are a lot of your vehicles Tier 4 already, or the vehicles that you know about in the industry?

Mr. BOYD. Yes.

Mr. LAMALFA. All right, so, that is the cleanest burning diesel equipment you can get, right?

Mr. BOYD. Yes, sir.

Mr. LAMALFA. All right. How about Mr. Dreher. What do you think?

Mr. DREHER. Yes.

Mr. LAMALFA. OK. So, why would anybody be anxious to go out and change out all those vehicles that you have been upgrading in my home State of California?

CARB has eliminated lots of equipment. We are down at least 70,000 trucks and all because they don't make a mandate for a 2011 or newer vehicle. And so, it is going to be harder to get things from the ports, all this, all that.

So, anyway, I just wanted to underline that as we get all giddy about trying to make everything electric, especially in my home State, when they are shutting down the power grid and taking out hydroelectric dams, and they barely kept in place the nuclear powerplant for an additional 5 years, which is 9 percent of our grid. I don't know how we are going to do this. I don't know how you guys are going to do construction out in remote areas, where there aren't power lines yet nearby or what have you in order to charge this stuff. Maybe you will bring generators.

So, anyway, thank you for letting me rant on that a little bit.

Mr. Boyd, what are some of the challenges of trying to get permits to get stone, sand, and gravel available, especially like in places like California, where just a few years ago—and I don't know what is current now, but in order to get these products into the bay area, they gave up getting it locally. They barged it in from British Columbia and stuff like that.

Mr. BOYD. Yes. I think that goes back to what we talked about a while ago on Buy America. Using your district as a great example, if these exclusions are not made on the construction materials end, I don't know how your district is going to get any projects

done, just due to the permitting issues that you currently have. You have no other option but to bring it in outside of America.

Mr. LAMALFA. From somewhere else, a long ways away. A lot longer transportation, right?

Mr. BOYD. No question.

Mr. LAMALFA. Yes. Mr. Dreher, when we are talking about the Infrastructure Act here, where there were attempts in this committee, attempts in Congress to make it not what it ended up being, at least on the highway section, but get rid of the ability to add highway capacity, downgrading projects, and instead Secretary Buttigieg put in performance measurements to reduce CO₂ and greenhouse gas from highway transportation. These are holding up projects.

So, this was supposed to be a so-called Infrastructure Act that the President and Democrats pretty much did on their own in the last session. The House Republicans didn't have a whole lot of opportunity to help shape.

So, the intent of Congress ended up being, by the time it got through the House and the Senate, to do a bill that would be a little more broad in transportation projects. So, give me your interpretation of what we ended up with if we can't add lanes and we can't do the things that are actually going to upgrade infrastructure. You are going to have to go fast, sorry.

Mr. DREHER. I don't have any information on that question.

Mr. LAMALFA. No info? OK. Well, buying—again, like in my home State, they will put out a transportation—a new gas tax, for example, put that in place. And then, by the time it gets passed, the voters have agreed to it, they pull the rug out from under them, and it ends up going for bike paths, buying land, and things like that, and it can't go for lane capacity expansion for infrastructure.

They can barely keep the focus on fixing infrastructure we have, or certainly adding to it like what people, real people, want. So, instead we get high-speed rail; half of it is underwater in the Central Valley right now.

Thank you, Mr. Chairman. I will yield back.

Mr. COLLINS. The Chair now recognizes the gentleman from California, Mr. DeSaulnier.

Mr. DESAULNIER. Thank you. That is good.

Mr. COLLINS. Yes, sir. Five minutes.

Mr. DESAULNIER. You must have taken some high school French.

Mr. COLLINS. I am from Georgia.

Mr. DESAULNIER. Mr. Williams, I wanted to follow up on your comments for Ms. Brownley about infrastructure and renewables and alternative fuels. And I agree with you. But being from a big State like California, and having had a role as a—I was appointed by two Republicans and one Democrat to the California Air Resources Board and was a member of the California Transportation Commission, so, we are aggressively moving. But in big States with urban, suburban, and rural areas, I agree with you. But getting that mix right with the private sector on the infrastructure as the fleet comes out is a real challenge.

So, I would love to have a longer conversation with you, but how do you envision that—and this—the difficult part, as we have

learned about particularly electric vehicles, is range anxiety. So, somebody is traveling from Austin to San Antonio. I think we can do it that way, by putting it strategically, but I wonder if you could respond to that and some of your challenges, given the diversity of your demands in Texas, like California.

Mr. WILLIAMS. Yes, sir. Thank you, Congressman, and we appreciate the partnership that we have, working with my counterparts in California. And we, as a large State, a diverse State, we face a lot of the same challenges.

And one of the things that we believe is important, if the EV charging—the National Electric Vehicle Infrastructure provisions of the IIJA are going to be effective, we are going to need to have some flexibility in where and how States locate those. And speaking from Texas' point of view—and I believe many other States are like that—we really see that the role of the private sector is going to be vitally important.

We, as a DOT, don't have the mission or the ability to rely upon our State resources to maintain these electric vehicle charging stations. We have seen these charging stations already begin to be deployed across the State as they have been also in California and many other locations. And so, we know that the private industry, the private-sector industry, has been able to begin doing that successfully.

The provisions of the IIJA, in our view, in order to be able to get the biggest bang for the buck to stretch those dollars more, our ability to work with private industry, to have them step into the role of providing some of the Federal match, maybe more than the Federal match in some areas, and taking on the responsibility, while we provide the oversight, maintain and deploy those vehicle charging stations will allow those to be distributed more effectively.

Mr. DESAULNIER. And will make the overall drive more successful rather than imposing it.

I want to ask you another question. Similarly, places like Austin and San Francisco, where I am from, an eastern suburban-urban district, a lot of employers don't want to go back to their old commute in places like that. There are professions that are particularly matched to that—so, software engineers, even though we are laying a lot of them off—in both of those areas.

So, some of the challenges you are having of accepting that there may be opportunity to cut down on congestion as we build out highways, and sort of the partnership, I would say, with other modes, with heavy rail, light rail, buses, pedestrian, bikes, we need a lot of research, but we don't have the opportunity in many ways to take advantage of this.

So, it is sort of the opposite of induced demand, from my perspective, is—if you can get a two-income household to get 2 days a week to work four 10s and still be as productive. So, I was wondering your experience, again, since you have similar constituencies in places like Austin to San Francisco. What are you finding?

Mr. WILLIAMS. Well, we certainly see that vehicle-miles of travel has increased in Texas now above pre-pandemic levels. So, the people have come back. They are driving differently, so, the peak period has spread out. I think we are seeing that many workers, even those that are returning and working in the office, are taking the

opportunity to have some flexibility in their workday, and to leave earlier or return later from home, and still recognize the ability to be productive in some instances from a remote location.

And so, we see that in some of our own personnel. We are seeing that in the transportation industry, particularly in the professional services sector, as well.

Mr. DESAULNIER. Well, I would suggest this is one of those instances where Texas and California have more, practically speaking, on the infrastructure rollout in common, rather than a lot of the politics we talk about that seem to divide us. Thank you so much.

Mr. COLLINS. The Chair now recognizes the gentleman from New York, Mr. Williams, for 5 minutes.

Representative WILLIAMS OF NEW YORK. Thank you, Mr. Chairman.

My district in central New York is full of people that work, that are workers. Not nearly as many work-from-home opportunities, and they rely on the infrastructure that we provide. And it is our job to provide that for them.

Mr. Dreher and Mr. Boyd, I have spoken to many members of your respective associations. A lot of representation in my district, and they are excited to get to work on infrastructure-related projects in central New York and the Mohawk Valley. We have a lot going on there. It is a very exciting time.

However, one of the problems we have run into—this is going to be shocking, particularly in New York—is the highly litigious legal environment in our country. The notorious New York scaffold law comes to mind. That one piece of legislation actually adds 8 to 10 percent on overhead on every single project, construction project, in my State. If you can imagine, 8 percent fewer roads, 8 percent more potholes, 8 percent fewer bridges that get repaired in a timely manner, you can see that creates quite a drag. Even Secretary Buttigieg has spoken on this issue, so, it seems like it would be a bipartisan issue.

Gentlemen, either of you or both of you, how would meaningful tort reform affect our country's ability to improve our infrastructure? Can you correlate those two?

Mr. BOYD. Impact on the business. We truck a lot of material, whether we truck in incoming material or trucking outgoing material, and trucks, obviously, are a liability on the road. And having some type of tort reform to reduce some of that liability would, obviously, reduce cost and would be very, very beneficial to business.

Representative WILLIAMS OF NEW YORK. I assume that it would be beneficial to taxpayers that expect to get more out of their investment in infrastructure.

Mr. BOYD. Correct.

Representative WILLIAMS OF NEW YORK. Mr. Dreher, do you—

Mr. BOYD [interrupting]. Tax dollars will obviously go further.

Representative WILLIAMS OF NEW YORK. Sir? I am sorry?

Mr. BOYD. Tax dollars would obviously go further.

Representative WILLIAMS OF NEW YORK. OK. It looks like we are facing a lot of headwind on inflation. I have heard that testimony in your comments, and we seem to be spending a lot and getting a whole lot less. It is very concerning.

Can you speak specifically, either of you or both of you, to the premiums that your businesses pay, or your members pay?

What is the set-aside? What is the overhead that they set aside for these kinds of liability tort issues overall, can you quantify that or define that in any way?

Mr. BOYD. I cannot quantify it for my business. No, sir.

Representative WILLIAMS OF NEW YORK. OK. I will just comment for a moment that this scaffold law—we are doing a replacement of the Tappan Zee Bridge, work on the Tappan Zee Bridge in New York State, not in my district, but a critical piece of infrastructure. And it is estimated that this single rule—that is unique to New York State, by the way, so, if this was really a worker safety issue, if this was really something that the world was crying for to protect workers, which, of course, is very important, then it would be universal. And yet it exists alone in New York State. The Tappan Zee Bridge project will have incurred up to \$200 million of additional expense due to the scaffold law, and I find that a pretty shocking waste of critical resources that, frankly, we need.

Mr. Chairman, I yield back.

Thank you for your answers.

Mr. COLLINS. The Chair now recognizes the gentleman from New York, Mr. Ryan, for 5 minutes.

Mr. RYAN. Thank you, Mr. Chair.

Good afternoon now to all of you. Thank you for being here and taking your time.

The first question: Through January 2023, States have already launched 36,400 projects with IIJA formula funds going towards all kinds of projects, but I am particularly focused on rural and small communities like the one that I represent in upstate New York, which I think often just would not even be in a position to have these funds without something like IIJA.

So, I wanted to ask for anyone, but particularly directed to Ms. Hammond to start, highway funding from IIJA will be used to help construct and expand Route 17 and Route 86 in my district, which anyone who has driven will tell you is in desperate need. Can you discuss how Federal funding provided by the law will benefit rural communities specifically, starting with Ms. Hammond and open up to anyone else?

Ms. HAMMOND. Thank you for the question.

One of the things we haven't talked a lot about today is what the money is being spent on. What we know in our data at ARTBA and the collection of the projects underway is that about 2 percent of those projects are greenfield or brandnew corridor types of construction. But importantly, 46 percent of the funds to date are being spent to repair, rehabilitate, and modernize roads and bridges around the country, both in urban and rural areas.

Rural areas oftentimes see a higher run-off-the-road safety risk for two-lane roadways, and the safety investments, the rehabilitation and modernization projects that are being spent, are truly making our infrastructure safer.

Mr. RYAN. Thank you. And open up to anyone else to add.

I will just say as anybody is thinking, to your point, Ms. Hammond, this project in my community—I am 41 years old. We have

been waiting for this essentially my whole life, and we would not be able to do this without IIJA.

Ms. HAMMOND. Yes.

Mr. BOYD. I think what you said—I think what this does is highlight the flexibilities that the DOTs have to do with this money, and I think that is very important that the DOTs do have that flexibility, and they can use the money where they see fit. So, I think that may be why the job is getting done.

Mr. RYAN. Thank you, thank you.

Oh, go ahead, sir.

Mr. WILLIAMS. I am just going to echo the emphasis on rural areas in Texas. We have the highest rural population of any State. Since 2016, through Federal funding, and then also combine that with State funding, we have increased our investment in our rural areas by over 600 percent.

As noted, the fatality rate in those rural areas is usually double what we see in urban areas. So, it is very important for us.

Mr. RYAN. I commend you. And as an upstate New Yorker, I appreciate the rural investment.

Sir?

Mr. DREHER. From a contractor's perspective, it is extremely exciting. There is so much work out there, and I think it is important to continue to keep the playing field open, union and nonunion contractors alike, to really control those costs and give the best overall benefit to the American taxpayer.

Mr. RYAN. I will save my time and not debate you on that topic, sir. But your point is taken.

A follow-on question to all of you, as I said, I think going back to Eisenhower, this is the most significant investment. I am a glass-half-full kind of person. I think we should be tremendously proud that we have, in a bipartisan way—to remind all my colleagues—gotten this done. It is always room to improve. But I want to ask everybody, if Congress had not enacted the IIJA, how would your members, your departments be doing right now? What would be the tradeoff, had we not done this?

Mr. WILLIAMS. I will just say, from a State DOT's perspective, we do appreciate the increase in formula apportionment dollars that has come. It was a 20-percent increase in our Federal program. It was about a 6-percent increase, overall. Every dollar helps. And when we are facing a time right now where we have seen rising costs, it is vital that we try to put as much money to work as possible. And flexibility within the provisions of the IIJA are important for that.

Mr. RYAN. And just to build, unless anyone else wanted to add on that question, is it fair to think that in some regards the certainty of Federal funding helps to somewhat buffer the inflationary challenges which we all recognize are certainly real and affect specific projects? Is there some upside there? Anyone.

Ms. HAMMOND. If I could just reinforce the fact that the certainty and the sustainable program over the 5 years, and hopefully beyond, gives State DOTs and others the ability to plan for and make those investments that are needed.

We have had a big drought in our infrastructure investment for many years. This is finally getting the ball rolling, and we hope it continues.

Mr. RYAN. Thank you, and I am sorry I went over, Mr. Chair.

Mr. COLLINS. That is all right. The Chair now recognizes, I guess, myself, Collins from Georgia, for 5 minutes.

Just to let you know, I am new here. It is my freshman year. I have spent 30 years in the trucking industry. I am an owner of a trucking company. So, I have got 30 years between these ears of getting beaten to death with rules, regs, and taxes. And I would like to think that we came up here with that knowledge to help get things fixed. So, I want to try to summarize some things from what I have been hearing all morning.

First of all, we have a \$1.2 trillion infrastructure bill, \$529 billion of it went to transportation, and that is it. The rest of it is tied up in Green New Deals and wasteful spending. EV charging stations that my Democratic Representative from Georgia talked about in Atlanta and EV buses, that is not going to do anything for congestion, and that is a huge problem in my area in the State of Georgia.

We have got an agency that is focused on social issues from the top down, instead of hiring people for doing the job. We have got a Federal Government that has been giving away money left and right that has been causing inflation.

The other thing that has been causing inflation is the fact that we have gone from energy independent to energy dependent, and your gas is up and your diesel is up.

We also have—I have heard it here this morning, over and over, overreach, overreach. Whether it is rules and regulations or agencies out there with this WOTUS rule, permitting problems, we have got tremendous problems. It seems like we have caused the problem here.

So, Mr. Williams, I would like to just briefly ask, do we need to hire people based on their abilities, their experience, and their expertise?

Mr. WILLIAMS. Absolutely. Yes, sir.

Mr. COLLINS. Thank you. Mr. Boyd. Congestion. We live it every day in Atlanta. Will congestion help in reducing the number of trucks that are needed on the road?

Mr. BOYD. Congestion won't help.

Mr. COLLINS. If we reduce congestion.

Mr. BOYD. Oh, yes, it would. Yes.

Mr. COLLINS. Thank you. And also rules in place that we have right now, we just had a new rule that you had to pay to get your commercial driver's license.

Mr. BOYD. Correct.

Mr. COLLINS. We also have stuck with the age 21 driving minimum for interstate commerce and interstate driving. If we reduce those two things, or went back to the way it was, would that help increase the amount of people you need in the workforce out there?

Mr. BOYD. It would. It would give us the ability to hire more drivers. It would also put more in the field of being a driver. Yes.

Mr. COLLINS. Would you say trucks are safer today than what they were 20 years ago?

Mr. BOYD. Absolutely.

Mr. COLLINS. And I heard Mr. Williams from New York, he was talking about tort reform. And I would like to just follow up with you for a minute on that.

Tort reform is reflected in a number of our insurance out there, is it not?

Mr. BOYD. Yes, it is.

Mr. COLLINS. Would you say it has had a huge impact on worker's comp?

Mr. BOYD. Yes.

Mr. COLLINS. What about auto liability?

Mr. BOYD. Yes.

Mr. COLLINS. And general liability?

Mr. BOYD. Yes.

Mr. COLLINS. Thank you.

Ms. Hammond, inflation has hit a high. It set a record right now. And what do you think Congress can do to offset the cost of this inflation on these projects?

Ms. HAMMOND. Well, I think we have talked a bit about that today.

One of the things we would like is the continuation of your committee's oversight on the delivery of the program to ensure that it is being delivered as intended, and that it is rapidly getting out to the construction workers on the road. Let's get these projects built, number one.

The other issue is in areas where we have flexibility or decisions yet to be made on Buy America. Let's make sure that we are putting practical and realistic goals in place, and waivers, so that in this time of transition, as we rebuild America's manufacturing capabilities, that we don't slow down projects as a result. Having the waivers in place that enable us to make this transition would be great. Projects will be delivered sooner.

Mr. COLLINS. Thank you. I would like to add to that if we would move some of that Green New Deal money over to true infrastructure projects, and get our roads and bridges fixed, and reduce this congestion, that would be a huge help.

And the other thing is I think we need to unleash our American oil, and produce our own oil here, and get off of that, energy independent.

With that, I yield back. The Chair now recognizes the gentleman from Washington—gentlelady from Washington—

Ms. STRICKLAND [interrupting]. Gentlewoman.

Mr. COLLINS. Sorry, I am sorry.

Ms. STRICKLAND. That is all right.

Mr. COLLINS. I told you I was new here.

Ms. STRICKLAND. You are doing really well.

Mr. COLLINS. Ms. Strickland from Washington for 5 minutes.

Ms. STRICKLAND. Thank you, Chairman Crawford and Ranking Member Holmes Norton.

The Bipartisan Infrastructure Law is indeed working. In my home State of Washington, the State has already committed over \$152 million in Federal funds for highway and bridge projects. In Washington State's 10th Congressional District, that includes funding for the State Route 167 interchange project between Interstate

5 and State Route 509, replacing the 70th Avenue overpass at I-5 and the X Street roundabout.

And what is interesting about these projects is that they create jobs for both the public and private sector, and they are integral to helping our ports be more effective to move goods. These projects benefit commuters, families, and workers through strong provisions in the Bipartisan Infrastructure Law. And I am very thrilled today to see that we have Ms. Paula Hammond testifying today, who is the former secretary of the Washington State Department of Transportation, who can speak to this transformative investment.

So, Ms. Hammond, I will start here. Through your lens as the former leader of the Washington State Department of Transportation, and now as the 2023 chair of ARTBA, how have both the private and public sectors benefited from implementation of the Bipartisan Infrastructure Law in Washington State?

Ms. HAMMOND. Well, Congresswoman Strickland, you know how long in Washington State alone—every State is probably similar—we have been trying to make the investments to maintain the assets we have, but also build for the future.

The transportation needs in our country are changing. Travel patterns are changing. We are using new technology, which is bringing much more efficiency to our transportation system. And I would add that the investments in transit and the partnership between highway agencies and transit agencies is bringing a whole new approach to having the ability to move more people, which then frees up congested freeways for goods movement.

So, we have some very important projects in our State that we have been trying to get to for many years, and this Investment Act is helping us now finally make those investments. It takes both the Federal and State partnership.

Ms. STRICKLAND. Absolutely. And during my time as mayor of Tacoma from 2010 to 2017, we would often say, “When is infrastructure going to happen?” So, I am very honored that the 117th did pass this.

Ms. Hammond, one thing I would like to focus on, too, is we are making these huge investments, and we talked about jobs and wealth creation. And can you talk a bit about how we make sure that minority-owned contractors, women, minorities, veterans, and other underrepresented groups are going to get access to some of this growth?

Ms. HAMMOND. We have recognized that we have a workforce challenge in general in our industry, and we are competing with other industries that are in a growth mode, as well.

The kinds of programs that the Infrastructure Act is providing is helping diversity—DBEs and MWBEs get into the business of supporting transportation. So, the more we can work to expand, to train workers, to work towards the trades-kind of careers that folks can have, and the more we look to bring others into the industry, the better off we are all going to be for the long term. This is an investment for the decades to come.

Ms. STRICKLAND. Great, thank you.

I want to pivot a bit and talk about workforce challenges in the private sector, and I would like to start with you, Mr. Boyd. What

can we do to help the private sector hire more people and create more jobs?

Mr. BOYD. One of the things I talked about in my opening statement was some Federal support from a vocational training perspective. Any way the Federal Government could help us expand vocational training, it would be greatly appreciated.

Ms. STRICKLAND. All right. Thank you very much. I have talked to a lot of different private-sector employers in just about every single sector, from healthcare to transportation to manufacturing. And a very common theme that comes up is that, even if we filled every job with every American worker, we would have all these job vacancies.

So, one of the things that I hope we are able to do together as a Congress is to really look at immigration reform in a very thoughtful, smart way, so that we are able to get things built, and really put this money to work.

Thank you, Mr. Chairman. I yield back.

Mr. KEAN OF NEW JERSEY. [presiding]. Thank you. The Chair recognizes Mr. Duarte from California.

Mr. DUARTE. Hello. Like the very handsome gentleman before me, I am also new to Congress and from a business—agricultural and farming—background. He is from trucking, but more similar than different.

If I buy a cheeseburger or a pair of shoes online, I get asked, “How was your experience?” One star, two stars, three, four stars, five stars. Get extra credit, maybe in a raffle if I give comments.

Ms. HAMMOND, you work with a group that represents national construction companies. Are there ever any opportunities for the companies that are affected or the local councils of government that want to get these projects built to give feedback, give comment, rate their local agency offices, which ones are easy to work with, which ones are rational, which ones are problem-solution oriented, which ones are just a pain or don’t get back altogether? Do you ever get that opportunity?

Ms. HAMMOND. I had lots of opportunities like that when I worked at the State DOT to hear from our constituents.

We often get feedback from the public or our local leaders on a project-specific basis, and the more us States know, or the DOTs at the time knew that we were meeting their needs, the better off and more effective we could be on the next project.

Mr. DUARTE. Sure.

Ms. HAMMOND. So, sometimes State DOTs and/or legislators will ask, “How are we doing?”

Mr. DUARTE. Let me ask the general panel another question—

Ms. HAMMOND [interposing]. Yes.

Mr. DUARTE [continuing]. And I will take answers as they come. Would it be helpful, in your opinions, to set up a structured feedback process, so that every agency, every agency office, every State and local office of whatever—the regulatory agencies, is getting feedback from, again, the local governments, the local councils of government, the local project construction companies, so that oversight hearings like this could be more productive, find the best practices? This administration or a subsequent administration

could review that feedback and focus on where things are going right, and try and deal with where things are going less correctly.

Ms. HAMMOND. Yes, as long as it is productive. And social media certainly shows us some of the downside of anonymous comments. But yes, I think—

Mr. DUARTE [interrupting]. Anonymous or not—anonymous is always an option, I guess. But go—the others, please.

Mr. DREHER. I think—100 percent agree. I think the more that we can work together, the better off, in terms of the delivery of the project, removing roadblocks, and just working together. I think that is really a good idea.

Mr. BOYD. I think it is an outstanding idea. Just like we do as a business, I mean, we send out those surveys, and obviously want to know what our customers think, and what we can do to—ways we can improve. It is a great tool.

Mr. WILLIAMS. People are our customers, and we welcome feedback. We welcome feedback at all levels, and we often go out and seek that. That gives us, as was mentioned, the opportunity to improve. And so, good or bad, it always is something we can build on.

Mr. DUARTE. Well, I am speaking here with the Texas Department of Transportation. Are you aware, Mr. Williams, of any current programs in States that you are familiar with that solicit—and again, when you solicit it uniformly, you then have responses, and you can at least begin to think that you have got a uniform survey methodology that you can then act on.

Again, either in Congress, congressional oversight, or in the current administration or future administrations, we could better surface problems if we have a structured survey of how these agencies are performing.

Mr. WILLIAMS. We have certainly undertaken those efforts in our own agency to receive public comment on how we do, as a Department of Transportation. And I would imagine, while I can't speak to specifics, that some of our other DOT partners do the same in different forms.

Mr. DUARTE. Excellent. That was my main question. I will take any other further thoughts on that you folks have, or—

Mr. DREHER [interrupting]. Just from a contractor's side, again, some of the DOTs that we work with actually will encourage contractor involvement during the permitting process and design process. And again, the overall value to the end user, it is a benefit.

Mr. DUARTE. So, you see some best practices out there.

Mr. DREHER. Absolutely.

Mr. DUARTE. But they are not uniform best practices.

Mr. DREHER. That is correct.

Mr. DUARTE. And so, a survey or a feedback process would allow us to establish better, more uniform direct practices. So, all this bang for the buck and getting room for improvement stuff could then have a formal process that, again, would allow political entities to kind of help manage with a bit more information, a bit broader survey. As thankful as we are for the four of you today, a formal process would be just fantastic, also, in my opinion.

Mr. DREHER. Yes, sir.

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

Mr. KEAN OF NEW JERSEY. Thank you. The Chair recognizes Mr. Allred from Texas.

Mr. ALLRED. Well, thank you, and I want to thank our witnesses for being here to talk about the historic investments that we have made as part of the Infrastructure Investment and Jobs Act.

I think Texas has received as much as anybody. I think we were one of the biggest recipients from this legislation. In fact, over the 5 years, we are going to receive \$27.84 billion for improvements to our roadways and our bridges. We have already received nine discretionary IIJA grants valued at over \$104 million.

In my district alone in fiscal year 2023 we received \$12.75 million in IIJA commitments for highways and bridge projects supporting one new project in fiscal year 2023, six projects in fiscal year 2022, and those six projects represent \$234.8 million for projects for new roads, interchange improvements, rehabilitating existing roadways, right-of-way improvements, traffic signal installation improvements, improving pedestrian lighting. If you are in my district, the IIJA is helping you right now, and it is also creating jobs. And so, it was the right thing to do.

And Mr. Williams, I was really interested in a couple of things in your testimony. Thank you for being here. As always, great working with TxDOT. You highlighted how we are implementing what I think is an impressive plan to build out an electric vehicle charging network in Texas.

Thanks in large part to the National Electric Vehicle Infrastructure Formula Program, Texas is going to receive \$60 million in 2022, the most of any State, to help us meet our goal of expanding access to electric vehicles. Is there anything you want to highlight as lessons learned as you continue to implement this program, especially in regards to working with our State energy officials and the Joint Office of Energy and Transportation?

Mr. WILLIAMS. Good to see you again, Congressman, and thank you for the opportunity to respond to your question.

Certainly, any time we are looking at formula apportionments, because we have the biggest highway system and the most users on that highway system, Texas is typically going to be at the top of the list in terms of the amount of funding distribution that we received. And so, that was reflected in the apportionment program for the National Electric Vehicle Infrastructure Program. In total, we will see about \$400 million coming to Texas for that program.

And one of the things that is going to be very important for us to be able to administer that effectively is to have flexibility in where and how those vehicle charging stations are located. To be able to have flexibility also in the contracting methods, we see that it is going to be very important for us to be able to work effectively with the private sector in order for that to be successful. They are going to be the ones that will house those stations and be partners with us in deploying and maintaining those stations.

So, flexibility is probably the most important point of emphasis that I would point to to make that program successful for us.

Mr. ALLRED. I completely agree with you, and I think that is what people want to see. They also want to have local input as much as they can in terms of the placement of this.

But to get \$400 million for Texas for us to implement this, I think, is enormous. As you know, in our State, range anxiety for an electric vehicle is a real thing. If you want to drive across our State, you need to have this network. And if we are going to move in that direction, I think it is really important.

I have met also with a lot of folks from your office about what we are doing to try to reduce and make our roadways safer, and to reduce our roadway fatalities. Unfortunately, as you know, we have not had a single day without a roadway fatality since November 7, 2000. And it is a tragedy, and we are working together to try to address that. I noticed in your testimony you discussed how the IIJA funding could help with that. But how does TxDOT or other State DOTs plan to leverage these safety resources to address making our roadways safer?

Mr. WILLIAMS. Thank you again, Congressman. As you are aware, the Dallas-Fort Worth region has one of the biggest metropolitan planning organizations in the Nation, the North Central Texas Council of Governments. One of the initiatives that our commission launched was a task force between TxDOT and our MPOs across the State to look at how we can work together to combine the various funding sources, many coming from the IIJA, many coming from State sources, to really be on the same page in addressing, really, the critical rise that we have seen in fatalities across the Nation and in Texas.

Mr. ALLRED. Yes. Well, thank you so much for being here. I appreciate your testimony.

I don't have time to ask my other questions. But to the other witnesses, thank you for sharing your expertise. Your testimony was enlightening.

And I yield back.

Mr. KEAN OF NEW JERSEY. Thank you. I recognize myself for 5 minutes.

Like my predecessors, I want to thank everybody here for joining us today. It is clear that both the panel of witnesses, as well as the members of the committee, care a great deal, and have concerns about the high inflation levels, as well as the severe workforce shortages, and so, I would like to start with my first question for Mr. Boyd.

CRH and your industry are essential in executing infrastructure investments. In my district, the aggregate industry has 12 locations where you are producing materials to build infrastructure projects like the new Gateway Tunnel that will greatly increase rail capacity, or flood control projects that protect our communities.

What is the greatest challenge you face in getting these materials to job sites so we can see the infrastructure benefits realized?

Mr. BOYD. Could you repeat the last sentence? I couldn't hear it.

Mr. KEAN OF NEW JERSEY. What is the greatest challenge you face in getting these materials to job sites so we can see the infrastructure benefits materialize?

Mr. BOYD. So, our greatest challenge in getting the materials is, to start with, permitting issues in different parts. If a quarry or aggregate facility is permitted, the other challenge is, obviously, transportation, whether it be truck, rail, barge. That is the other issue, as far as getting materials to the job.

And I don't know if that is kind of the direct—I don't know if that answers your question, or were you looking for more, or what?

Mr. KEAN OF NEW JERSEY. I think that is a good-enough answer, because if we are looking at the real solutions over time, we need to be focusing on understanding both the construction as well as getting the product to market to ensure that we can keep our communities safer, and the transportation infrastructure needs are met in full.

If there are other members of the panel who have an answer, or want to opine on that, I would welcome that.

Mr. Williams?

Mr. WILLIAMS. Congressman, thank you. I would just capture that in terms of certainty of supply chain. When we are working with our contracting industry we rely upon to bid on our projects, and there is uncertainty in their supply chain, if there is uncertainty about—many of these projects will take 2, 3, 4 years to develop. If they don't know where that material is going to be over the next 2 or 3 or 4 years, you are going to see a significant increase in pricing that we are having to pay.

And so, the degree to which we can have certainty in where that material is going to come from, be it aggregate or asphalt or steel, that is going to help us better see more competition, and reduce our pricing and the inflation that we have been experiencing.

Mr. KEAN OF NEW JERSEY. Anybody else on the panel have—

Mr. DREHER [interrupting]. Just additionally, uncertainty drives up costs when we are bidding the job, but also during construction. Not having a good handle on when materials are arriving, and just the uncertainty impacts the schedule. Again, it drives up costs. Time is money.

Mr. KEAN OF NEW JERSEY. OK, thank you.

Ms. Hammond?

Ms. HAMMOND. I think all of the above. The more ability that contractors have to plan for and procure the items, and with the knowledge that the project is going forth on the pace that they anticipated, the better off we all are.

Mr. KEAN OF NEW JERSEY. OK, thank you. I yield to myself the remainder of the time.

Mr. Moulton from Massachusetts.

Mr. MOULTON. Great. Well, thank you. Let me just start by thanking all the witnesses for being here. I am sure you must have a certain feeling of dread every time a new Member walks in at the end here to ask more questions. We recognize this is a bit of a marathon, but we certainly appreciate it.

Mr. Williams, I spent some time in Texas myself, and I am wondering if I might start with you. Certainly, when I was there, traffic congestion was a big problem. Is it still a huge challenge facing Texas?

Mr. WILLIAMS. Yes, sir. Texas, year after year, adds more people than any other State in the Nation. Those people tend to come with their cars and trucks, and that compounds the congestion that we see on our highways.

Mr. MOULTON. So, I am told that Texas DOT—I don't know if this applies to you personally, but I am told that TxDOT currently believes that widening the Katy Freeway did not create more con-

gestion, even though empirical data shows otherwise. In 2008, the freeway was expanded to 28 lanes, making it one of the widest in the world. The project was immediately hailed as a success, and commute times were initially shortened. But within 5 years, peak-hour travel times were longer than before the expansion. From 2011 to 2014, a morning commute on the freeway has increased by 25 minutes, or 30 percent. The afternoon commute has increased by 55 percent.

And sort of writ large in America, we have done capital projects, highway projects in urban areas to the tune of about \$500 billion between 1993 and 2017, which has caused congestion to grow by more than 144 percent, far faster than population growth due to induced demand.

So, given that induced demand means that congestion outpaces population growth, are you looking at alternatives, or are you still just planning to widen highways as wide as they can get?

Mr. WILLIAMS. Thank you, Congressman. Well, we certainly realize that, to have an effective, multimodal transportation system, we have to work with other agencies, as well, who are responsible for those modes, be it transit—and in Texas a very important factor is freight. In fact, freight demand has grown by three times the rate of population demand.

Mr. MOULTON. Right.

Mr. WILLIAMS. And as I testified previously, we are one of the fastest growing States in the Nation.

I would push back on some of the data on the Katy Freeway. Some of that is selectively chosen, and doesn't realize or recognize the fact that some of those dates in the data that they are pointing to, there was adjoining highway construction going on on parallel corridors that actually had to divert traffic. So, some of that induced demand isn't something that I would characterize as induced demand, but in reality it is diverted demand, often coming from other facilities.

Mr. MOULTON. But you do believe in induced demand. You understand that as a—

Mr. WILLIAMS [interrupting]. I believe that there is some induced demand. I believe that some of the opponents—

Mr. MOULTON [interrupting]. So, in 2019, to your point about freight, Virginia analyzed transportation options for I-95 from Fairfax County to Fredericksburg, the most congested stretch of highway in the entire United States. And they determined that adding a traffic lane would cost \$12.6 billion, and within 10 years would bring little to no congestion improvements because of induced demand.

Instead, what the State chose to do—or the Commonwealth chose to do, I should say—is invest \$3.7 billion in expanding commuter rail, Amtrak service, and easing traffic chokepoints between Richmond and Washington, DC, to the benefit not only of commuters, passengers, but also to freight traffic. This option cost nearly \$10 billion less, and has gotten a lot of freight off 95. I mean, do you think it is crazy for Virginia to do this?

Mr. WILLIAMS. Not at all. I think that each State DOT, as they look at their individual projects, have to analyze the demands that

are causing those, and make the right decisions for those projects and those corridors.

Mr. MOULTON. I mean, where I live in Massachusetts, I can drive into the city at rush hour. It takes between 75 and 90 minutes, sometimes a little bit more. The train takes between 25 and 35 minutes. And yet the frustration that we have in Massachusetts is that the train took 25 minutes 100 years ago, so, it hasn't gotten any better.

But in Texas, you are spending billions of dollars every year building brandnew infrastructure. So, if you built modern commuter rail, you could have travel times that are three to five times faster than driving. And I just—it is hard to imagine why Texas commuters wouldn't want that as an option. No one is saying you have to take it. No one tells me I have to take the train if I am going into the city. But having an option that is significantly faster than driving is something that we value, and I certainly, as a former Texas resident, would have valued myself.

So, I hope that you are going to look seriously at these alternatives because, at the end of the day, you control a lot of money, and you can either create a lot of induced demand or give people options to get around the State of Texas much faster than they can today.

Thank you, I yield back.

Mr. KEAN OF NEW JERSEY. Thank you. The gentleman yields back.

Are there any further questions from members of the subcommittee who have not yet been recognized?

Seeing none, that concludes our hearing for today. I would like to thank each of the witnesses for your testimony.

I would ask unanimous consent that the record of today's hearing remain open until such time as our witnesses have provided answers to any questions that may be submitted to them in writing.

Without objection, so ordered.

I also ask unanimous consent that the record remain open for 15 days for any additional comments or any information submitted by the Members or witnesses to be included in the record of today's hearing.

Without objection, so ordered.

The subcommittee stands adjourned.

[Whereupon, at 1:02 p.m., the subcommittee was adjourned.]

SUBMISSIONS FOR THE RECORD

Statement of the American Society of Civil Engineers, Submitted for the Record by Hon. Eric A. “Rick” Crawford

INTRODUCTION

The American Society of Civil Engineers (ASCE) appreciates the opportunity to submit a statement to the House Committee on Transportation and Infrastructure’s Subcommittee on Highways and Transit regarding the hearing on “Reviewing the Implementation of the Infrastructure Investment and Jobs Act.”

ASCE was an ardent supporter of the Infrastructure Investment and Jobs Act (IIJA) of 2021. Successful implementation of this once-in-a-generation investment has the potential to improve safety for Americans and modernize the nation’s roads, bridges, transit systems, pipes, ports, broadband, airports, schools, and drinking water systems. As implementation of the five-year IIJA continues, ASCE asks Congress to maintain a strong commitment to the provisions included in this law.

Once passed into law, landmark legislation requires diligent review and evaluation. ASCE commends the House Subcommittee on Highways and Transit for holding a hearing on this subject. This hearing is a good opportunity to examine ongoing considerations related to the implementation of the IIJA.

RECOMMENDATIONS FOR EFFECTIVE IMPLEMENTATION OF THE IIJA

With the \$1.2 trillion investment provided by the IIJA, the federal government can restore its critical partnership with cities and states to improve and modernize our nation’s infrastructure. To optimize the investment associated with over 100 new programs and many more existing programs across critical infrastructure sectors, ASCE developed key recommendations for Congress, the Administration, and state and local governments to consider regarding IIJA implementation.

1. Cut Red Tape and Increase Transparency Across Government Agencies

ASCE has identified areas where the federal government should work with industry stakeholders to ensure projects are not delayed due to overly burdensome and often redundant red tape. First, while ASCE supports the intention of the Build America, Buy America Act (BABAA) language in the IIJA, we need to ensure that language does not hamper innovation, cause unnecessary project delays and cost increases, or further constrain markets. While guidance from the Administration related to BABAA is helpful, with continued inflation and supply chain issues already creating challenges for the effective implementation of the IIJA, it will be critical to not add additional burdens or requirements that could further impede the full impacts of this historic investment. For many gadgets and materials that engineering professionals rely on every day, there are no American manufacturers.

Second, ASCE is encouraged by the IIJA codifying One Federal Decision, which will lead to cost reductions, and applauds the Administration for developing a Permitting Action Plan to further accelerate the federal permitting and environmental review process. One of the key recommendations in the *2021 Report Card for America’s Infrastructure*¹ was to streamline the project permitting process across infrastructure sectors while ensuring appropriate safeguards and protections are in place. Therefore, ASCE believes the most recent plan is a step in the right direction to ensure that projects can be delivered on time and on budget, while maintaining the rigorous environmental review process.

ASCE applauds the 118th Congress’ prioritization of permitting reform. ASCE supports the inclusion of provisions that aim to further reform the National Environmental Policy Act (NEPA) process in the Lower Energy Costs Act (H.R. 1).

¹<https://infrastructurereportcard.org/>

Drawn-out regulatory review processes can be detrimental to infrastructure investment by delaying projects, creating uncertainties, and increasing overall project costs. Permitting reform can help the projects supported by the IIJA break ground in a timely manner.

Finally, the federal government has a responsibility to ensure IIJA funds are properly managed. The historic scope of the IIJA and the large number of partners needed to deliver the legislation, such as state and local governments, contractors, consultants, non-profits, and even the public, means the federal government will face a complex challenge to reduce the risk of waste, fraud, and abuse. Therefore, transparency will be key, especially in areas like the grant selection process.

2. Streamline the Engineering Contracting Process

In recent years, many projects around the country have been slowed down due to increased change orders during the contracting process. The Engineers Joint Contract Documents Committee (EJCDC), a joint venture of ASCE, the National Society of Professional Engineers, and the American Council of Engineering Companies, publishes documents related to engineering, construction, design/build, construction manager as advisor, construction manager at risk, and procurement. The use of the EJCDC documents reduces potential errors, redundancies, or conflicts in construction contracts. EJCDC updates its documents approximately every five years to reflect industry trends, court decisions, and changes in applicable laws and regulations. The EJCDC has developed contracts for scoping, preliminary design, final design, construction, and commissioning. Therefore, the EJCDC has contracts that are ready to expeditiously move projects through the process when utilized appropriately.

EJCDC construction contract forms that can effectively deliver projects under a variety of project delivery methods funded under the IIJA are available, and ASCE urges federal and state agencies to accept the current versions of the documents without exception. Additionally, it is necessary to ensure that smaller, rural, or disadvantaged communities are aware of these contract forms and have access to them.

Therefore, ASCE recommends that all federal agencies follow the U.S. Department of Agriculture's (USDA) Rural Utilities Service (RUS) model, which has preapproved certain standard EJCDC engineering and construction series documents for use in projects funded under the RUS Water and Waste Disposal program. By preapproving EJCDC documents, the USDA has eliminated the need for applicants to purchase the separate Funding Agency edition of the documents and therefore has streamlined the process and made these documents more accessible for rural or disadvantaged communities. Local agencies are also relieved of the burden of drafting and editing documents for later approval by federal and state agencies.

Furthermore, ASCE supports qualifications-based selection procedures outlined by the Brooks Architect-Engineers Act, the numerous similar state and local laws, and the American Bar Association's Model Procurement Code for State and Local Governments for engagement of engineering services. As the IIJA is implemented, ASCE strongly recommends that the application of the Brooks Act is upheld.

3. Collaborate with the Engineering Community to Develop Technical Assistance and Leverage Non-traditional Data Sources for Disadvantaged and Rural Communities

The IIJA took great strides to acknowledge the inequities that were created or exacerbated by our nation's built environment. Examples of positive steps include establishment of the Reconnecting Communities Pilot Program at the Department of Transportation, investment in Superfund and brownfields remediation, and set-aside funds for rural and disadvantaged communities throughout many of the water and broadband infrastructure programs.

ASCE would like to build on these steps and focus on examining how public agencies are working with non-traditional data sources to identify which communities could benefit the most from infrastructure investment. For example, the Los Angeles County Department of Public Works is considering new metrics when making investment decisions, including U.S. Census Bureau data on potential exposure to pollutants, prevalence of certain health conditions, and socioeconomic factors. Having well-established metrics and a variety of dependable aggregated data sources can assist in making sure the IIJA is effectively benefiting the communities that need investment most.

ASCE and the engineering community stand ready to work with federal agencies to help expand upon the technical assistance programs that many rural and disadvantaged communities will rely on to receive competitive grants. Agencies should coordinate with the nation's engineers to help identify those communities that need

assistance and determine what type of assistance is needed, whether it is grant preparation, identifying suitable projects that will bring community benefits, or long-term capacity building within agencies or jurisdictions.

4. Dedicate Resources to Grow the Pipeline of Skilled Workers

To realize the potential of this five-year legislation, it is critical that we have the civil engineering workforce in place to design, build, and maintain the nation's infrastructure. The American Council of Engineering Companies found that the industry will need to add 82,000 full- and part-time engineers to implement the IJA. Workforce shortages abound across the infrastructure sector and are especially felt among public agencies who are working to implement the IJA.

Public agencies, which have varying levels of resources at their disposal, are at different stages in solving this issue. Some are deploying advanced workforce recruitment and retention strategies, while others are just now beginning to encounter shortages. One strategy to attract and retain more workers is offering a better explanation of pension benefits. Research from the National Institute on Retirement Security shows many employees and potential employees don't understand how pensions work. Younger workers in particular may not realize the value of reliable monthly income during their retirement. Thorough initial conversations about how a pension can complement a total compensation package can give public sector employees a boost and help them compete with private industry counterparts.

Other practices for recruiting and retaining workers include changing policies to allow same-day job offers and increasing resources available to potential and current employees through online portals and toolkits. For example, the Washington State Department of Transportation has a Workforce Development Toolkit, which offers interview tips, information on the modern work environment, and talent development resources such as tuition reimbursement and leadership development.

Infrastructure owners cannot effectively utilize the influx of funding from the IJA if they do not have the workforce in place. Congress recognized workforce needs with provisions in the CHIPS and Science Act of 2022. ASCE believes Congress should build on these commitments and encourage state and local governments to include skilled workers in their long-term workforce development plans.

5. Require the Use of the Most Up-to-Date Codes and Standards and Regularly Fund Climate Data Updates

The most reliable way to ensure our nation's infrastructure is resilient and that we are truly building back better is the widespread adoption and enforcement of modern, up-to-date building codes. Therefore, ASCE strongly encourages federal agencies to incentivize the use of up-to-date codes and standards, which can mitigate risks of climate or manmade events such as hurricanes, fires, sea level rise, and more.

The following ASCE documents and standards should also be utilized for new projects that are receiving IJA funds. These same documents serve as a basis upon which such a model code can be developed:

- *ASCE 7, Minimum Design Loads and Associated Criteria for Buildings and Other Structures (ASCE/SEI 7-22)*, currently an integral part of U.S. building codes, describes the means for determining soil, flood, tsunami, snow, rain, atmospheric ice, earthquake, and wind loads, and their combinations for resilient structural design;
- *ASCE 24, Flood Resistant Design and Construction*, prescribes a standard for cost effectively increasing resiliency by reducing and eliminating risks to property from flood hazards and their effects;
- *ASCE 41, Seismic Evaluation and Retrofit of Existing Buildings*, standardizes methods for the retrofit of existing buildings to increase resiliency in communities after a seismic event;
- *ASCE Manual of Practice 140, Climate-Resilient Infrastructure: Adaptive Design and Risk Management*, provides guidance for and contributes to infrastructure analysis/design in a world in which risk profiles are changing due to climate change per the Fourth National Climate Assessment.
- *ASCE Manual of Practice 74, Guidelines for Electrical Transmission Line Structural Loading*, provides guidelines for the interpretation of ASCE 7 specifically for overhead power lines and includes updated wind and ice loadings that all overhead transmission and distribution lines should be designed for with the consideration of current climate change data.
- *ASCE Manual of Practice 141, Wood Pole Structures for Electrical Transmission Lines: Recommended Practice for Design and Use*, provides guidelines for the proper design and analysis of wood pole structures used in our distribution and transmission grid infrastructure.

While many state and local government agencies are leading the way, to fully realize the benefits of the IIJA, ASCE encourages federal agencies and Congress to support and incentivize the widespread adoption and enforcement of up-to-date building and infrastructure codes. The recent creation of the National Initiative to Advance Building Codes, which will focus on helping state and local governments adopt the most up-to-date building codes and standards, indicates that federal officials understand the importance of these codes and standards for resilience. ASCE stands ready to support the work of the initiative.

Additionally, we urge Congress to provide robust funding to federal agencies like the National Oceanic and Atmospheric Administration (NOAA), FEMA, and NIST, whose missions include both developing the data necessary for ensuring standards can address the impacts of climate change and preparing and implementing a national model code that considers increasingly strong storms. While some states have taken it upon themselves to update data sets, such as rainfall data, this has led to a piecemeal approach and fails to recognize that floodplains and other hazards do not end at state lines, putting communities across the country at risk. We cannot build resiliently relying on backward-looking data and, therefore, strongly urge Congress to fund these critical programs.

6. Incentivize Asset Management and Life Cycle Cost Analysis

As new competitive grant programs are developed across federal agencies, these programs should provide incentives for asset management and life cycle cost analysis as a routine part of the planning process. There are a growing number of state and local governments and private sector infrastructure owners demonstrating the long-term advantages of employing comprehensive asset management practices. However, asset management plans are not required or incentivized by the federal government in many sectors. By encouraging the development and regular update of asset management plans and life cycle cost analysis as a condition to receive new federal funding, we can ensure programming and planning for operations and maintenance are part of every new infrastructure project. Furthermore, by providing prioritization for those agencies already using asset management practices, the federal government can ensure additional state and local agencies develop asset management plans and implement life cycle cost analysis.

ASCE recommends federal agencies assess each new and existing IIJA program to determine whether requiring an asset management plan is feasible and would provide value for stakeholders. Additionally, ASCE encourages infrastructure owners that already have asset management plans to regularly update them so that these tools remain useful for decision-making.

ASCE'S RESOURCES ON IIJA IMPLEMENTATION

Recognizing that the IIJA is benefiting communities in all 50 states, ASCE also created an online map feature (Figure 1). Users can view projects in their state or region and filter the results by infrastructure category. The five-year IIJA includes funding for a wide variety of infrastructure projects, such as fixing potholes, replacing lead pipes, deploying broadband services, increasing rail activity, and cleaning up the environment. ASCE believes it is important to track projects that are supported by this legislation and illustrate the impacts of this historic investment.

Showcasing the specific location and benefits of a project to a community can help foster better understanding everywhere of how infrastructure strengthens the economy and improves quality of life. To underscore that point, ASCE has also partnered with the American Council of Engineering Companies and the American Public Works Association to produce the Engineering & Public Works Roadshow. The Roadshow partners are making stops around the country to highlight the benefits that recently-completed projects have brought to communities, from easing supply chain chokepoints to revitalizing downtown districts.

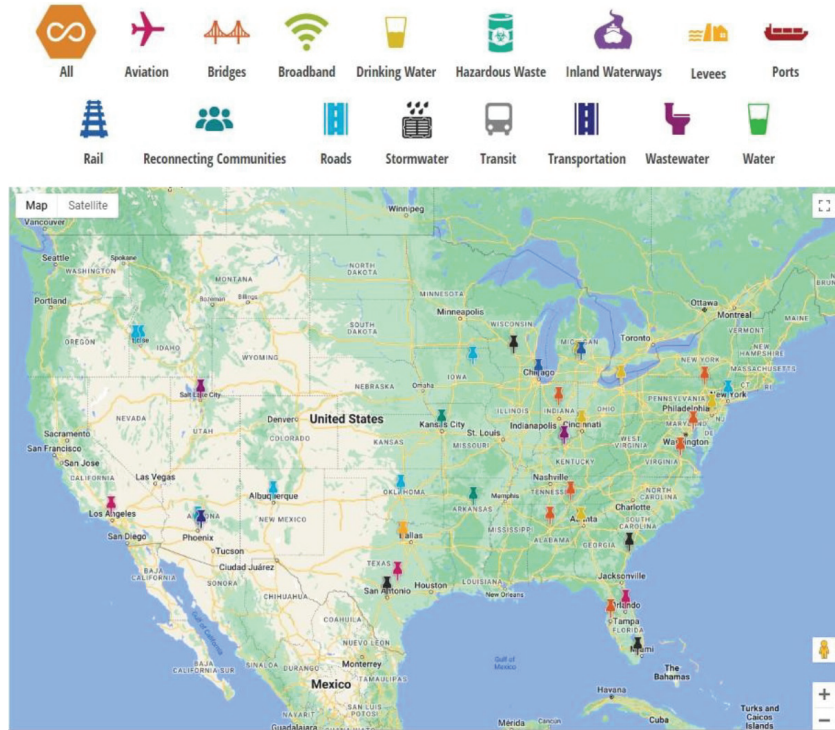


Figure 1—ASCE’s IJA project map, available through its online IJA Implementation Resource Center.

CONCLUSION

ASCE thanks the House Subcommittee on Highways and Transit for holding a hearing on implementation of the IJA, which ASCE strongly advocated for. ASCE asks Congress to maintain a robust commitment to infrastructure as implementation of the IJA continues.

ASCE appreciates the opportunity to share our recommendations for efficient implementation of the IJA. We stand ready to answer any questions and we look forward to working with Congress on successfully implementing this historic legislation.

Statement of the Association of Equipment Manufacturers, Submitted for the Record by Hon. Eric A. “Rick” Crawford

Chairman Crawford, Ranking Member Holmes Norton, and Members of the Subcommittee on Highways and Transit:

The Association of Equipment Manufacturers (AEM) appreciates the opportunity to submit this statement for the record as the U.S. House Committee on Transportation and Infrastructure examines the implementation of the Infrastructure Investment and Jobs Act (IIJA).

AEM represents more than 1,000-member companies manufacturing equipment and providing services for the agriculture, construction, utility, mining, and forestry sectors worldwide. Our industry supports approximately 2.3 million jobs across all 50 states, represents 11 percent of the manufacturing sector in America, and contributes \$316 billion a year to the U.S. economy.

The IIJA presents a tremendous opportunity for the equipment manufacturing industry. In 2021, AEM released a report detailing the projected economic impact of increased infrastructure investment to the equipment manufacturing industry. According to the data, more than 100,000 family-sustaining equipment manufacturing

jobs will be created before 2024 due to the IIJA. These are high-skilled jobs in primarily rural areas that pay an average annual income of \$89,700, which is 33 percent above the current national average. The report also showed that the IIJA would create nearly 500,000 new manufacturing jobs overall, generate over \$2 billion in new federal, state, and local tax revenue from the equipment manufacturing industry, and result in an additional \$27 billion in overall economic output.

AEM's recently released *2023 Economic Impact Report* highlights the industry's return to growth and increased output following the end of the COVID-19, backing up the 2021 projections on the impact of the IIJA on the equipment manufacturing industry. This triennial report was prepared by the Market Intelligence Team at S&P Global and details the impact of the three major sectors—agriculture, construction, and mining—that make up the equipment manufacturing industry. These are all sectors heavily dependent on robust infrastructure investment. The return to growth for the equipment manufacturing industry in 2022 is part of a broader rebound in U.S. manufacturing output, which saw an estimated 14 percent increase in 2022. The 4.2 percent employment growth seen by the equipment manufacturing industry in 2022 outpaced the broader manufacturing employment growth of 3.8 percent seen last year.

As a leading advocate in getting this critically important bill across the finish line, AEM continues to work with the leaders in Congress and the Administration to successfully implement the bill. With at least one new IIJA supported project in each congressional district, the equipment manufacturing industry making the equipment that builds these projects has shown time and again that it is a resilient force in the North American economy, weathering everything from global pandemics to supply chain disruptions with strength and determination. As we look to the future, we are confident that this industry will continue to adapt and innovate in the face of new challenges, providing stable jobs and economic opportunities for communities across the country.

The 2.3 million men and women of the equipment manufacturing industry are ready to get the job done and ensure that continued infrastructure investment ushers in a new era of economic prosperity for all Americans. We look forward to working with all members of the Committee to advance policies and agreements that strengthen American manufacturing and secure our nation's long-term infrastructure advantage.

APPENDIX

QUESTION FROM HON. DINA TITUS TO MARC D. WILLIAMS, P.E., EXECUTIVE DIRECTOR, TEXAS DEPARTMENT OF TRANSPORTATION, ON BEHALF OF THE AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS

Question 1. In your testimony, you noted that Texas' population is consistently increasing which can create challenges for the state's transportation network. Likewise, Southern Nevada has a growing population and I am proud of the work our Regional Transportation Commission is accomplishing to accommodate this boom, especially by improving connectivity.

Can you speak more on the role transit plays in helping meet a state's transportation demand, especially in places like Texas and Nevada where the population is growing in number and neighborhoods are expanding in size?

ANSWER. Thank you for your question, Congresswoman Titus. The Texas Department of Transportation (TxDOT) continues to plan cooperatively with regional partners to implement a variety of multimodal and innovative strategies to address high population growth. These efforts have expanded in recent years and include investments in new transit services, fleet replacement and electric vehicle projects, bus rapid transit, and light rail and streetcar projects in our growing metropolitan, urban, and rural areas. TxDOT has also launched its inaugural Statewide Multimodal Transit Plan to develop long-term strategies to the year 2050 that will be integrated into the State's Long Range Transportation Plan.

QUESTION FROM HON. DINA TITUS TO PAULA HAMMOND, SENIOR VICE PRESIDENT, WSP USA, ON BEHALF OF THE AMERICAN ROAD AND TRANSPORTATION BUILDERS ASSOCIATION

Question 1. You mentioned in your testimony that any discussion on increased materials prices and inflation also needs to recognize that, without the Bipartisan Infrastructure Law, there would likely be a market contraction.

Could you expand on this a little more, and perhaps even talk about how the certainty of federal funding from the infrastructure law can help states and industry ride out short-term inflation so that it can sustain economic growth in the long-run?

ANSWER. The federal-aid highway program is a major driver of state highway and bridge construction activity, accounting for over 50 percent of state capital expenditures, so the certainty and level of federal investment can have a major economic impact.

The stability afforded by a multi-year surface transportation law allows states to make long-term decisions about highway and bridge capital programs and to weather uncertain economic conditions, like increased materials prices and inflation. It also helps contractors, material suppliers, design firms, and other businesses as they consider investments in equipment, technology, plants, and facilities.

There is an immediate boost in economic activity as construction work begins, followed by longer-run improvements in productivity.

Historically, when states have to rely on short-term laws and extensions, the following effects on state highway and bridge program spending occurred:

- In 2003–2004 the real market *dropped five percent* during a series of 12 short-term extensions between the end of the Transportation Equity Act for the 21st Century (TEA-21) and the enactment of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).

- State highway and bridge program spending *declined six percent* under a series of nine short-term extensions between 2010 and 2011 after SAFETEA-LU expired.
- Investment *declined seven percent* between 2012 and 2013 under the two-year Moving Ahead Progress in 21st Century (MAP-21) law.

Long-term federal-aid highway bills have coincided with periods of real state highway and bridge program growth:

- Total spending under TEA-21 *increased 24 percent* between 1998 and 2002.
- Under SAFETEA-LU the market *grew five percent* between 2005 and 2009.
- Prior to the beginning of the COVID-19 pandemic, real spending under the Fixing America's Surface Transportation Act (FAST Act) *grew 12 percent* between 2015 and 2019.

The image below charts the growth and value of state highway and bridge program spending from 1982 through 2022:

