

**TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT,  
AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2026**

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**HEARINGS**

BEFORE A

**SUBCOMMITTEE OF THE  
COMMITTEE ON APPROPRIATIONS  
UNITED STATES SENATE**

**ONE HUNDRED NINETEENTH CONGRESS**

**FIRST SESSION**

**ON**

**H.R. 4552/S. 2465**

**AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENTS OF TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2026, AND FOR OTHER PURPOSES**

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**Department of Transportation  
Department of Housing and Urban Development**

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Printed for the use of the Committee on Appropriations



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# **TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2026**

**THURSDAY, MAY 15, 2025**

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

The Subcommittee met at 10:02 a.m. in Room 192, Dirksen Senate Office Building, Hon. Cindy Hyde-Smith (chairwoman) presiding.

Present: Senators Hyde-Smith, Collins, Boozman, Hoeven, Kennedy, Moran, Britt, Gillibrand, Murray, Durbin, Reed, Coons, Schatz, and Van Hollen.

## **DEPARTMENT OF TRANSPORTATION**

### **STATEMENT OF HON. SEAN DUFFY, SECRETARY**

#### **OPENING STATEMENT OF SENATOR CINDY HYDE-SMITH**

Senator HYDE-SMITH. Good morning. The Secretary of Transportation, Mr. Sean Duffy, who will testify on the President's fiscal budget of 2026 request for the department. And I'm delighted to be joined by our new Ranking Member, Senator Gillibrand.

And starting off this morning, I want to recognize the Lilley family. I just found out that you were here, and we're so honored that you were here and grateful to have you with us today. I look forward to crafting our fiscal year of 2026 bill, with the same collaborative spirit that former Chairman Schatz and I shared in recent years, and the programs and projects that all of our bill support have a direct impact on the lives of all Americans every day. We're thrilled to have our Chairman here with us today, Susan Collins, of the overall Committee. And we will get started.

While the priorities in Mississippi may differ from those in New York State, we can all agree on the underlying mission of enduring a safe and reliable transportation system. Last year, our Subcommittee produced an appropriation bill that had strong bipartisan support and was passed nearly unanimously coming out of committee.

That was a lot of hard work to get there, but as a result, our former majority leader chose not to bring any of the 12 appropriation bills to the floor last year, and we were forced into a continuing resolution, which seriously undermines Congress's ability to fulfill its most fundamental duties. I know that Chairman Collins and Vice-Chair Murray are once again committed to making

sure that all of the fiscal year 2026 appropriation bills are marked up in committee and considered in the full Senate.

Secretary Duffy, thank you for being here today to testify on the budget request from the Department of Transportation. I have enjoyed our recent conversations and appreciate our mutual admiration of rural America. While we recently received the skinny budget, as we call it, we look forward to a more detailed breakdown of a proposed budget funding. Our bill simply cannot be written without it.

I look forward to hearing more about Department of Transportation (DOT) priorities. Our Subcommittee is very interested in better understanding the magnitude of staffing reductions throughout the Department in order to ensure that the Transportation Department has the workforce necessary to carry out its mission.

We all know that just days into your tenure as Secretary, you were faced with a tragedy that underscores the critical role of USDOT plays in transportation safety. We continue to mourn those who were lost during the horrifying incident over the Potomac, and we recognize that the status quo is not sustainable. We must take bold action to prevent future aviation disasters.

As I mentioned to you in our call together last week, I'm truly thankful to have you at the helm of the Department during this critical period for aviation safety and transportation writ large. Your sincerity and determination in wanting to solve the problem of modernizing our nation's air traffic system is a welcome change.

And I know you inherited a lot. You've got a tall drink of water in front of you. Getting this proposal right is critically important to the traveling public, so we look forward to receiving more details of your recently announced plan. I am very supportive of the additional funding requested for the Federal Aviation Administration (FAA) to hire more air traffic controllers to manage the increased traffic in our national airspace systems, and to bring on more critical safety staff to help address the ongoing FAA aircraft certification reform and oversight efforts.

While there's a lot to talk about the Department's budget request, I was disappointed to see that the Administration proposes drastic cuts to the Essential Air Service (EAS) program. As we have discussed, the EAS program connects our nation's rural communities to the broader transportation network by facilitating safe air travel for customers, traveling to and from smaller markets like in Greenville, Mississippi, Tupelo, and Hattiesburg, Mississippi.

I know you understand the importance of this program from your time as a Congressman when you had multiple EAS-supported airports in your district. Drastically cutting this program will have a severe impact on rural communities and regions that rely on having access to the broader transportation network. Additionally, new businesses rarely locate in areas without dependable commercial air service. So, supporting these rural airports is vital for future economic development.

I'm very pleased to see the significant investment this Administration is proposing in rail safety, nearly doubling the funding for the Consolidated Rail Infrastructure and Safety Improvements Program. In contrast, the last Administration proposed slashing funding for this program by more than 50 percent. I have also been en-

couraged by your strong statements of support in our nation's ship building industry and for improving the pipeline of qualified merchant mariners.

Our bill encompasses the U.S. Merchant Marine Academy in Kings Point, New York, which you recently visited, as well as six state maritime academies. These institutions are absolutely essential for facilitating commerce, and strengthening our national security by educating training the next generation of American Mariners.

The Administration's support for the maritime industry is further demonstrated by the funding proposed for the Port Infrastructure Development Program, otherwise known as PIDP. The request recommends \$550 million in Port Infrastructure Development Program (PIDP), the request is \$500 million above the current spending level. It's also worth noting that the previous Administration sought just 80 million for PIDP in its fiscal year 2025 budget request.

In addition, the increased funding requested for the Assistance to Small Shipyards grants totaling \$105 million is another strong signal of support for American ship building, which is important to Senator Collins and myself for sure.

As we approach the final year of the Infrastructure Investment and Jobs Act (IIJA) funding, and our authorization counterparts work toward a surface transportation reauthorization bill, we need to make sure that our appropriations bill strikes a balance to meet the needs of all Americans, especially those in rural communities which face unique transportation and economic development challenges.

To conclude, I believe that our funding decision should be guided by fiscal responsibility and with the taxpayers in mind. Secretary Duffy, I look forward to hearing from you, and working together for the American people to ensure that we have the safest, most reliable transportation network in the entire world.

Now, I turn to Senator Gillibrand for her opening statements.

#### STATEMENT OF SENATOR KIRSTEN GILLIBRAND

Senator GILLIBRAND. Thank you, Chair Hyde Smith. I'm honored to be serving alongside you at the THUD Subcommittee. I first want to acknowledge the family that is here. No one understands the need to improve air traffic safety and aviation safety than Tim and Sherri Lilley, we mourn with you at the tragic loss of your son, Sam.

I've met with many families who have lost loved ones to air crashes, particularly the Colgan Air Flight that crashed in Buffalo. But I can tell you from experience, the most effective advocates for reform and change are parents such as you who have lost such a dear loved one. So, your presence alone is extremely meaningful, and we're very grateful that you're here. Thank you.

The Subcommittee has a very longstanding reputation as being one of the most bipartisan subcommittees, so I'm very excited to be part of it. It's also bipartisan because every state has enormous transportation and housing needs, and the only way to address them is for us to work together. The transportation needs of New York may be different from Mississippi, but we all want safe and

efficient transportation, and I know that we can work together for our local communities.

In New York, every single mode of transportation matters. Transit and rail service are the backbone of New York City, and provides the most efficient way to get around. New York's airports serve as a gateway to travelers from across the world, and we've seen how critically important this is to our air traffic control system. Over the last week, we saw what happened at Newark that was frightening, terrifying, in fact not to mention the challenges that we faced at all airports across New York.

The maritime needs in New York are significant with the Merchant Marine Academy and the SUNY Maritime College. I look forward to working with you on those two projects specifically, to really show what America can do. Highways and bridges are a lifeline for connecting the cities and suburbs in every New York community. We really do need the Federal government to fund all modes of transportation, and so picking and choosing is unwise.

Secretary Duffy, welcome to the Subcommittee and thank you for your energy and enthusiasm in rebuilding America's infrastructure. I'm particularly excited about your focus on aviation modernization and safety. Your budget request for fiscal year 2026 includes a lot of good news for transportation, particularly for FAA's air traffic controller hiring and training, highways and rail grant programs, and ship building revitalization. The budget request also cuts \$1.1 billion from DOT, but does not specify which programs have been cut.

So, I hope that you'll be more specific about these cuts because we know both the good news and the bad news. Cuts to Amtrak and public transportation will be very harmful to New York and to the Eastern Seaboard. As I've said before, an all of the above strategy is what's appropriate for New York State. Aviation safety will also remain a top priority.

I also look forward to hearing about your modernization proposal for the air traffic control system. Everyone agrees that modernization is urgently needed. We all experience flight delays and cancellations, but nothing is more terrifying than what happened at Newark. So, we really have to focus on that.

The Administration's overall budget includes a lot of cuts and savings. In fact, there's \$163 billion in savings from non-defense discretionary programs. So, we know the Administration has money on the table. So far, we have not seen a budget proposal that would put any of these savings towards air traffic control modernization. So, we're hopeful that that will be done.

Aside from the budget, I'm worried that the Department has buried itself in red tape by reviewing 3,200 competitive grants that have been previously awarded eligible and met all other criteria. I think you might need to hire two dozen lawyers to get that done if you want to do that on a timely basis. There's no doubt that the months-long effort to re-review grants is slowing down transportation projects in every single state.

The Department's also struggling because it's lost thousands of employees through the Deferred Resignation Program. It simply makes no sense to create more unnecessary, duplicative work on grants when you have fewer people to re-review them. Despite

these challenges, I'm very confident that you want to help rebuild American infrastructure with the traditional bipartisan cooperation that this subcommittee will afford.

So, thank you, Mr. Secretary, for your testimony today. And thank you, Madam Chairwoman.

Senator HYDE-SMITH. Thank you. We're going to begin with the questions.

Mr. Secretary, at last year's budget hearing, I asked your predecessor about private-public partnerships with the FAA through the Federal Contract Tower Program. Specifically, I asked about how the Trent Lott International Airport in Pascagoula can become the eighth Mississippi airport to join this important program. I was told then that the Department through the FAA was making significant progress with the airport and bringing this tower into the Federal program.

Yet, today, the Pascagoula Tower has still not been admitted. I do not understand what is causing the delay, but it is troubling that it has taken so long for this transfer to occur. Mr. Secretary, what is the most recent update on this project, and will you commit to working with me and my staff to help the Trent Lott International Airport finally join the Federal Contract Tower Program this year?

Secretary DUFFY. Madam Chair, I appreciate the question. I don't have an update for you at this point right now, but I will be happy to go to the FAA and get an update, and give it to you as quickly as possible.

Senator HYDE-SMITH. Great. All right. I am going to pause my questions. I think we have everyone that we need here, and we will go with your opening statement.

#### SUMMARY STATEMENT OF HON. SEAN DUFFY

Secretary DUFFY. Oh, thank you. Chair Hyde-Smith, Ranking Member Gillibrand, Chair Collins, Members of the Subcommittee, thank you for having me today. I appreciate it. It's good to elevate from the House and come over here to see you all in the Senate. It's great to be here.

My aim over the course of this hearing is to provide you a sense of how building big, beautiful infrastructure is at the top of President Trump's priorities, and how we can all work together to build the infrastructure that connects our people and moves our products across this country. That is the aim.

Our Department has already saved taxpayers more than \$9.5 billion in the President's first 100-plus days in office. Those savings include money pulled from projects tied to social justice, to climate requirements. There's been some boondoggle projects and inefficiencies at the Department that we've focused on to garner these savings.

Now, a lot of you have reached out to me and have concerns about grants. I get a lot of calls from you and your staff. Just to note, we've inherited an unprecedented backlog of 3,200 awarded projects without signed grant agreements. Many of these projects date back to 2022. The last administration, I would argue, were unorganized and they were unfocused as projects around the country were stalled by inaction and by inefficiencies.

No one is more frustrated with the inefficiencies of the process more so than I am. Currently, get this, there are 10 to 14 different systems at DOT to track the grants at DOT. There's not one system. There's 10 to 14. So, I'm looking to streamline that process so we have one process to track grants. I would like to put a dashboard out so all of you and your constituents can actually look in real time and see where grants are at and how they're moving through the process.

I think that kind of transparency is critical for this body, but also for the American people and your constituents who look to see where they're at in the grant-making process. I want to give you some radical transparency if we can make this system work. It's under development right now.

The Department of Transportation, on the budget front, is one of the few non-defense Federal agencies to receive an increase in Federal funding under the President's budget for fiscal year 2026. The reason is pretty simple; the President, he likes to build. He's a builder. He spent his career building, and he sees what we do at DOT as an agency, a Department that builds things, and he cares about that.

Our budget carefully focuses taxpayers' resources on items critical to our most fundamental mission of safety and investing in transportation infrastructure. We have pushed forward with the approval of over 400 grants totaling \$4.9 billion in the President's first 100-plus days. In total, the President's budget request of \$26.7 billion in new discretionary funding for fiscal year 2026 is a \$1.5 billion increase from fiscal year 2025, or simply put, a 5.8 percent increase.

And I know my time is about to expire, but I would be happy to take your questions on what's been happening at Newark, what systematic problems existed at Newark that caused the outages with air traffic control, and also our ideas on how we have to build a brand-new air traffic control system. The system we currently use, it truly is 25, 35, 40 years old in some places. We should have paid way more attention to it as a country. We've let it age, and now we're seeing the cracks of that age play out in real time for us.

I believe the system is safe. There are multiple redundancies throughout the system that keep people safe. Even the frustrations in Newark when we've slowed traffic down, the key is not efficiency, the key is safety. And so, when we slow traffic, it's about keeping people safe. When they take off, we want them to land at their destination, and so we'll make sure that we have a flight load that matches the system and the number of controllers that we have on duty.

But with that said, I agree with America's frustration. No one likes delays. No one likes cancellations. Love airports, but I don't want to spend four hours in an airport waiting to see if my flight's going to take off. And I think that's the feeling of so many Americans. And I think this is a moment in time that we can all work together to make the critical investments and execute on those investments safely but in a really fast timeframe.

We can't wait 5, 10, 15 years to do this. The build can't take 10 or 15 years. We have to do this at an expedited speed. And if we

do that, I think this is a moment in time we're going to be able to pay these investments forward, not just for everyone here, but we're going to pay it forward for future generations, and we can build an air traffic control system.

I use the example of my iPhone. I think I'm over my time, but if I could just say that, you can update your iPhone, right? It's a device that if Apple develops new software, they send me a notice and I can upgrade this. I just put AI on my phone as an upgrade from Apple. I can't update my flip phone.

Remember the Razr? Old school. You can't update that, but you can update this. I want to build a system that's like the iPhone that we can continue to build upon as new technology becomes available and we can improve the efficiency of our airspace and the safety of airspace. And I'd be happy to talk more about that and today's hearing, but also as we look to future conversations about what's necessary and what's needed with that.

I'm happy to take your questions. I'm sorry for going over, that's a critical mistake on my part. I understand the frustration of someone testifying going over. But happy to take your questions and thank you for having me here today.

[The statement follows:]

PREPARED STATEMENT OF HON. SEAN P. DUFFY

Chairman Hyde-Smith, Ranking Member Gillibrand, and Members of the subcommittee—thank you for inviting me to testify before you today. My aim over the course of this hearing is to provide you a sense of how building big, beautiful infrastructure is at the top of the President's priorities, and how we can work together on this bipartisan effort.

Our Department has already saved taxpayers more than \$9.5 billion in the President's first 100 days. Those savings include money pulled from projects tied up by wasteful DEI and climate requirements. We inherited an unprecedented backlog of over 3,200 awarded projects without signed grant agreements. Many of these projects dated back to 2022. The last administration was unorganized and unfocused as projects around the country were stalled by inaction, and inefficiency. No one is more frustrated with the inefficiencies of this process than I am.

Currently there are 10–14 different systems to track the status of grants across the Department. Under my leadership, I am committed to consolidating all of this information into one dashboard so grantees can see how our money is spent. I promise to ensure radical transparency to you all as well as the American people.

The Department of Transportation is one of the few non-Defense Federal agencies to receive an increase in funding under the President's Budget for the FY 2026. The reason is simple: the president wants to build. Our budget carefully focuses taxpayer resources on items critical to our most fundamental mission of safety and investing in transportation infrastructure. We have pushed forward with the approval of 405 grants totaling \$4.9 billion in the President's first 100 days. In total, the President's Budget requests \$26.7 billion in new discretionary funding for FY 2026, or \$1.5 billion more than FY 2025 enacted, about a 5.8 percent increase.

We do not take additional funds from hard-working taxpayers for granted in an era where government has become too big, too inefficient, and too wasteful. We have carefully planned for these dollars to fund urgent projects that once built, will serve future generations for decades.

Our budget requests \$18 billion in discretionary appropriations for the Federal Aviation Administration (FAA), \$1 billion more than FY 2025 enacted. Recent tragedies such as the mid-air collision above DCA have demonstrated the need to refocus our agency on the core mission of safety. That's why we are increasing funding for the FAA. Specifically, the budget supports hiring and training 2,500 new air traffic controllers, revamping key air traffic facilities, and replacing antiquated radar systems with the latest technology.

The President has also expressed the revitalization of American shipbuilding as a central pillar of his Administration's plan to make America great again. Our budget provides the Maritime Administration (MARAD) \$596 million more than FY 2025 enacted. These funds will enable MARAD to carry out the President's historic execu-

tive order for the creation of a golden age in shipbuilding. The request includes \$550 million to reinforce port infrastructure and \$105 million to resurrect neglected shipyards. The budget also boosts the President's infrastructure focus by providing an additional \$770 million for INFRA-the Nationally Significant Multimodal Freight & Highways Projects program. Finally, our budget makes a five-fold investment in rail safety and infrastructure by providing \$500 million in additional Consolidated Rail Infrastructure and Safety Improvements Program (CRISI) funds.

There's so much more we can do together, and I look forward to working with Congress on unlocking what's possible through these historic investments to American infrastructure.

Senator HYDE-SMITH. Well, we thank you for your opening statement, and now we're going to go to Senator Collins.

Senator COLLINS. Thank you very much, Madam Chair. First, before I begin my comments, let me salute you for your leadership of this subcommittee. I once had the position that you now hold, and I know how important it is, and I want to welcome the new Vice-Chair as well. And I know that you'll work together and continue your great work.

Mr. Secretary, I want to begin by thanking you for recognizing so swiftly the need for replacement and modernization of our air traffic control system. And the presence of the Lilleys here today reminds us all of what is at stake. So, thank you for being here as well.

For years, this committee has put money into modernizing the air traffic control system, and we just never have seen real results. A radar would be fixed here or there, but what we really need to do is completely modernize the entire system. And I know that that is your goal. That's going to cost significant money, but it is an investment that we must make. We are facing a crisis. When I learned from you that we were still using copper rather than fiber, it is stunning.

So, my question to you is, will you work with the Committee on the concept of having emergency funding that would cover the entire cost of this much needed replacement?

Secretary DUFFY. I appreciate the question, Senator, and I'm grateful for the conversations you've had with me on this topic. Yeah, I'm happy to work with this committee and the whole body. I think what one of the mistakes of the past is we did do piecemeal funding without a big vision. And sometimes we were trying to deploy high-tech ideas where the system that we were operating off of was not ready for those high-tech ideas.

And so, I would—what I'm going to ask, and I don't know what vehicle you want to use, I don't know what the approach will be from this body, but I would like this body to give the DOT and the FAA the money upfront, advance appropriations. And with that, I will be happy myself, or for the FAA, to come back I think on a quarterly basis and give you updates on the progress—good, bad, and ugly. Are we hitting our timelines? Are we behind? Are we on budget? I think America and the body, if you buy into this idea, deserve that.

I also think we're going to have to think about can we get permitting reform? This can be slowed down by the permitting process, but if we're laying fiber and we're not building, you know, four lane highways, we're not building skyscrapers. It's a pretty streamlined approach. But if we're going to build fast, which is necessary, I do think we'll need permitting reform as well from this body. And

I think—I'm committed to working with all of you on however you can envision us doing this together. I would welcome the opportunity. Thank you, Senator.

Senator COLLINS. Thank you. I also want to echo the Chair's concerns about the Administration's budget cuts for the Essential Air Service program. This program is a lifeline to rural communities, not only in Maine, but across America. In Maine, we have five airports that would not have commercial air service but for the Essential Air Service program. They include Augusta, Waterville, Hancock County, Bar Harbor, Rockland, and Presque Isle, Maine. Just last weekend, I participated in a groundbreaking for a new terminal at the Presque Isle Airport.

So, this is really important for economic development, for getting to medical treatment, for tourism. It's so important to rural America to have this program. How would you plan to support air service to rural communities who rely on this program absent a sufficiently funded EAS program?

Secretary DUFFY. I anticipated I was going to get a number of questions from virtually everyone on this panel about this program. I understand your concern. I am going to work on trying to bring efficiencies to the program, bring costs down on the program. As I dig into that, I'd be happy to partner and communicate with all of you on the Committee as we go through that process.

Again, I do understand how meaningful Essential Air Service is for so many communities across the country. And I need to do some work in the coming weeks. And as I do that, I'd be happy to have a conversation with you about how we're seeing it, and how we think we can do more with less.

Senator COLLINS. Thank you. I think you're going to need to do more with more but I appreciate your commitment to work with the Committee.

[Laughter.]

Maine is home of the Maine Maritime Academy, which has a well-earned reputation for educating some of the best mariners anywhere in the world. And, fortunately, the faculty and the midshipmen are eagerly awaiting the completion of the Academy's new state of the art training vessel, which is going to greatly enhance mariner training and preparedness.

I understand that you recently saw, made Maritime's training vessel during a trip to the Philadelphia Shipyard, and I welcome you to come see it again when it—after it has completed its voyage to the beautiful coast of Maine. Could you talk just briefly, because we're out of time, almost about the emphasis that the Administration is placing on better preparing our maritime workforce?

Secretary DUFFY. Yeah. I appreciate the question, and I'll be quick. The ship is beautiful. By the way, the Maritime Administration (MARAD) is building ships on budget and on time. The Maine is one of them. But again, I think we have to invest in shipbuilding in America. The seas are so important for defense, for moving products, and we have ceded this territory to Japan, South Korea, to China specifically, and we have to revitalize American shipbuilding.

It's going to take vision, and it's going to take help from this body and presidential leadership, but I do think it's important. And

then when we have those ships, we need mariners to sail those ships, and our academies across the country are critical to bring out those young men and women who can who can operate the great vessels for this country.

Senator COLLINS. We look forward to your visit.

Secretary DUFFY. Thank you.

Senator COLLINS. Thank you, Madam Chair.

Senator HYDE-SMITH. Thank you, Senator Collins. And Mr. Secretary, as someone who represents dozens of airports in my state, and we all frequently fly every week so we can get to DC and back. We're all very troubled by the mishaps and challenges within our nation's air traffic control systems.

But the staffing shortages and the technological issues, particularly in the Newark airspace, they're not isolated incidents. And these have been happening across the country, and they highlight a system that is under tremendous strain. But in many cases, the technology is outdated and simply cannot meet the demands of the aviation system.

A perfect example is the use of the radar systems from the '70s and the times that you've held up the floppy disc, and said, "we have to order things off of eBay to repair." It's pretty alarming. Congress has a clear opportunity and a responsibility to act, and I commend you and President Trump for the recent commitment to invest in upgrading this critical infrastructure and to reinforce the air traffic workforce. It is certainly much needed and a step in the right direction.

But as you are aware, the Committee has a long bipartisan history of directing more funding to the FAA for modernization and for hiring critical safety staff, including air traffic controllers, and then the safety inspectors. Will you explain how the additional funds requested in your budget will serve as a down payment to jumpstart the FAA's new modernization efforts, and how this effort enhances existing next generation activities for which the committee has previously appropriated tens of billions of dollars throughout the years? Could you explain that?

Secretary DUFFY. Yes. So, if I could just make one clarification. We do try to buy replacement parts on eBay for this really old equipment. Sometimes, we can't even find it on eBay. So, we're trying to use 3D printing to craft replacement parts for the system that we use.

And just one other point, we do see cracks in the system. We'll see those cracks to the tune of multiple hundreds per week. Now, again, systems aren't going down, but if you look at how the system is operating, it should be troubling for everybody, and a warning sign that time is not on our side, and it's important that we make the investments.

What we're doing right now, and I think the air traffic control shortage is critical. We're 3,000 short. We've been 3,000 short for some time. And so, by the way, you'd think it's not that hard to think through, just get more controllers into the system and through the system. It actually is more complicated. What we've done is we're trying to get the best air traffic controllers who score on the test into the academy first. So, we've made a best qualified category. If you score in the 90-plus percentile, we're going to

streamline you quicker into the academy. If you're 80 to 90, you take a different path. That's important.

The medical part of this was really challenging. It was taking way too long, months. We've worked to get our academy prospects getting the medicals done sooner, and then getting the results from those tests back quicker. We're paying bonuses to make that happen to the doctors who do the test, but we don't have another choice. We have to move up our academy grads.

We've offered counseling. I was at Oklahoma City, and a lot of the students were saying, "Listen, if we could just get some extra help, I mean, we can make it, but a few of us are having a little bit of issues in this little space, and instead of washing out, we'll get those controllers to make it, but could you give us a little bit of extra counseling, if we need it—tutoring if we need it."

And so, we've implemented that for those controllers who are just on the edge to make sure they can make it through the program because we have a 35 percent washout rate at the academy. 35 percent. If we could just move that to 25 percent, we're going to make up a real difference in the number of controllers that we get through the academy, passing the test, and then training up.

And then I think what's also important is we have great air traffic controllers on the job. They can retire per the rules of Congress after 25 years of service. Well, these are the most experienced, so we're offering them a 20 percent bonus upfront to stay in the job. "Please don't retire, stay and provide a service to your country and your community." And I think we're going to get a good take up rate on that as well to keep more of those experience controllers on the job.

And so, it's increasing the pipeline, and that's one part. And then keeping those controllers on the job is the second part. And I think those two taken together are going to—again, it's going to take some time.

Can I just make one of the last point on this, and I just want—I think it's important to note, I can't take a 20-year experienced air traffic controller from Denver and move them to the Philly TRACON for Senator Gillibrand and say, "Let's just use this controller to control the airspace." Because that really great controller from Denver has to get trained up on the Newark airspace, and it can take them upwards of a year to get trained specifically on that airspace. So, I just can't move controllers around and address the shortfalls that we have in certain TRACONs or towers. It takes time.

And even, you know, training up more controllers once you're out of the academy, it takes a year to 3 years to get them fully trained. And so, this is going to be a longer process, and all of us working together to have some vision is going to be what's key to resolving this in the next, you know, one, two, and 3 years.

Senator HYDE-SMITH. Thank you. And thank you for that forward thinking in the ways that we can extend that. I want to talk briefly about the Air Traffic Collegiate Training Initiative since we were talking about that. And you know, I've spoken to you several times about my work in Mississippi to help boost aviation workforce. So, critically important.

And the need in this field is obviously, as you're just describing, endless, but the FAA Air Traffic Collegiate Training Initiative in partnership with select colleges and universities, has successfully taught the basics of the air traffic control to qualified students, which allow them to quickly progress through the FAA Academy.

What can this committee do to help the additional schools into the Air Traffic Collegiate Training Initiative (ATC-TI) program to help increase the number of the ATC staff, and would that require also expanding capacity for the FAA Academy?

Secretary DUFFY. That's a great question. So, I do think if this committee wanted to consider a competitive grant program, the simulators are expensive for air traffic controllers. And a lot of these schools, it is challenging to make the \$1 million-plus investment in those simulators. And so, if there was a competitive grant program that you all wanted to consider to go to some of the—I think there's five schools around the country that want to be involved in training up those air traffic controllers—I think that would be welcome.

What's also at the—it's been hard. We have air traffic controllers at Oklahoma City who are doing the training, and the former air traffic controllers were teaching all of the classes. What we've done is some of the classes, you don't need an air traffic controller. You know, if we're doing some math classes, we can take just a professor to teach the math class. I don't need an air traffic controller.

So, we're going to bring in professors to teach classes that professors can teach. And that means we have more air traffic controllers to teach air traffic control classes, which means we can expand the capacity of Oklahoma City, getting more young people in and through the academy. And so, again, because this—it's the chicken or the egg, but we weren't getting enough air traffic controllers to come in and teach at the academy. This is allowing us to use the ones that we have to stretch them further. And again, that means I think we can—next year we're at 2,000 right now, I think we can get to 2,300 in the next fiscal year in through the Academy.

Senator HYDE-SMITH. Thank you. And briefly, because I'm way over my time, would you speak to the importance of supporting our small shipyards, especially in the wake of decreases in the dedicated funding in recent years?

Secretary DUFFY. 100 percent. Again, I think this is an all-of-America approach to shipbuilding. Larger, smaller yards have to be supported. And again, I think it's going to take all shipyards and all of government if we're going to be successful in ramping up American shipbuilding.

Senator HYDE-SMITH. Well, the funding, the Administration's proposal to fund these grants at \$105 million is a demonstration, certainly, that you're directing the support there. And we certainly appreciate that.

I am going to, ask Senator Gillibrand, to state her questions.

Senator GILLIBRAND. Thank you, Madam Chairwoman. Mr. Secretary, the Department of Defense is required to consult with the Department of Transportation prior to deploying counter-UAS systems. You and I have talked about this. I've partnered with Senator Cotton on the COUNTER Act to update DOD's counter-UAS authorities and ensure that all bases in particular are covered.

Our bill will lead to an increase in the volume of requests to the Department of Transportation for real time execution and pre-coordination of counter-UAS packages. Unfortunately, DOT has lost numerous staff who focus on the Spectrum Engineering Office. Will you commit to increasing staffing for the Spectrum Engineering Office so the DOT is not holding up DOD's counter-UAS missions, and if not, what's your plan?

Secretary DUFFY. So, what we're—I think we can be more efficient. I think we can do more with less. But we are mission-driven. And so, if I see staffing shortages that will prohibit us from meeting the mission—and too many people have taken a deferred resignation program—I'm going to no doubt hire more people.

Senator GILLIBRAND. So, just so you understand, the legislation, what Senator Cotton and I are trying to do, is give authority to the Department of Defense for the four corners of any military site, to be able to take them down immediately so that we can actually assess who they are, why are they hovering? Because the incursions over Langley, you should brief yourself, you should get a classified briefing, highly concerning.

Second, we then want to be able to track and trace that drone when they leave the base, so that we know who's launching them from what field, who owns the field, from what ship, who owns the ship, that's where we need your coordination. But it has to be instantaneously. Like, within the 30-minute window, or we will lose that opportunity to arguably take down or get information about an adversary.

Secretary DUFFY. First of all, I appreciate your work on this. This gets to be very complicated, but this is incredibly important.

Senator GILLIBRAND. Yes.

Secretary DUFFY. If we just look at what's happening in Ukraine and Russia, what's happening with drones is probably a wave of the future. I do think we have to think through how do we allow the commercial side of drone use to expand, and how do we still protect critical infrastructure with no-fly zones, restricting airspace? And the department has—the FAA has been working on that now to think through how we do both of those missions as part of the equities of FAA.

Senator GILLIBRAND. Thank you. I want to ask you also about the U.S. Merchant Marine Academy. We've talked briefly about this. What is your plan to modernize it. Are you prepared to ask for the funding that you need, and are you committed to making sure our Merchant Marine Academy is on par with any other service academy in the United States?

Secretary DUFFY. I appreciate the question. This is in Kings Point, New York. It's a beautiful place with rotting infrastructure. I was talking about this with you earlier. The midshipmen went 4 months without hot water, taking cold showers at the Academy. They eat off paper plates because their dishwasher was broken. They have mold in their dorms. This is not a facility that deserves to have the name America associated with it.

And there, we would ask for some flexibility with how we use the money that's been given. But I think we have \$170 million that's been appropriated by this committee that I don't think has been effectively used. There's been roadblocks, I think, at MARAD and at

the Academy. We're going to work with the Army Corps of Engineers to develop a plan on how we use the money that's been given.

Senator GILLIBRAND. Yeah. I'd be grateful if you would submit the plan to me in writing and the committee so we can study it and be helpful.

Secretary DUFFY. Absolutely.

Senator GILLIBRAND. And then, one point of interest is DOD has these annual reports on the incidents of sexual assault in the military. And it's been a useful barometer of are we providing oversight and accountability? Is the military justice system worthy of the sacrifice of our men and women? You are due a report within the next couple of weeks to have the Annual Sexual Assault and Sexual Harassment Report. Will you commit to making sure that gets to us?

Secretary DUFFY. Yes. I'll see where the status of that report is, and we'll no doubt try to be timely on that to the Senate.

Senator GILLIBRAND. Thank you. Capital Investment Grants in the fiscal year 2025 Continuing Resolution and the bipartisan Infrastructure Law, we provided \$3.8 billion for Capital Investment Grant programs for new transit projects. There are six of these projects that are national in scope of significance. They are already signed full funding grant agreements. Do I have your commitment that you will move forward on these projects?

Secretary DUFFY. Are these announced grants or are these——

Senator GILLIBRAND. Yes. So, Los Angeles, the West Side Subway, Section 3, Illinois, the Red Line Extension, Minneapolis, the Southwest LRT, New York, the Second Avenue Subway Phase 2, New York, New Jersey, the Hudson Tunnel Gateway, and Washington State Lynnwood Link Extension.

Secretary DUFFY. Okay. If you're asking me if I plan on canceling those grant agreements, I do not.

Senator GILLIBRAND. Thank you, Madam Chair.

Senator HYDE-SMITH. Now, we go to Senator Kennedy.

Senator KENNEDY. Thank you, Madam Chair.

Mr. Secretary, welcome.

Secretary DUFFY. It's good to be with you, Senator.

Senator KENNEDY. Do you know what the Center of Excellence for Liquefied Natural Gas is?

Secretary DUFFY. Why, I do.

Senator KENNEDY. Where are you going to put it?

Secretary DUFFY. I think it's going to go in your state, Senator.

Senator KENNEDY. When you going to announce it?

Secretary DUFFY. Very soon. I know our teams have been working together on that. If you want to front run it here, we could, but I know that we are working on an announcement together, and our teams have been working.

Senator KENNEDY. I want to front run the hell out it.

Secretary DUFFY. All right.

[Laughter.]

Senator KENNEDY. Where's it going to be put? Is it in Louisiana?

Secretary DUFFY. Is it Lake——

Senator KENNEDY. McNeese?

Secretary DUFFY. Lake Charles, McNeese.

Senator KENNEDY. Yes. And you're going to make an announcement, Sean, the next few days?

Secretary DUFFY. Yes. I know we've been working on some finer points and details, but yes, that's where it's going to go. And I think if my memory serves me, I think we were trying to get this stood up and moving by this summer.

Senator KENNEDY. Well, I want to get it announced first.

Secretary DUFFY. Sure.

Senator KENNEDY. So your colleagues can't take it back.

Secretary DUFFY. No one's taking anything from you, Senator. It's coming your way.

Senator KENNEDY. I see my old friend, Mr. Plotkin, here. Watch him like a hawk, by the way.

Secretary DUFFY. He said, "You do not want to make Senator Kennedy upset on this project."

Senator KENNEDY. Well, your predecessor told me a number of times that it was about to be announced, and it was never announced. I don't mean any disrespect. I just finally didn't believe him anymore. I don't think Elvis is alive either, so I learned. But if you could go ahead and announce it, it would it sure would—I'll buy you a soda and a nice hat.

Secretary DUFFY. I would appreciate that.

Senator KENNEDY. Okay. When you got to the Department and became Secretary, did you fire a bunch of air traffic controllers?

Secretary DUFFY. I did not, Senator.

Senator KENNEDY. Did Mr. Musk do that?

Secretary DUFFY. He did not.

Senator KENNEDY. Where did all this stuff come from?

Secretary DUFFY. So, there were about 350 probationary employees at the FAA that were let go, and we're trying to stream—there's 46,000 people that work at the FAA, so this was a minuscule percentage, but even air traffic controllers who were probationary employees were excluded. All safety positions were preserved at the FAA, including air traffic controllers, and so, I think it's a narrative that some in media and in politics have tried to drive as if we're not focused on safety. But I have been crystal clear, and I think I've said this until my face is blue, though it's not today, but it could be because we did not actually fire any air traffic controllers, Senator. We've been hiring air traffic controllers as quickly as we can. And so, I don't know how many times I have to say it.

Senator KENNEDY. Let's say it one more time.

Secretary DUFFY. Yes.

Senator KENNEDY. When you became Secretary, look me in the eye, did you fire any air traffic controllers?

Secretary DUFFY. I did not. And I did hire air traffic controllers.

Senator KENNEDY. Did Mr. Musk?

Secretary DUFFY. So, by the way, Mr. Musk doesn't fire or hire anybody at the Department. I do. And so, no, he didn't fire anybody, including air traffic controllers.

Senator KENNEDY. Okay. You probably don't have to, but when most people go through TSA, they take your picture, they have a little camera there, and they say, "Look in the camera. We want to take your picture." Now, underneath it is this little bitty sign

that you can barely see. And I think it's written in Sanskrit that says, this is optional. I won't let them take my picture.

Secretary DUFFY. I won't either, Senator.

Senator KENNEDY. And they promised us that they destroy the data. Once again, I don't believe that Elvis is alive either. Senator Merkley and I have a bill—there's been no evidence that this has prevented any acts of terrorism, and I just don't know why the Federal government has to collect this huge database of every American who flies' picture.

Secretary DUFFY. I thank you for that. I couldn't agree with you more. I actually try to turn my head away from the camera when I go through and they're taking pictures. There's no need. I think Americans have a right to privacy. And I don't think you need a digital scan of my face to allow me to have the right to fly on airplane. I think it's absolutely wrong. And what does it do to security? I don't think it breeds any more security in our airspace, on our airplanes. And so, thank you for doing that work. I couldn't agree with you more.

Senator KENNEDY. Thank you, Madam Chair.

Senator HYDE-SMITH. Thank you. And we go to Senator Murray.

Senator MURRAY. Well, thank you very much, Chair Hyde Smith, and welcome to the Committee Ranking Member Gillibrand. Look forward to working with both of you on this extremely important committee. And I do want to say that I am really honored to have Tim and Sherri Lilley with us today. I know how hard this must be for you, and I also know how important it is that you are here today. We all want to fix this air traffic system to make sure this never happens again. So, your presence means a lot to all of us. Thank you for being here.

Secretary Duffy, let me turn to you. As you know, every day, billions of dollars in commerce, countless lives depend on your agency to keep our roads, our rails, our skies, and ports running safely and smoothly. You're responsible for getting hundreds of billions of dollars provided by Congress out the door to build thousands of infrastructure projects across our country.

Yet, since January 20th, virtually every dollar and transportation project has been held up at some point. And you are causing a traffic jam, from freezing funding for projects, to creating new hurdles by reevaluating grants that had already been approved, adding red tape by forcing unacceptable political demands on state and local transportation agencies, and outright actually canceling and cutting grants.

You know, this is not normal. No prior Transportation Secretary has cut funding for previously awarded grants in this manner. It is really, to me, a political and partisan approach that really actually sets a terrible precedent. I know at the House Appropriations hearing yesterday, you blamed the previous administration for absolutely everything.

But I just want to say this today, the last administration did not make the decision to hold up thousands of grants. Had nothing to do with the new red tape that you have created, and certainly did not let go of hundreds of staff to help get those grants out the door. In fact, the last administration increased the number of grants signed from 330 in its first year to over 1,500 last year, executing

more than 3,350 projects. So, you can't blame Secretary Buttigieg or President Biden. It simply doesn't pass muster.

All the while we know you have pushed out nearly 5,000 Department of Transportation employees, firings, buyouts, and you have actually said you will fire thousands more. You know, we just don't need fewer people keeping trains on the track, or making sure that the airbags work, or rebuilding our roads and public transit systems. We actually need more of them. And in as recent months, as we have heard already, we've seen unacceptable chaos at the Newark Airport, the devastating crash at DCA, and a lot of other close calls.

And while you talk about modernizing the air traffic control system, you have forced out more than 2,000 FAA employees who support those air traffic controllers, the technicians, the mechanics, the engineers, the IT specialists at the FAA who were working on modernization, which I think is a huge mistake and you just can't paper over it.

Now, regarding your recent FAA proposal, I stand ready to work with Chair Collins along with Chair Hyde-Smith and Ranking Member Gillibrand to make sure that Congress does provide the resources FAA needs in our fiscal year 2026 funding bill and across future years in order to address the glaring issues and failures we've seen, and to do so without short-changing other priorities.

So, Mr. Secretary, let me start with aviation safety. You've, as you know, proposed to modernize the air traffic control system. This committee does have jurisdiction over the FAA facilities and equipment funding, but your proposal was not included in the President's 2026 budget. We need the actual dollars and cents plans.

So, let me ask you, how many of the over 2,000 FAA employees that have been pushed out over the last few months will be needed to be brought back in order to modernize the system?

Secretary DUFFY. I don't think any of them will be—need to be brought back. And I would just say there's, in the characterization of the last three minutes, I would disagree with much of what you said. The DOT and the FAA, were not jobs programs. This is about a mission, and I'm committed to you and this body to accomplish that mission. And can we do more with less? Of course we can do more with less. And if some people who want to retire, we should let them retire. Let's bring in people who are hungry then that want to do the mission.

Senator MURRAY. I don't disagree with that.

Secretary DUFFY. I appreciate that. That's what we're doing.

Senator MURRAY. But what we have seen is really critical employees to the mission are now gone. As I said, technicians and mechanics. You can have all your air traffic controllers there, but if they don't have the support staff, we can't know that they're doing the job. That's what I was referring to.

Secretary DUFFY. But I would say that we don't have a support staff issue with FAA. We don't have enough controllers for the skies that we have in America. That is the issue that I'm addressing.

Senator MURRAY. Okay. Well, let me just say that since you became Secretary, air traffic controllers have twice received "Fork in

the Road” emails encouraging them to resign, which you have sent, I know sent mistakenly.

Secretary DUFFY. None of them have taken it. They can’t take it because they’re not included.

Senator MURRAY. They received the mail. You’re an employee, you got the same email. And I just think it’s really callous to send to controllers these emails saying your work is not valued. So, do you know who sent those emails to our air traffic controllers?

Secretary DUFFY. So, you can talk about the system that we have to send emails out. I think it’s antiquated, old, and——

Senator MURRAY. I just asked who.

Secretary DUFFY. I don’t know. No, I don’t know how they would’ve gotten those emails.

Senator MURRAY. You don’t know who sent them. Nobody’s been fired for sending those, out?

Secretary DUFFY. That they would’ve had the wrong email for an air traffic controller versus someone else in the FAA. No, I’m not going to fire someone over that. But what I’m going to do is we in lightning speed, we’ve developed a plan to fully rebuild the air traffic control system.

And so, the tech team that I have in place at the FAA, they’ve been doing a remarkable job because it happened very quickly. And, oftentimes, government doesn’t work that fast. And they also saw the problem that all of you have seen. And we have been working really quickly to develop a plan and present a plan.

You mentioned money. I do think this is—the money that we’re going to need for this new air traffic control system, it’s not in this budget, because I don’t think we can wait until October 1st to get the resources to begin the process.

Senator MURRAY. I recognize that, and I am concerned as Vice-Chair working with Senator Collins, how we’re going to provide that funding. This is a question we’re going to have to pursue.

I do want to say, you and I have talked about the importance of the FAA’s oversight of Boeing, and I know you visited there in March. I’m going to be tracking carefully to make sure that the more than 50 new staff needed to support Boeing oversight are hired and if you backfilled any employees.

And, Madam Chair, I know my time is limited, but I did just want to mention budget cuts because the skinny budget that you sent to us proposes about a \$3 billion increase to specific DOT programs. But overall, your top line only increases \$1.5 billion. So, you spell out about \$300 million in cuts directly, you leave \$1 billion in cuts that this budget implies and are not there. So, we need the details of that in order for us to do that. Do you know when we will get that?

Secretary DUFFY. I don’t have an exact date for the exact budget, but I look forward to getting it to you as quickly as possible. Obviously, we work with the OMB on budget.

Senator MURRAY. You do realize the discrepancy in the numbers, and we need to see where it’s——

Secretary DUFFY. Yes. But they’ll all match up when we give you the complete details.

Senator MURRAY. Full budget.

Secretary DUFFY. Yes.

Senator MURRAY. And do you know when that will be to us?

Secretary DUFFY. I don't have a date from OMB yet when that's going to be completed.

Senator MURRAY. Okay. Thank you.

Secretary DUFFY. And Senator, I would love to work with you on I-5. I do think that's an issue that I know that the delegation cares about. And I think there are some simple, maybe not simple, but easy things that we could do to think through how we could move that forward more quickly. And again, there's some certain laws in place that are prohibiting the advancement of the project, and I would love to have an additional conversation. I think it's a project that's worthy and should be done.

Senator MURRAY. Happy to get in touch with you on that. Okay. Thank you.

Senator HYDE-SMITH. Senator Moran.

Senator MORAN. Thank you very much. Mr. Secretary, thank you for your presence here. More importantly, thank you for your presence in the air safety world that you are now operating in. After your confirmation, you became the Secretary. The first time I ever met you was on January the 29th at Reagan National Airport. And I appreciate the manner in which you conducted yourself, and the things that you have done every day thereafter to make the skies safer and to honor the Lilley's son and every other tragic loss that occurred that night on that flight from Wichita, Kansas. I appreciate you.

I want to talk a little bit about some of these things that are related to that event, that tragedy. First of all, prior to the Army Aviation Brigade resuming helicopter operations at the national capital region in late April, did the Army or Department of Defense coordinate with you or the FAA? Did you then review and approve their reentry into the field of operations?

Secretary DUFFY. So, what we did after, I think it was 36 hours after.

Senator MORAN. You said no, they came back. Did they consult with you?

Secretary DUFFY. When they came back? Well, I was talking about—are we talking about the off of Runway 33 the restricted airspace?

Senator MORAN. Yes.

Secretary DUFFY. They still can't fly through that airspace. We have no fixed wing helo cross traffic.

Senator MORAN. And other airspace at Reagan?

Secretary DUFFY. There's still no cross traffic. But what you have seen is some helos at the Pentagon taking off sometimes carrying VIPs and sometimes doing training missions. And that has been a concern.

Senator MORAN. And nothing has changed in your order to prevent them—to allow them to return. True.

Secretary DUFFY. Well, I hadn't prohibited them.

Senator MORAN. They did it on their own.

Secretary DUFFY. They do, yes.

Senator MORAN. But the problem is they could change their mind. And I want to know whether there's consultation between the Army and the Transportation Department, you or the FAA.

Secretary DUFFY. So, Secretary Hegseth paused any helicopter traffic out of the Pentagon, which I commend him for that. But we are going to continue that pause at the FAA at our discretion. And our teams are working together. I'm very concerned about the amount of traffic that's coming out of the Pentagon. And I do think if there's training missions, those training missions can be done at certain times of the day when we have less traffic into DCA-number one.

And if there's VIP travel, I would like to know, who are the VIPs? Who is traveling on these helos, who classifies—I don't think any of you here get helicopter travel anywhere, and I would consider you all VIPs. Who's traveling, Senator.

Senator MORAN. Its one of the questions I intend to ask in Appropriation hearings as we have Defense Appropriation Subcommittee hearings.

Secretary DUFFY. Thank you.

Senator MORAN. I would like to know the answer to that question.

Secretary DUFFY. If you'd share that with me, too, I'd appreciate it.

Senator MORAN. And I've introduced legislation that I think is of value. In 2000 fiscal year 2019—I said that wrong. In fiscal year 2019 NDAA, allowed prevention of DOT to require installation of ADS-B equipment on those army helicopters. It didn't stipulate in or out, but it allowed legislation that was passed by Congress allowing the Army to operate without ADS-B.

I've introduced legislation that would eliminate that NDAA provision, which I guess would put more back in your court to make decisions. Is that something that you would support or do support?

Secretary DUFFY. It is. And I think in regard to the ADS-B, it's not simple to turn it on and off. It's a little more complicated than that on the aircraft. And if they're doing training missions or flying through busy airspace, ADS-B out should be on.

However, if there is an actual national security mission at play, true national security, how do they quickly turn it off? Because we don't want enemies to see our aircraft, but the way this has been operated, I would support the idea that, yes, all of them should have ADS-B out activated.

Senator MORAN. Thank you. Mr. Secretary, I want to highlight so that you're not disappointed that I also care about Essential Air Service along with my colleagues, and let your stereotype of this committee, this subcommittee be firmly implanted. Hugely important to Kansas.

We also have issues related to air traffic control, in this case separate from kind of the normal air traffic control towers. We utilize contract air traffic control towers at some of our smaller airports. I'd love to hear from you that that's a program that you're aware of and supportive of.

Secretary DUFFY. I'm aware and supportive of.

Senator MORAN. Thank you. And then highlight—well, I want to highlight the importance of CRISI Grants. Your department has significant opportunities to increase railroad and traffic highway safety. And, finally, in regard to tariffs, 1979 agreement on trade civil aircraft has been a great benefit to this country. We have

trade surpluses in the aviation aerospace world. We certainly export more than we import.

And we are hoping that you will be a voice in discussions within the administration, within the cabinet, about the value of allowing this trade agreement since 1979 to work its course and let it continue to do the good things that we have been able to accomplish with an integrated supply chain that makes America number one and allows Wichita, Kansas, to be the air capital of the world.

Secretary DUFFY. I support the President's efforts to actually bring more manufacturing and more fair trade to this country, to our people. I've also brought up the 1979 agreement. I think on net, it's an \$80 billion export benefit to the U.S. aviation. So, the point is well made, and I've communicated that to the powers that be in the administration.

Senator MORAN. Mr. Secretary, thank you for using your position for good.

Secretary DUFFY. Thank you.

Senator HYDE-SMITH. Senator Reed.

Senator REED. Thank you, Madam Chairman. Mr. Secretary, welcome. And let me first begin by thanking you for your assistance to expediting the release of \$220 million for the Washington Bridge. That is very critical to our state. It really is the linkage between one side of our capital city, Providence, and the other. Thank you very much, Mr. Secretary.

Secretary DUFFY. I would love to come up in the summer and check that bridge out.

Senator REED. I think you should come up. And by the way, I think you should also check out our restaurants. We have the best restaurants in America.

Secretary DUFFY. I was there for the first time with my wife this last September, and we're shocked at how beautiful your great state is.

Senator REED. Thank you, sir. But let me pose a question that I think all my colleagues have, that is there's still significant amounts of DOT money that have not been released. It was properly awarded, authorized, appropriated, et cetera. Can you give us an idea of when and will all of these funds be forthcoming?

Secretary DUFFY. Yes, so I do think it's important to know what was left for me. And I know that all of you, when you get an announcement, you want the grant agreement so you can build a project. But under between Obama and Donald Trump, and from an Election Day to Inauguration Day, Obama team announced 48 grants. And then from Trump to Biden, the Donald Trump team announced 100 grants. And Pete Buttigieg, between Election Day and Inauguration Day, announced almost 1,000 grants.

I told that to Senator Schatz as well before, but this is a lot of grants that were announced. And so, the workload is real. And if I could show you a chart, I have a chart here that will indicate how many grants we have, have grant agreements on.



Secretary DUFFY. And these are fiscal years from Secretary Buttigieg. But you can see at the start of even the last administration, they weren't moving as fast as we're moving. So, I'm committed to getting through this as quickly as possible. We're at a pretty good clip, and I think it's going to continue to pick up as we work through the process. And I think there's technology that we can deploy to make this go even faster.

Senator REED. There are some concerns that these projects not be being evaluated on engineering and other aspects, of course, benefits, but there is issues of climate change and social issues more than economic issues or transportation issues. Are you including DEI in these evaluations and climate change?

Secretary DUFFY. Yes. In regard to the grant agreements that we have out now and the announcements, I am. And some of the requirements—if you want, I'll share them with you, and I can read some of them to you if you want.

Senator REED. No. I just I think this is very realist question. Most people don't consider infrastructure, well, bridges, et cetera, to be DEI qualities, nor do they, after all the work that's done by DOT, by EPA as something that would be challenging to the environment. In fact, most of these projects, I would suggest, are designed to cope with changes. And you can call in with them if you want.

Secretary DUFFY. So, there were a lot of requirements in the grant agreements in regard to DEI and in regard to climate change. And there was adding a lot of costs in time out of the projects. So, what I've done is tried to pull those out and say those requirements are no longer necessary for you to do your project. And I think I'm going to save you money and allow you to move quicker on your projects that are so meaningful to your communities.

Senator REED. So, what you're saying is you will eventually release the funds, but you will modify the arrangements so that they don't have to do certain things. Is that accurate?

Secretary DUFFY. So, in regard to the announcements, for which we don't have grant agreements, we're drafting grant agreements that don't include these issues.

Senator REED. But you're committed to fulfilling the grant?

Secretary DUFFY. Oh, listen, yeah.

Senator REED. Another way to say this is that you're not going to defund projects because you object to language you consider to be DEI or informed?

Secretary DUFFY. No, no, we're just trying to pull out that language unless it could not be re-scoped or pulled out, and it's just fundamentally something different. No, this is easy to pull this language out and save you money and time.

Senator REED. Well, again, I think the faster—and you do have a challenge before you, the faster you can get these funds to the states, the better off.

Secretary DUFFY. I've gotten a couple to your state pretty quickly.

Senator REED. And you have my thanks for that.

Secretary DUFFY. Thank you.

Senator REED. My time is dwindling to seconds, but look forward to working with you, Mr. Secretary. Thank you.

Secretary DUFFY. You as well. Thank you, Senator.

Senator HYDE-SMITH. Senator Britt.

Senator BRITT. Thank you, Madam Chair. I want to just start by saying, Secretary Duffy, we appreciate the way that you handled January 29th and the tragedy and all that unfolded afterwards. And just want to welcome the Lilley family here, and express our deepest condolences for the loss of your son, Sam. Watching you over the last few months, your grit, your tenacity, you're willing to speak up to make change in the face of the unimaginable.

As a mom who is sitting here with my daughter watching right over there, thank you for fighting for your son's legacy and making sure that, as you said, and I've heard you say that it's synonymous with air safety, with upgrading our system and making sure that others are better as a result of this. Thank you.

I'd like to start by highlighting a few projects in the great state of Alabama, and want to thank you for talking with me before your confirmation, allowing me to talk to you about the importance of so many things. But in particular one of my very top priorities is Alabama's I-10 Mobile Bay River Bridge Project. It's a significant investment, and it is critical to helping the state bring this to fruition to be able to partner, obviously, with the Federal government.

As you know, the Mobile River Bridge is a critical piece of transportation infrastructure, not just for the State of Alabama, not just for the region, but literally the entire nation. I mean, it connects from California to Florida. You can't get there without coming right across this bridge. And so, whether it is moving people or moving commerce, it is a primary transportation artery that we must take a look at, and we've got to upgrade.

So, obviously, we've made a lot of progress in this area, but the one thing that we are waiting on is the TIFIA loan for the project. And I want to stress how absolutely important that is to completing this project. And we'd love to ask you for your commitment to, you know, expeditiously taking a look and reviewing ALDOT's application so that we can get this moving. Because the longer that this goes on, the more it costs, and then, obviously, the more challenges that we have from both a safety and a commerce perspective.

Secretary DUFFY. Time is money. And by the way, it's a great program. I'll look and see what the status is, and I'll get back to you as quickly as possible.

Senator BRITT. And will you'll commit to taking a look at it, and looking at the overarching impact and the need for it in order to carry this to fruition.

Secretary DUFFY. 100 percent. I'd just say that these are the kind of projects that also the President cares about, the big beautiful roads and bridges that connect to our country and move products, the important infrastructure.

Senator BRITT. Absolutely. And on that, too, I mean, it's a vital financing tool. So, we are going to have—you're going to be meeting with ALDOT later this year, and so I'd love to follow-up with you additionally after this on that as well.

I also want to mention the CRISI Grant, which I understand is now in its final review. The grant will provide the essential infrastructure improvements. It's going to allow the freight rail to continue to meet the growing demands of the Mobile port.

So, the Mobile port has been the fastest growing port the last 6 years in a row. I think this is an excellent opportunity to see how when we utilize all forms of transportation; land and rail, and sea and air. We've got an airport project that we're doing there that is going to be transformative. I would love—I know you have a lot of things on your plate, but as you are moving across the country, I think this is an excellent example of how transportation can come together for the greater good, not just for the region, of the nation. And I'd love an opportunity to visit that with you.

Secretary DUFFY. I would welcome that.

Senator BRITT. Excellent. And when we're talking about big, beautiful transportation projects that you mentioned, President Trump has made it a priority. He has said publicly that he wants to see I-65 widened. He wants to see it to be a four-lane road there on each side. He said he was committed to making that happen.

Look, we know how important that is for our state. Anyone who wants to travel in Alabama get stuck on I-65. However, all of these great people who during the spring and summer want to come to Alabama's beautiful white sand Gulf Coast, or maybe even the Florida Panhandle, come right down 65.

And so, would just like your commitment to continuing to take a look at that. There's no way that project happens without a partnership with the Federal government, and want your commitment to making sure that we take a look at what President Trump has promised, and we figure out how to make that happen.

Secretary DUFFY. I would just say the President's priorities are also my priorities. So, yes, I'll definitely take a look at that.

Senator BRITT. Okay. Excellent. Excellent. We are glad to hear it. I want to associate myself with the comments from almost all of the members here when it comes to rural transportation services. The Essential Air Service is critical for a state like Alabama. We have 55 out of 67, our counties are rural in nature. Making sure that they're connected, and vibrant, and have the ability to move across places is important.

I mean, Alabama is home to many small airports, and they truly play a vital role in those areas being able to continue to grow and

thrive. And so, in the broader context of FAA modernization, how are you going to ensure that these rural areas are included in the efforts that you have? And how do they continue to have access to both safe and reliable air transportation?

Secretary DUFFY. You know, I also had a district that was very rural, northern Wisconsin. I understand rural America. We're a little colder than you are in Alabama up north.

Senator BRITT. Just a little. But you're going to have a good football game, by the way, coming this fall.

Secretary DUFFY. Yes, we will. But, listen, I want to work through that. I completely understand everyone's questions on Essential Air Service. I knew you were all going to ask me questions about Essential Air Service. And I get it. If you give me some space to work through what I think we can do, I'll partner with all of you and we're going to figure out a pathway forward.

Senator BRITT. Well, thank you for your service. My time is up, but I also want to say thank you for putting family first. Your example with your family, obviously having my daughter here, though, just shows that that's the most important thing as we serve this nation and try to leave it better for the next generation. So, thank you.

Secretary DUFFY. Thank you for your example, Senator.

Senator HYDE-SMITH. Senator Coons.

Senator COONS. Thank you, Chair Hyde-Smith, and Ranking Member Gillibrand. Thank you, Secretary Duffy, for appearing before us today. I do hope we will get your actual, full budget soon and have the chance to review that with you. And when we do get it, I hope we will see sustained investment in Amtrak.

I regularly take Amtrak back and forth from Wilmington to Washington. They hit record ridership and record profitability just this past year. It also employs 1,500 people in Delaware, which is the midpoint of the Northeast Corridor. The Northeast Corridor is just really, frankly, the only aspect of Amtrak that has been financially stable for a long, long time. So, if the NEC experiences cuts, or some attempted privatization, or sharp change in direction, the impact will really harm the mostly heartland states and rural part of Amtrak's national network.

Elon Musk has called for privatizing Amtrak. It's made steady positive progress in recent years. I'd be interested in whether you'd commit to us to maintaining strong investments in Amtrak when we finally receive your full budget.

Secretary DUFFY. So, listen, I take Amtrak as well. I ride the Northeast Corridor. I'll tell you this. Do I think we could do better? Yes. Could we be better? Yes, I think we could be better. It's faster than driving through the traffic when you're going up north. I've experienced that more recently.

So, again, I would love us to think through together, how can we make this better? How can we make it faster? I mean, the rest of the world has high speed rail. Why can't we think through a different way to do it? So, I'm committed to the idea that we want to be able to move people along the Northeast Corridor. We don't have enough room for people to all take cars. So, let's figure out a better way to do it. So, yeah, I'm committed to the idea that we're going to have great rail transportation.

We have Amtrak. Could there be ways that we could allow for other competition in with Amtrak on the rails? Possibly. But this is in your control. These are—so, I'm not trying to kill it. I'm trying to go, "How can we make it better?"

Senator COONS. Thank you. These are complex questions.

Secretary DUFFY. Very complex.

Senator COONS. And consultation with this committee will help sustain our national rail network.

Shipbuilding is an area where I suspect we have strong agreement. I recently visited Philly's Hanwha Shipyard, as did you. Senator McCormick and I have talked regularly about this. My community is just 20 to 30 minutes from that shipyard, and we'd like to contribute some of the folks who will work at the expanded Hanwha Shipyard.

I am the Ranking Appropriator on Defense. And I think the shot in the arm that MARAD has given to the shipyard by purchasing five DOT ships has been critically vital. Just if you would briefly speak to DOT's plans to invest in and reinvigorate our nation shipyards. This is one that is right on the edge of being able to come into the family of naval shipyards.

Secretary DUFFY. Yeah. So, I love the President's vision. I couldn't share it. I think most people would agree that the vision of building ships again in America is important. Working through the components of how we fund it, how we are able to give a shot in the arm to the industry, because it's going to need support. And thinking through how we do that is what's happening right now.

I think all of us working together is going to be what's necessary to revitalize these ports. But, again, you look around the country and you see how we used to be a powerhouse, and they've just—many of them have been mothballed. Again, it's going to be a bipartisan effort for all this.

Senator COONS. Well, this is one that's back in production thanks to DOT. And I know Senator Collins has expressed a very strong interest in it. A number of members have maritime academies in their home states, and would like to see this shipyard also become productive. I look forward to working with you on that as well.

In the last two minutes, if I could, just a theme across a number of questions. You've frozen 3,000 Federal grants for review, and have released several hundred. Just to compare, there was a bipartisan effort at infrastructure investment under the last administration, and that produced a lot of new programs, more than 40 new programs, more than \$300 billion in funding.

The DOT under the previous administration signed grant agreements for more than 3,300 projects. And under the first Trump Administration, because there wasn't a bipartisan commitment to dramatic increases in infrastructure, just 900. So, to say that, you know, they hadn't managed to execute enough agreements, and that's why you've got such a backlog, Biden's DOT increased its pace of grant agreement execution from 330 in its first year to 1,500. Its last year.

There's a reason that there was a dramatic increase in the volume of grant agreements. It's because we came together in a bipartisan way to significantly increase our infrastructure investment. To me, the grants that are being reviewed that were appropriated

and authorized by Congress ought to be moving more quickly than they are. And I hope you will speed up that process going forward.

Secretary DUFFY. So, I haven't frozen anything. So, if you have a grant agreement that money's flowing, that has not been stopped. And what we've done is asked to repurpose some of the requirements inside of those grant agreements. We're not going to enforce the climate or the social justice, but if you have a grant agreement and you have a project that's moving the money, the money's going on those projects, they haven't been stopped, they haven't been frozen.

And even on the announced projects that don't have grant agreements, we're moving again quickly. I'll show you that. I've got a month-by-month chart, I'll share it with you, if you want, and you can look at how we've done compared to the last administration. And you're not going to say we're wildly slower. We're actually doing pretty well. And I think it's going to speed up as well.

So, we're not trying to hold anything up. We're not trying to slow down or freeze. But I'm trying to pull out some things I think are going to cost you and your projects more money. And if we can build quicker and we can build with smarter requirements, I think that we have more money then to build more of your projects, which everyone wants more projects.

Senator COONS. I'd welcome a quick call about that outcome, which as you describe it, is something I would embrace and support. I'd like to see the projects move forward, obviously in my state. I think literally every Senator has said the same about that.

Secretary DUFFY. And I'll send over the month-by-month analysis to your office.

Senator COONS. And forgive me, Tim and Sherri Lilley. We are sorry for your loss. And we are sorry for the ways in which air safety and tragic air accidents have impacted so many families, principally yours. And we appreciate not just your presence here, but what it means that you continue to advocate for FAA reform. Thank you, Mr. Secretary, and thank you both.

Senator HYDE-SMITH. Senator Hoeven.

Senator HOEVEN. Yes, I'd like to extend my condolences to the Lilley family as well, and all the families that have lost people in these accidents, and why it's so important that we take action to prevent that every way we can.

Mr. Secretary, thank you for being here today. And you mentioned this natural gas project in Louisiana, and that it hasn't been officially announced yet. And Kennedy's gone now, so, I'm wondering, is there any chance we could move that to North Dakota maybe?

Secretary DUFFY. Yes. I don't think so.

Senator HOEVEN. We've got energy up there

Secretary DUFFY. A lot of energy.

Senator HOEVEN. I know your staff's going to want to consider that carefully.

Secretary DUFFY. I think that cake is baked. Senator Kennedy gets it.

Senator HOEVEN. Well, it hadn't been out, so, you know, just checking.

Secretary DUFFY. He's watching right now, though, I think.

Senator HOEVEN. Yeah, I'm sure he is. Thanks for being here. Air traffic controllers we're down about 3,500 less than what we want. You talked about that. But really, we need to do more, not just at the academy, but outside the academy. And as you know, we have the largest flight training school at the University of North Dakota in the country. And do a lot of air traffic control training there as well. And the key is to train to the test, not to train to the academy. And that helps the academy from being a bottleneck.

And so, the Air Traffic Control Workforce Development Act that I've put forward with Jeanne Shaheen, as well as Senator Moran, and Senator Duckworth, allows schools that you certify, that FAA certifies, to train to the test to help you reduce that backlog and get these air traffic controllers trained. Are you supportive of that legislation?

Secretary DUFFY. I'm supportive of expanding our capacity to get more young people trained up as air traffic controllers, getting them through training and, and being able to pass the test. And by the way, my brother-in-law went to UND, and went to flight school, and thoroughly enjoyed it. You guys have a great facility. And again, I think there's five in the country. I might be getting that number wrong.

I do think there's an opportunity for you all to do competitive grants where—because it's expensive, and you don't have a ton of kids coming through. So, the economics might be more challenging for the schools if there's a competitive grant to get really great equipment in some of these other places that would be probably helpful.

Senator HOEVEN. And we'll include that. And you mentioned, you referenced it, but also for equipment in the tower that lets these air traffic controllers train on the job, that would enable you to move them around more, too, because you'd have some of that training equipment as well as retention bonuses and recruitment bonuses. So, it's all designed to help you get air traffic controllers faster.

We're going to do something in reconciliation, as you're aware, to kickstart at a very significant level, the equipment. This will help you with the actual air traffic controllers.

Secretary DUFFY. I would welcome the help.

Senator HOEVEN. Yeah. Thanks, Secretary. And then, speaking of the University of North Dakota, we also have up there, it was the first unmanned aviation UAS test site in the country, in part because it helped write that legislation, but mostly because we have such a tremendous school up there. And then at the Grand Forks Air Force Base, we have the Grand Sky Technology part.

The FAA has agreed to provide us with the unfiltered raw data feed, which we need to develop drone and counter-drone traffic in the NAS. Are you aware of that? And we still have some final details as far as the handoff, even though it's been formally agreed to. But this is going to enable us to continue all the work we're doing with drones, but also really develop counter-drone technology.

So, Senator Gillibrand talked about some of the legislative authorities. This is what actually enables you to detect and take down

drones in the NAS. And we have 900 miles of border responsibility up there. And CBP co-located with all of this flying manned and unmanned aircraft. You need to come see it. Will you come out and see it, and will you support what we're doing there and help us finish getting this raw data feed so we can keep it moving?

Secretary DUFFY. Yeah. So, I may not have known about this, but I think Secretary Burgum has mentioned this to me like 10 times. So, I'm well aware of what you're doing, and I believe—I just checked on this before the hearing. I believe that we're actually waiting for some information to come from North Dakota to the FAA, but we are committed.

This is going to be a great program. I think this is important. You're the right state to do it. So, you'll have—and again, if I can maybe coordinate with you after, to let you know what we need. But we are going to go forward quickly, and I'd love to come and see it in North Dakota.

Senator HOEVEN. Great.

Secretary DUFFY. After I go see Senator Schatz in Hawaii.

Senator HOEVEN. Oh, sure. Okay. Well, that's all time of year. Time of the year is a big factor in that.

Secretary DUFFY. Yeah, true. That's true.

Senator HOEVEN. And we're not competing on the same. We want you in the summer, and he can have you in the winter. Appreciate your support on that. And I'll double-check, too, if there's something on our end.

Last thing is, we have a program that Tammy Baldwin, bipartisan, she and I were able to pass in the Reauthorization Act for FAA 2024. It's the Vets to Wings Act. We actually passed it. It was called the American Aviator Act. It allows some of the schools, on a pilot basis like ours, again, through 2028, to take for veterans when they leave the service and they want to go through flight training. The GI bill and the tuition assistance doesn't cover the full cost of the flight training. This program makes up that difference. So, it's a twofer. You get those veterans into their next career, and it helps us with the pilot shortage.

So, we want to actually expand that beyond just the pilot schools like ours that are doing it. Again, it's authorized through 2028, but it's something we want to work on as a permanent program to help our great vets. So, would like your input, help, and support on that?

Secretary DUFFY. Yeah, I would love to work with you and learn more about the program.

Senator HOEVEN. Okay. Again, thanks for the way you've grabbed this task with both hands, and you're going at it the right way, and your ability to communicate is tremendous. And it's very helpful in terms of getting this huge, huge, and very important project done. So, thank you for that.

Secretary DUFFY. Thank you, Senator.

Senator HYDE-SMITH. Senator Durbin.

Senator DURBIN. Thank you, Madam Chair. And thank you, Mr. Secretary for being here. I want to say to the Lilley family, my sympathies go to you and your family for what you've gone through. And my gratitude goes to you for continuing the cause of air safety in memory of your loss.

Senator Duckworth, my colleague, being a helicopter pilot and knowing aviation inside and out, has briefed me on what happened that terrible evening. But I've flown that configuration a thousand times as a passenger. We've got to do something. And thank you for reminding us of our responsibility.

Secretary Duffy, when we met, we talked about Chicago and aspects of Illinois that I'm representing and concerned about. And Chicago, of course, is the rail hub of North America, more track rating, 80 and more directions than any other city. 25 percent of all freight trains, 50 percent of all intermodal trains go through that city. And we need help.

We talked about commitments that have been made, work that is being done. It's all good. But the next aspect of it is the continuation of a grant, a \$93 million grant, which for some reason has been held up. So, I'll ask you to please have your staff put it on the list and try to figure out what we can do to get this moving forward. It is critical for efficient train operation in our country. Are you familiar with it?

Secretary DUFFY. So, not specifically, Senator. I know that we have approved 13 grant agreements over the last several months for \$270 million. When we came into office, there were 89 awards without grant agreements. So, we're moving through the backlog in your state, but the backlog is real in Illinois.

Senator DURBIN. Got it.

Secretary DUFFY. By the way, I was also—I'm aware there's a lot of infrastructure. Again, you have the Great Lakes, you have rail. You are a central hub, especially in Chicago. I know that in Wisconsin, we do appreciate your support of the Packers. We know you're a fan.

[Laughter.]

Senator DURBIN. Take those words down.

Let me raise another issue. With all the time that I spend on airplanes, millions of miles, not as much as Brian Schatz, but close to it, you come to really appreciate not only the pilots, the professional crew, but certainly the flight attendants and the important work that they're engaged in.

Secretary DUFFY. That's right.

Senator DURBIN. And so, I found it kind of interesting recently when I observed that there is a growing trend on the planes that I fly on after the safety announcements, after we are all seat belts on, then the advertising of credit cards and frequent flyer programs begins.

And you wonder why, of all the things that they could talk about, and I wish most of the time they talked about none of it. Why would they pick that? Well, it's because sadly, some of the major airlines make more money on their credit cards and frequent flyer programs than on air operations. I didn't believe that until I saw it in print. It's a fact.

And you have to ask yourself, who is at least making sure that the passenger gets fair treatment in the frequent flyer programs. I've introduced legislation to do that. So, we could work together, I hope, and make certain that there's honesty in terms of dealing with these frequent flyer miles. They mean an awful lot to many people. Do you have any thoughts on that?

Secretary DUFFY. I do, Senator. There's going to be a lot of things we agree on. That is one we will not agree on. When I was in the House, this was—I was on the opposite side of this issue than you were. I do think a lot of people in America aren't able to afford a trip. They oftentimes will use their points whether it's for a hotel or for an airline ticket. And I think that's a value for folks.

What I would support, though, is I think that if—and we're seeing this more and more—if there's an extra fee that you want to charge for using a credit card with merchants, I think that's appropriate. So, the consumer's paying for the cost of the card.

Senator DURBIN. This is a separate issue. Senator Marshall and I are keeping this separate.

Secretary DUFFY. You are. Okay.

Senator DURBIN. What we're trying to do?

Secretary DUFFY. What is this issue?

Senator DURBIN. We're trying to make sure that when they say that you have so many points, and it equals so many benefits that you can use on that airline, that there be disclosures so the customer knows when they change the rules.

Secretary DUFFY. I'd like to learn more about that. I'm very astute at—I think I have a credit card for all the airlines, and I know which ones are better than others and all hotels, too. I guess I would love to partner with you and look at what you're considering on the transparency side.

Senator DURBIN. Just to make sure there's fairness to the passengers and disclosures, if there are changes in policy.

Secretary DUFFY. I'm all about transparency and fairness.

Senator DURBIN. On the other issue I've given up on you long ago. So, thank you.

[Laughter.]

Secretary DUFFY. Thank you, Senator.

Senator DURBIN. Thank you, Madam Chair.

Senator HYDE-SMITH. Senator Boozman.

Senator BOOZMAN. Thank you, Madam Chair, and thank you for being here. I apologize for running back and forth. It's so busy here, and visiting with people in the hall. One of the people that I was visiting with is a mutual friend, Ambassador Mark Green.

Secretary DUFFY. Good Wisconsinite.

Senator BOOZMAN. He reminded me that he was so proud of you as being our Secretary of Transportation now, and yet your real claim to fame in his part of the country was being a world champion lumberjack. So, you're a renaissance guy.

Secretary DUFFY. Very kind of him to mention. He was a wonderful congressman. A great ambassador.

Senator BOOZMAN. Yeah. He's just a wonderful person. Let me just—and you don't have to respond to this, but I also want to express my thoughts also about how important the Essential Air Service is and the contract towers. I know you know that coming from the part of the country that you represented also, I know that you understand that the most recent census revealed that more than half of the counties across the nation saw a population decline. In Arkansas, 53 of our 75 counties experienced the same. About 53 percent nationwide.

While rural America's population is declining, its infrastructure remains just as vital in our interconnected communities. As urban and suburban projects are often given priority and rural bases are shrinking, how can we ensure that rural infrastructure gets the necessary support that it needs?

Secretary DUFFY. Well, I think it's that you have to pay attention to it. You have to understand it. And it's having people from rural America fight for it. I think that's critical. And I come from rural America.

On the discretionary grants, and there's tools and help that's offered to smaller communities to try to access additional resources. But it goes to the point that this has become so complicated. What we're working on, and hopefully we can do it, is how can we make this process simpler? So, you just can't be a big institution that can apply and access competitive money. It's accessible for smaller communities where resources truly are just as needed.

Senator BOOZMAN. And I'm glad you bring that up. That was really my next question. We see this a lot in USDA grants and things. We're in a situation now where these—you know, the ability to apply is so complex, so complicated. You're talking about spending thousands of dollars for grant writers, and again, the bigger communities can do that. That's simply something that we've got to concentrate on and across government, particularly I think with transportation, USDA, those kinds of grants, because it does make it very, very difficult for our smaller communities, really, for anybody in order to access those grants. And that's not a cost driver, that's a cost saver.

Secretary DUFFY. And I don't mean to offend anybody, but I do think if you—with the expansion of high-speed Internet and after and during Covid, you saw a lot of people who want to move to rural America. They actually like it. It's a beautiful place. And so maybe we're going to see those numbers change, but with that is you need the infrastructure to go along with it. And again, I think it's been interesting to see how people have gone back to the rural part of this country.

Senator BOOZMAN. There's been a lot of bipartisan support in Congress to modernize how we plan, build, and maintain infrastructure with emerging technologies. From advanced digital construction management systems to automated inspection tools like drones, remote sensing these innovations can help address workforce shortages, improve project delivery times, and enhance safety across our transportation network. How do you envision the department accelerating the adoption of digital technologies across all modes of transportation?

Secretary DUFFY. I think that we are—sometimes we're thought of as, you know, hard hats and light reflecting vests. I think we're in the most innovative space in government, whether it is autonomous vehicles, and drones, and these eVOTLs, also with the technology that can be deployed in construction.

So, I am in favor of exploring all options that can reduce our costs, increase safety, and so, if you have ideas on things that I should be looking at, I'm happy to do that. But I do think we are at the cusp of a technological revolution in regard to the way that

people move and the way that our products move in this country, which is, and again, I mean, we have to get it right.

You can't go too fast with some of this stuff, but you can't go too slow either. And so, getting the right pace on the rules and regulations is going to be critical for the department over the course of the next three and a half years.

Senator BOOZMAN. Very good. Thank you. Appreciate you.

Secretary DUFFY. Thank you.

Senator HYDE-SMITH. Senator Schatz.

Senator SCHATZ. Thank you, Secretary. Thank you, Chair and Vice-chair. And to the Lilley family, thank you for your presence, and I'm sorry for your loss.

I want to follow-up on the 3,200 or so grants frozen. I understand that if the grant had—if the award has been made and the money has been obligated, that you're not freezing those dollars, you are pausing for review. I'm trying to get the terminology right. Post announcement, pre-obligation to kind of pull out those things that you considered to be extraneous to transportation. Am I characterizing that about right?

Secretary DUFFY. Well, there's no freeze, but yes, we're talking.

Senator SCHATZ. Pausing for review.

Secretary DUFFY. I'm not pausing with this. So, what I'm doing is, as I'm crafting the grant agreement, some of the language that was required in the NOFO, it's easy. We just don't put it in the grant agreement. So, it's not a pause, it's not a freeze, it's just we've taken the language out for the grant agreement.

Senator SCHATZ. Sure. Good news, bad news, right? You are characterizing this as easy, not terribly controversial. It's a new administration. You are within your rights to modify grant criteria, certainly before the money is obligated. I understand all that. The problem is time, right? We are about 4 months into this, or a little less than 4 months into this. And there are a bunch of things that are just like plainly, not climate, right? Evacuation routes, like hill-side stabilization.

And so, my more basic question is, I know you care about metrics. I know your team is trying to metabolize all of these. What's the throughput capacity of the department to get these 3,200 grants reviewed, and obligated, and out? Is it 300 a month—I mean, excuse me, 300 a week? Do you think you're going to be done by June? What's the timeframe? Because it's a little bit of a black box.

This is information—this hearing's useful because it gives us some reassurance that, you know, they're not actually stopped. But I think it's fair for our state departments of transportation to kind of know it's going to be June before it's done. It's going to be next week. It could be later this year. Can you give us a sense for timing?

Secretary DUFFY. So, I appreciate the question, and I think that's a really good question. So, I've told you we've done over 400 at this pace, which I'm proud of the pace that we have done thus far. It is not fast enough. If, again, this is going to take us multiple years at this pace to get it done. So, that is unacceptable. And I have countless meetings every week about how we can speed up the process to get more money out the door, more grant agreements

done. So, I take your point, I'm proud of the work we've done so far, but the mission is to pick it up dramatically.

Senator SCHATZ. Yes. And at some point, you run into a potential, even if it's inadvertent, you run into an impoundment issue, right, you have to spend these dollars. And especially since the grant awards were given and the state departments of transportation, sometimes county departments of transportation, they have to spend money to gear up for contract management. You've got staging costs. So, this is not free to do. So, I just really do encourage you not just to pick up the pace as a sort of generic proposition, but to get back to members of the House and the Senate, on a bipartisan basis, to say this is where we're going to get and buy when.

So, speaking of which, I want to cover one other thing in the kind of I call it de-wokefying stuff.

Secretary DUFFY. Can I ask on the impounding.

Senator SCHATZ. Sure.

Secretary DUFFY. I'm not trying to impound anything.

Senator SCHATZ. I know you're not.

Secretary DUFFY. But I'm trying—so if there's money that's about to run out, I'm trying to move that. I'm trying to elevate that and move that more quickly so you don't lose dollars.

Senator SCHATZ. Sure. And you and I had a brief conversation about bikes.

Secretary DUFFY. Yes.

Senator SCHATZ. And then you had—the department issued additional guidance on bike infrastructure, and I just—this is like my—I don't even ride a bike particularly often, but I just think it's a little nuts that bikes have become some sort of climate priority. And therefore, people who are right of center are like, bikes are a climate thing.

Bicycles are bicycles. Everybody rides a bike. Kids ride bikes, families ride bikes. Every community, rural, red, purple, blue, you know, should have a safe way for people to ride bikes. Can we please take the question of utilizing bikes safely out of whatever fight we're going to have on a partisan basis about climate policy?

Secretary DUFFY. So, I don't see bikes and climate together, but I like bikes, too. Bikes are wonderful. My kids ride them.

Senator SCHATZ. Okay. Can you review the additional sort of restrictions or scrutiny that some of these bike projects have gotten?

Secretary DUFFY. So, one of my—so can I explain my concern about—some of the requirements in the last administration were are you adding, you know, bike lanes and walking paths to your construction project? That's what they wanted to see. And if there's some places across this country where we don't need bike lanes, why are we adding bike lanes onto what should be just roadways.

Senator SCHATZ. No one wants to ride a bike, right? But hold on, because I am out of time, and there's a vote, and some other members who want to talk. But the problem here, right, is everybody understands how this was done, which is you have so many thousands of contracts, people "controlled" for certain words. And so, some bike projects are just bike projects. Some projects are adding criteria to a rail, or pedestrian, or car project to say and also there's this new requirement, but it's such a blunt instrument that

you're blocking stuff that think you and I, on a common-sense basis, would say, yes, we should do it.

I just have one more question, which I'll get out and take for the record. But again, on timeframes, and let's get some specificity. You got to do a bunch of things to upgrade the air traffic control system including and especially the telecommunications upgrades. If you could give us both some fidelity on costs, what you anticipate asking the Congress for, and also specifically the timeframe for resolving the Newark issues; whether that's weeks, or months, or whatever. I just think the traveling public needs to know exactly what that's going to be. Thank you.

Secretary DUFFY. If you want to call, I'd be happy to talk more about bikes. I don't think we're that far away on bike and bike usage.

Senator SCHATZ. I don't think we are. I just think in the execution of some of these procedures that we're talking past each other.

Secretary DUFFY. Very well. Thank you.

Senator HYDE-SMITH. Senator Van Hollen.

Senator VAN HOLLEN. Thank you, Madam Chair. Mr. Secretary, welcome. And let me start by thanking you for reaching out to Governor Moore and Maryland early in your tenure to discuss Maryland infrastructure priorities, and especially your commitment to making sure that we rebuild the Key Bridge. I just want to thank you for that.

Secretary DUFFY. I had a great conversation with the governor and his team that came to DOT, which was very nice of them.

Senator VAN HOLLEN. It's a big project, and we are glad to have your support. Now, let me turn to an area of disagreement. On Monday, Maryland joined 19 other states to sue you in your capacity as Secretary of Transportation and DOT for what they describe as illegally withholding or threatening to withhold critical transportation funds to try to require those states to enforce Federal immigration law.

Mr. Secretary, I'm not—I don't want to get into the merits of this right now. I think the states will prevail. I think that's an appropriate use of your effort to leverage transportation funds. But my question is this does that decision, that conditionality, apply to previously awarded multi-year grants? In other words, there are grants that have been awarded that take place, they spend out over period of time. So, my question is, are you intending to retroactively apply that condition?

Secretary DUFFY. No.

Senator VAN HOLLEN. Okay. Thank you. I just wanted to get that clarification. Let me now also thank the Lilley family for all your efforts to make sure we prevent future tragedies like the one that took the life of your son.

And I do want to talk about the situation at DCA. Because I know that just yesterday in the Commerce Committee, we heard testimony from folks at FAA that there had been over, I think, 15,000 concerning incidents at DCA since October, 2021. And the response from the FAA official there was that they, "missed something." That's scary. That's very scary.

And it's especially scary because we should have had that information, in my view, when the Congress considered the FAA reau-

thorization bill and there were a number of us at the time, it was mostly the Senators from this region, the two Virginia Senators, myself and then Senator Cardin, who were very concerned about adding additional airline routes.

Secretary DUFFY. Slots, right?

Senator VAN HOLLEN. Slots, yes. There were five slots, there were five pairs that were added. And I remember talking to then Secretary Buttigieg, who I think was probably in this room, sitting right there. And he expressed concern as well about additional pressures that would be put on the already most congested airport in the country if we added those slots.

This information was not available then, but there was lots of reason for concern. Those slots have since been added, I think early this year. Those additional slots were added to the most congested airport in the country. And I know you put safety first, right?

So, my question to you, Mr. Secretary, is will you work with us to reexamine that decision? Because the four of us voted against the entire FAA reauthorization at that time because of our concern about safety. And given all the information that's now available, I hope we will go back to see if that will aggravate an already very difficult problem.

Secretary DUFFY. I think it would be appropriate for this body to have a conversation about what is appropriate and what is the capacity that DCA can handle. I think you all should discuss that.

Senator VAN HOLLEN. No doubt.

Secretary DUFFY. No doubt. By the way, there was 1500 you.

Senator VAN HOLLEN. 15,000.

Secretary DUFFY. But 85 were critically close in that time period. And so what—and I take your point on that. We're trying to at the FAA now say, what else should we see that we're not seeing? Because that should have been seen, that cross traffic should have been stopped. So, we're doing that work right now. We're using some AI tools. But also, I think it's my responsibility to talk about the air traffic control system and say that is a foreseeable danger. And that's why we have to have conversations about safety, and that's all of us doing our jobs together.

Senator VAN HOLLEN. Yeah. No, I appreciate your efforts on that. And let me just say, I listened carefully to your answer with respect to the additional slots. And I agree it's a conversation we need to have here. But my question to you, Mr. Secretary, is given your important role, will you engage with us in that discussion and a determination about whether or not we now need to roll back some of those slots?

Secretary DUFFY. I would welcome the opportunity to engage with all of you on that conversation. Thank you.

Senator VAN HOLLEN. Thank you, Mr. Secretary.

Secretary DUFFY. Thank you, Senator.

#### ADDITIONAL COMMITTEE QUESTIONS

Senator HYDE-SMITH. Thank you. And if there are no further questions, Senators have seven days to submit any additional questions for the subcommittee's official hearing record. We request the DOT's responses within 30 days of that.

## QUESTIONS SUBMITTED TO HON. SEAN DUFFY

## QUESTIONS SUBMITTED BY SENATOR CINDY HYDE-SMITH

*Question.* Mr. Secretary, many of my constituents are concerned about commercial truck drivers who lack English language proficiency. As a matter of safety, existing regulations state that commercial drivers must be able to speak, read, and write the English language sufficiently: to converse with the general public; to understand highway traffic signs and signals; to respond to official inquiries; and to make entries on reports and records. Unfortunately, previous Administrations have sought to minimize or ignore this law, which has likely contributed to unsafe roadway conditions for the traveling public. I applaud President Trump's recent Executive Order to enforce English proficiency requirements for commercial drivers, repeal previous regulations that diluted these standards, and strengthen enforcement of existing laws.

Mr. Secretary, how do you propose to enforce this existing common-sense law with the resources requested in your budget, how will that improve public safety?

*Answer.* Proficiency in English is a non-negotiable safety requirement for commercial drivers. Under 49 CFR § 391.11(b)(2), a person is qualified to drive a commercial motor vehicle (CMV) in interstate commerce if they can read and speak the English language sufficiently to converse with the general public, to understand highway traffic signs and signals in the English language, to respond to official inquiries, and to make entries on reports and records. A driver who does not meet the requirements in 49 CFR § 391.11(b)(2) is not qualified to operate a CMV. The failure to adequately enforce driver qualification standards poses serious safety concerns and increases the likelihood for a crash. As part of the driver qualification standard, the Federal Motor Carrier Safety Administration (FMCSA) believes a driver's failure to comply with the driver qualification requirements in 49 CFR § 391.11(b)(2) constitutes a safety risk and that this risk was underestimated in previous agency enforcement discretion. Increased enforcement and the consequence of placing a driver out of service, instead of simply citing a driver for the violation, will lead to increased safety.

Acting on the President's Executive Order, I directed FMCSA to rescind the 2016 policy guidance that diminished ELP (English language proficiency) enforcement and issue new guidance to ensure the necessary enforcement of the ELP standard as prescribed by regulation in 49 C.F.R. 391.11(b)(2). Under the new guidance, CMV drivers who fail to comply with the FMCSA's longstanding ELP requirements will be placed out-of-service. The Commercial Motor Vehicle Safety Alliance voted to incorporate violations of 49 C.F.R. § 391.11(b)(2) into its out-of-service criteria beginning June 25, 2025. Therefore, as of June 25, 2025, ELP violations will once again be included in the out-of-service criteria-ensuring consistent, nationwide enforcement and reaffirming the Department's unwavering commitment to roadway safety. Our State partners, funded through the Motor Carrier Safety Assistance Program formula funding, will use part of their funding to enforce the requirements of 49 C.F.R. § 391.11(b)(2) at roadside inspections to ensure uniform enforcement throughout the country.

*Question.* Mr. Secretary, as you know, the trucking industry has estimated that the United States needs more than 80,000 additional drivers to meet the current demand. Achieving that goal requires world-class commercial driving schools that properly train the workforce. The Federal Motor Carrier Safety Administration is responsible for maintaining a registry of approved commercial driving schools. The purpose of the registry is simple: schools in good standing remain on the list while bad actors get removed. Unfortunately, I have heard from my constituents that the registry isn't doing its job, allowing unqualified schools to keep operating, misleading students, and compromising road safety.

How does the budget request support DOT efforts to effectively maintain the registry and remove bad actors?

*Answer.* The Federal Motor Carrier Safety Administration's (FMCSA) commitment is to ensure that only qualified and properly vetted training providers are listed on the Training Provider Registry (TPR) and are allowed to train commercial drivers. The FMCSA has made significant progress in strengthening oversight of the Entry Level Driver Training (ELDT) program, but recognizes that more work remains.

FMCSA is examining its complaint procedures to ensure consistency and reliability in addressing stakeholder concerns. The Agency is also streamlining the process for submitting concerns related to training providers and ensuring timely review and action on these complaints.

Approximately 75% of the training provider related complaints FMCSA receives involve training providers failing to meet State based licensure and registration re-

quirements. The Agency has partnered with, and is actively engaged with States to proactively require training providers to register with a State, submit applicable filing fees, and take any necessary steps to comply with State based licensure and registration requirements.

To promote transparency and improve information sharing, FMCSA is updating its website to accurately reflect the number of providers currently under review or removed from the TPR due to noncompliance in a more timely manner. To ensure consistent oversight, FMCSA is allocating resources to support routine audits and investigations of training providers. In addition, FMCSA has drafted standard operating procedures to guide enforcement actions and ensure legal sufficiency.

All of these efforts are on track for completion by Fall 2025.

*Question.* Under the Biden Administration, the National Highway Traffic Safety Administration has taken requirements in the Infrastructure Investment and Jobs Act and expanded them beyond the Congressional intent. An example of this is the significant emphasis being placed on equity and public participation and engagement in through the highway safety grant program. While it's important to involve communities in safety planning, the regulations established by the Biden Administration have gone well beyond statute and placed a significant burden on States. The requirements are diverting resources from the implementation of safety programs.

How will you work with the States to find ways to reduce administrative red tape so that more of the money intended for safety programs can be put to work improving safety on our roadways?

*Answer.* IIJA requires that State highway safety programs funded by NHTSA highway safety grants "provide for a comprehensive, data-driven traffic safety program that results from meaningful public participation and engagement from affected communities, particularly those most significantly impacted by traffic crashes resulting in injuries and fatalities." 23 U.S.C. § 402. NHTSA implemented the public participation and engagement requirement through notice and comment rulemaking and extensive outreach.

After 2 years of experience administering the grant program with these requirements and listening to feedback from some State grant recipients, NHTSA recognizes the need to align the public participation and engagement requirement with the varying resources and needs of the different State highway safety offices. NHTSA is in the process of considering ways to reduce administrative burden on States while ensuring that they meet the statutory requirement.

*Question.* Under the Biden Administration, the National Highway Traffic Safety Administration has taken requirements in the Infrastructure Investment and Jobs Act and expanded them beyond the Congressional intent. An example of this is the regulatory requirements that were put in place that require law enforcement agencies that are partnering with States to conduct traffic enforcement, to conduct community collaboration efforts and collect demographic data on traffic stops. Burdensome regulations like these have diverted resources from the underlying safety mission and created roadblocks for law enforcement to conduct traffic enforcement to stop unsafe driving behavior.

How will you work to streamline the requirements to remove these barriers?

*Answer.* IIJA requires that State highway safety programs funded by NHTSA highway safety grants support "data-driven traffic safety enforcement programs that foster effective community collaboration to increase public safety; and data collection and analysis to ensure transparency, identify disparities in traffic enforcement, and inform traffic enforcement policies, procedures, and activities." 23 U.S.C. § 402. NHTSA implemented this requirement through notice and comment rulemaking. The agency does not prescribe specific activities to meet the evidence-based enforcement program requirements. States meet this statutory requirement by providing a "description of the State's evidence-based enforcement program activities" in the IIJA annual report. 23 C.F.R. § 1300.35.

After receiving requests from States, NHTSA provided significant technical assistance and shared best practices from State and local law enforcement on potential ways to meet the requirements. NHTSA will continue to provide technical assistance and flexibility to States to implement this statutory requirement in a manner that best fits the resources and needs of the respective/individual States.

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#### QUESTIONS SUBMITTED BY SENATOR JOHN HOEVEN

*Question.* As you know, the FAA has awarded the Hector International Airport nearly \$40 million for its Terminal Expansion Project through the Airport Infra-

structure Grant (AIG) program. This past March was the 12th consecutive month of all-time high passenger activity at the airport. There is still much work to be done and another \$31 million in Federal funding is needed to complete the project. With increasing demand for travel options created by continuous growth in the area, it's vital that North Dakotans are able to travel safely and efficiently throughout the country.

Will you work with us to advance this project?

*Answer.* The FAA will continue to work collaboratively with Hector International Airport to help prepare it for future funding opportunities, as appropriate.

*Question.* As I'm sure you'll agree, it is of critical importance to make sure pilots and air traffic controllers have access to the mental health services they need, both for their own well-being and to ensure the safety of our skies for the American public. According to a survey conducted by Pilot Mental Health Campaign, 12.6 percent of pilots met the depression threshold, 4.1 percent reported suicidal thoughts, 78.6 percent felt worried about seeking health care, and 56 percent exhibited some form of "health care avoidant behavior." I will soon introduce legislation that would increase transparency, authorize funds to address the Federal Air Surgeon shortage and bring FAA regulations relating to mental health treatment and medication up to date to match current research and best practices.

Can I have your commitment to work with us to address this important issue?

*Answer.* The Department is committed to continuing to work with Congress to prioritize the mental health and well-being of pilots and air traffic controllers. The FAA currently provides resources to pilots and air traffic controllers to ensure their understanding of the requirements for obtaining a medical clearance or an airman medical certificate and offers appropriate care for mental health conditions.

In accordance with the requirements established in section 411 of the FAA Reauthorization Act of 2024, the FAA has formed a Mental Health Task Force, which is actively exploring innovative ways to expand and update medical-related policy and procedures. In addition, the FAA strongly supports and advocates for Peer Support Networks in the aviation industry, and provides mental health training to peer support volunteers.

*Question.* Development of key infrastructure in Tribal and rural communities plays a key role in providing access to health care, medical supplies, economic development, and commerce. Department of Transportation (DOT) grants like Strengthening Mobility and Revolutionizing Transportation, or SMART, have an important role supporting innovation in these communities. The SMART program is currently funding joint research by the University of North Dakota and Nueta Hidatsa Sahnish College's MHA Nation Drone Project. Under the MHA Nation Drone Project, both schools were able to successfully complete a series of proof-of-concept flights transporting medical supplies across Lake Sakakawea between Elbowoods Memorial Health Center in New Town, N.D., and Twin Buttes, N.D. Typically, people living in New Town would have to make a nearly two-hour drive to the health center to receive medication; however, the drone flights successfully demonstrated that medication can be delivered to remote communities in about 25 minutes. In addition to technological infrastructure, DOT also funds critical traditional infrastructure like roads, bridges, and airports. In North Dakota, the Standing Rock Sioux Tribe is administering a DOT planning grant for a proposed bridge over the Missouri River and celebrating the expansion of the Standing Rock Airport in Fort Yates.

Can you discuss how the department is supporting these types of innovative and important infrastructure projects through the FY26 budget?

*Answer.* On July 17—18, 2025, the Director of the SMART Grants Program visited the MHA Nation for a demonstration of the Mandan, Hidatsa, and Arikara Nation (MHA) Drone Project, a community stakeholder meeting, and an educational Drone Camp with local students. The MHA Nation has been invited to the third annual SMART Grantee Summit, on July 30—31, 2025 in Washington, D.C. for technical assistance from USDOT subject matter experts and peer support from a cluster of grantees deploying similar technology. The FY26 budget will provide continued technical assistance to Stage One grantees, and an opportunity for them to apply for up to \$15 million per project in SMART Stage Two full scale implementation grants.

*Question.* One of the FAA's most successful government/industry partnerships is the contract tower program. 265 smaller airports participate in this important air traffic safety program, including in Minot International Airport in North Dakota. These towers support Department of Defense flight training operations and military readiness, rural air service, general aviation, and flight schools all across the country. It's also important to note that contract towers account for approximately 30 percent of all tower operations in the Nation, and that about 70 percent of contract

controllers are veterans. The program also continues to get high marks from the DOT Inspector General.

Will contract towers remain a high priority for the administration?

*Answer.* The Federal Contract Tower Program continues to be a high priority for the Administration. The FAA recognizes the critical role that contract towers play in ensuring the safety, efficiency, and continuity of air traffic operations across the National airspace system, particularly at smaller and regional airports like Minot International Airport. The FAA remains committed to maintaining and strengthening this successful government-industry partnership.

*Question.* Staffing shortages continue to be a challenge throughout the industry, including at contract towers.

What measures can DOT/FAA and the industry undertake collaboratively to address staffing challenges at these towers?

*Answer.* To address controller staffing challenges, including at contract towers, the FAA is actively working with industry partners and contract tower stakeholders to explore and implement targeted solutions. To expand the pipeline of qualified candidates, the FAA has increased and enhanced recruitment and outreach, particularly to veteran communities, and expanded our collaboration with educational institutions and aviation programs. We look forward to continued engagement with industry partners, educational institutions, and local communities to ensure the long-term sustainability and success of the contract tower program.

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#### QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

*Question.* Secretary Duffy, in your written testimony you claim to have saved taxpayers \$9.5 billion in President Trump's first 100 days. This Committee asked your staff for the details on these supposed savings more than two weeks ago, but has received no response. I'm deeply concerned by the lack of transparency and accountability on what you are cutting and how it is impacting the communities in our States.

Please provide the full details in writing to the Committee on what makes up the \$9.5 billion in cuts?

*Answer.* The \$9.5 billion is comprised of the projected future savings from termination of certain University Transportation Center Program Grants; savings from DOT assuming control of MTA's Penn Station Overhaul Project; reduced project scope of the Dock Bridge Project under the Federal State Partnership for Intercity Passenger Rail Program; and termination of a Corridor Identification and Development Program grant supporting the Texas High Speed Rail Corridor project, which on the low end was expected to require \$10 to 20 billion in Federal investment over several years.

*Question.* Secretary Duffy, in your testimony you spoke of approving 405 grants totaling \$4.9 billion in President Trump's first 100 days. I understand that as part of these approvals your Department has re-evaluated each grant award announced under the previous Administration, and in some cases "de-scoped" the grant award, meaning you removed previously eligible activities that the recipient intended to use the funding for. If you are removing parts of a project, that leads me to assume you are also reducing the amount of funding a city, State, Tribe, or another entity was previously awarded. This Committee has asked your staff repeatedly for the details on the Department's "de-scoping", but again has received no response.

Please provide a list of all competitive grant awards that were announced under the prior Administration but not yet obligated by January 20, 2025 that includes the following information for each award:

- Modal administration,
  - Competitive grant program,
  - Project name,
  - Recipient name,
  - Amount originally awarded,
  - Amount approved for obligation,
  - If/how the scope of work has changed compared to the original announced award, and
  - Rationale for changing the scope of work.
- This detailed list should cover all competitive grants approved for obligation by the Department between January 20, 2025 and the date of receipt of this question.

*Answer.* Please visit this link for the latest DOT approved projects: <https://www.transportation.gov/infrastructure-investment-and-jobs-act/dot-approved-projects-july-16-2025>.

*Question.* Each year when the Committee writes our appropriations bill we re-examine the staffing needs at each modal administration. We work to understand the needs and to provide sufficient funding to support critical safety missions and the day-to-day operations of the Department through specific salaries and expenses directed in our appropriations bill. However, to do this, we need cooperation from the Department on current staffing levels, as well as transparency on the needs. While I was heartened to hear your response to my colleague that you would hire more staff if you find a need, I'm concerned we do not know that the gaps are as a result of two rounds of the deferred resignation program, firing probationary employees, and more. This Committee has asked your staff numerous times for staffing details and to date you have only provided extremely high-level figures that provide no insight into how it is affecting one office or another, headquarters, or regional and local offices.

Please provide the total number of people employed by the Department of Transportation as of the last pay period under the prior Administration and as of the date of receipt of this question. Please also break this total number of staff down by modal administration, office, headquarters, and regional/local offices.

*Answer.* See "Attachment 1—DOT Staff Breakdown" for a breakdown of DOT staff in Pay Period 3 of 2025, the last pay period under the last administration, and Pay Period 12, the most recent Pay Period prior to June 2.

*Question.* The FY 2025 Full-Year Continuing Appropriations and Extensions Act (Public Law 119-4) provides \$280 million for the FAA's Research, Engineering, and Development (RED) account. Funds within the RED account are authorized to be eligible for research to reduce noise and emissions from aircraft, and improve the efficiency of engines.

Within the RED account, how much fund will you allocate for the FAA's Aviation Sustainability Center of Excellence on Sustainable Aviation Fuels (ASCENT) and the Center of Excellence for Joint Advanced Materials and Structures (JAMS)?

*Answer.* In FY 2025, the FAA plans to allocate \$29.9 million for ASCENT. We are still in the process of finalizing the projects for JAMS, but we anticipate allocating funding in FY 2025 at similar levels to FY 2024, which was \$11.85 million.

*Question.* Enforcement of pipeline safety rules has dropped to unprecedented lows under this Administration. Since January 20, 2025, according to PHMSA's Enforcement Transparency webpage, PHMSA has only initiated five cases against potential violators, which is a more than 90 percent drop from both the 91 cases PHMSA opened during the same period of time under the Biden Administration and the 68 cases PHMSA opened during the same period of time under the first Trump Administration. Meanwhile, the last 2 years have been the deadliest 2-year period for pipelines in nearly 15 years.

How does the Department explain the sudden drop in cases initiated by PHMSA?

*Answer.* The number and type of enforcement cases that PHMSA initiates during a particular period of time varies and depends on a variety of factors, including the findings made in previous inspections and investigations, the judgement of the Regional Directors and other staff responsible for evaluating the merits of a case and determining whether to initiate a proceeding, and the enforcement priorities of the current administration. PHMSA issued two high-profile enforcement actions during the time period referenced—a safety order to Sunoco L.P. in response to a jet fuel leak on a pipeline in Upper Makefield, Pennsylvania and a corrective action order to South Bow following a crude oil release on the Keystone Pipeline in Ransom County, North Dakota—demonstrating the Administration's commitment to ensuring the safety of our pipeline network. PHMSA also filed a civil action in Federal district court against Panhandle Eastern Pipe Line Company for alleged violations committed in connection with a fatal gas pipeline incident that occurred several years ago near Meade, Kansas.

*Question.* In addition, PHMSA recently announced long overdue updates to its policies and procedures for pipeline safety enforcement proceedings. Those updates include changes to the policy that PHMSA uses to calculate proposed civil penalties and the procedure that PHMSA follows in determining the agency records that should be included in the case file. PHMSA notes that the updates to the latter procedure respond directly to a bipartisan mandate that Congress included in the Protecting Our Infrastructure of Pipelines and Enhancing Safety (PIPES) Act of 2020, currently codified at 49 U.S.C. § 60117(b)(1)(C). PHMSA has issued 20 new pipeline safety enforcement actions since adopting these critical due process changes and expects to issue more in the coming months.

On January 23, 2025, PHMSA's Notice of Proposed Rulemaking on requirements for carbon dioxide and hazardous liquid pipelines was withdrawn as a result of President Trump's Presidential Memorandum titled "Regulatory Freeze Pending Review". What is the Department's plan to reissue this proposed rulemaking?

*Answer.* In accordance with the Executive Order issued by the President on January 20, 2025, the proposed rule for carbon dioxide pipelines was withdrawn prior to publication and is currently under review. PHMSA will work to advance the Administration's regulatory priorities for pipeline safety as quickly as possible.

*Question.* On January 20, 2025, President Trump issued a Presidential Memorandum titled "Regulatory Freeze Pending Review" which directed agencies to immediately withdraw rules that had been sent to the Office of the Federal Register but not published in the Federal Register and to consider postponing rules that had been published in the Federal Register or issued in any manner but had not taken effect.

Please list all DOT rulemakings impacted by this Presidential Memorandum, and their status as of the date of receipt of this question.

*Answer.* The following documents were sent to the Office of the Federal Register before January 20, 2025, but withdrawn prior to the publication:

**Federal Railroad Administration**

- A notice titled, "Program Approval: Georgia Central Railway, L.P. and Heart of Georgia Railroad, Inc." " This document was initially scheduled for publication on January 22, 2025. The notice was revised and published on February 5, 2025 (90 Fed. Reg. 9053).
- A notice titled, "Notice of Final Nonavailability Waiver for the Alabama State Port Authority to Purchase Two Rubber-Tired Gantry Cranes." This notice was scheduled for publication on January 22, 2025. FRA published a substantively identical notice on June 20, 2025.

**National Highway Traffic Safety Administration**

- A notice and request for comments on a revision of a currently approved information collection titled, "Automated Driving Systems 2.0: A Vision for Safety." This notice was initially scheduled for publication on January 22, 2025. It was published on February 20, 2025 (90 Fed. Reg. 10033).
- A notification titled, "Federal Motor Vehicle Safety Standards; Plain Language and Small Business Impacts of Motor Vehicle Safety; Section 610FRN—YEARS 1 THRU 7 2024–12." This notification has not been published. The Department continues to review its rulemakings for impacts to small businesses pursuant to section 610 of the Regulatory Flexibility Act.

**Federal Highway Administration**

- A notice extending a comment period titled, "Asset Management Plans; Management and Monitoring Systems—Notice of Extension of Comment Period" (RIN: 2125–AG00). A final rule was published on May 30, 2025 (90 Fed. Reg. 22854).

**Federal Motor Carrier Safety Administration**

- A notice of proposed rulemaking titled, "Unified Registration System Enhancements and Updates" (RIN 2126–AB56). This notice has not been published. The Department is considering its next action.

**Federal Transit Administration**

- A notice of proposed rulemaking titled, "Bus Testing" (RIN 2132–AB40). This notice has not been published. The Department is considering its next action.
- A notice of funding opportunity (NOFO) titled, "Transportation Equity Research." This NOFO has not been published. The Department is considering its next action.

**Pipeline and Hazardous Materials Safety Administration**

- A final rule titled, "Pipeline Safety: Leak Detection and Repair" (RIN 2137–AF51). This final rule has not been published. The Department is considering its next action.
- A notice of proposed rulemaking titled, "Pipeline Safety: Safety of Carbon Dioxide and Hazardous Liquid Pipelines" (RIN 2137–AF60). This final rule has not been published. The Department is considering its next action.

The following documents were published in the Federal Register before January 20, 2025, with effective dates after January 25, 2025, but before March 20, 2025. The Presidential Memorandum directed DOT to consider extending those effective dates to March 20 and to exercise enforcement discretion until at least March 20.

## FAA

- A final rule title, “Standard Instrument Approach Procedures, and Takeoff Minimums and Obstacle Departure Procedures; Miscellaneous Amendments” (RIN 2120-AA84). In consideration of its safety impacts, this rule took effect without delay on February 20, 2025.

## FHWA

- A final rule titled, “Buy America Requirements for Manufactured Products” (RIN 2125-AG13). The effective date of this rule was extended until March 20, 2025, after which it took effect.

## NHTSA

- A final rule titled, “Federal Motor Vehicle Safety Standards; FMVSS No. 305a Electric-Powered Vehicles: Electric Powertrain Integrity Global Technical Regulation No. 20 Incorporation by Reference” (RIN 2127-AM43). The effective date of this rule was extended until March 20, 2025, after which it took effect.
- A final rule titled, “Federal Motor Vehicle Safety Standards; Occupant Crash Protection, Seat Belt Reminder Systems, Controls and Displays” (RIN 2127-AL37). The effective date of this rule was extended until March 20, 2025, after which it took effect.
- A final rule titled, “Anthropomorphic Test Devices, HIII 5TH Percentile Female Test Dummy; Incorporation by Reference” (RIN 2127-AM13). The effective date of this rule was extended until March 20, 2025, after which it took effect.
- A final rule titled, “Federal Motor Vehicle Safety Standards; Child Restraint Systems, Child Restraint Anchorage Systems, Incorporation by Reference” (RIN 2127-AL20). Effective March 10, 2025. The effective date of this rule was extended until March 20, 2025, after which it took effect.

## FTA

- “Third Party Contracting Guidance; Notice of Availability of Final Circular and Response to Comments.” The effective date of this rule was extended until March 20, 2025, after which it took effect.

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QUESTIONS SUBMITTED BY SENATOR KIRSTEN GILLIBRAND

*Question.* On May 2, 2025, the Department of Transportation terminated the 5-year UTC grant agreements for seven UTCs. This included UTCs led by the University of California, Davis, the City College of New York, the University of Southern California, New York University, San Jose State University, the University of New Orleans, and Johns Hopkins University. The Department has claimed these UTCs were terminated because the awards no longer effectuate the program goals or agency priorities.

Please provide a list of all research conducted by each of the seven UTCs, and identify which research activities were found to no longer effectuate the program goals or agency priorities.

*Answer.* Specific project lists were not used to determine inconsistency with DOT priorities. The universities’ grant applications, which serve as the grants’ Statements of Work (SOW), were used to determine that the grants were inconsistent with the priorities of the Department. Details of each grant’s inconsistency with DOT priorities, as stated in each university’s termination letter, are provided below.

University of California, Davis

The National Center for Sustainable Transportation (NCST) addresses “accelerating reductions in greenhouse gas emissions while simultaneously enhancing transportation equity.” NCST’s objectives “to prioritize disadvantaged communities,” “reduce impacts associated with infrastructure...for disadvantaged populations,” and “support a Transportation Equity and Environmental Justice Advisory Group” are inconsistent the DOT’s priority to cease promoting DEI initiatives that discriminate on the basis of race, national origin, or another protected characteristic.

City University of New York

CUNY’s language “to empower economically disadvantaged populations, including minorities, women, veterans...by improving equity of opportunity in an unequal infrastructure labor market” directly conflicts with agency priorities by targeting specific groups on the basis of discriminatory criteria, for enhanced opportunity. Likewise, CUNY’s “model for Transforming Minority Doctoral Students into Academia ...to Increase Diversity of Faculty Across the University” and multiple references to “Equity” (“Our work will address...Equity...,” “to promote equity and accessibility,”

and “equity-based project selection”) all prescribe race- or sex-specific initiatives. The SOW’s cited work is inconsistent with DOT’s priorities.

University of Southern California

The Pacific Southwest Region (PSR) UTC promotes equitable access and furthers research themes regarding “uneven transportation access across PSR’s enormously diverse region, particularly among transportation-disadvantaged travelers and communities.” PSRUTC’s research priorities that “deepen commitments to diversifying the transportation workforce; draw a more diverse pool of students; and focuses on Equity” are inconsistent with DOT’s priority to cease promoting DEI initiatives that discriminate on the basis of race, national origin, or another protected characteristic. Furthermore, PSRUTC’s EV statement (“perspective on equity in the transition to electric vehicles”) and environmental justice themes (“addressing EJ problems in the goods movement system”) promote discriminatory consideration and “green new deal” principles that are inconsistent with DOT’s priorities.

New York University

NYU repeatedly commits to “engag[ing] with the community of disadvantaged travelers,” “developing equity measures based on travel time by mode and cost,” and “Equity-Based ITS Project Selection.” It also includes a “Diversity and inclusion portal,” mandatory diversity metrics, and plans to “hold diversity and inclusion talks.” The SOW’s cited work is inconsistent with DOT’s priorities. The Connected Communities for Smart Mobility Toward Accessible and Resilient Transportation for Equitable Reducing Congestion Center’s (C2SMARTER) promise to “investigate MBUF long-term equity impacts,” “adopt a quantitative equity screening component,” and “build interactive workshops on transportation equity” is similarly inconsistent with this priority. Its EV work (“equity of access to electric vehicles and charging infrastructure”) promotes discriminatory considerations and “green new deal” principles.

San José State University

The SOW focuses on reducing the impact of transportation on climate change and on promoting climate justice and environmental justice, as well as activities to ensure that equity considerations are at the forefront in transportation policy making and planning. Examples of the SOW’s Research Program include Vehicle Miles Traveled Mitigation Strategies: Implications for Equity and Sustainability Across the Urban-rural Continuum; Path to Economy-Wide Net Zero Emissions by 2020; and Climate Justice & Environmental Justice. These examples are inconsistent with DOT’s priorities.

University of New Orleans

The Center for Equitable Transit-Oriented Communities’ (CETOC) stated mission, per the SOW, “is to cultivate transit-centered, equitable, and resilient communities....” The Extreme Heat Exposure study assesses transit riders’ climate vulnerability, which conflicts with the agency’s priority of maximizing traditional forms of energy and natural resources to the greatest extent possible. Similarly inconsistent with DOT’s priorities is the statement in the SOW that CETOC will educate students and the workforce in transportation “with the climate benefits of transit-oriented and multimodal transportation systems.”

The Johns Hopkins University

The SOW’s strong focus on climate change mitigation, electrification, greenhouse gas (GHG) reduction strategies, and “making climate change the center of transportation decisions” is inconsistent with DOT’s priority to promote traditional forms of energy and natural resources. For example, the SOW promotes the development of solar-powered vehicles, lithium-sulfur batteries, GHG emission reduction strategies, and autonomous delivery systems intended to reduce or replace emissions from traditional trucking operations. In addition, the SOW places repeated emphasis on diversity, equity, and inclusion (DEI), including targeted support for minority-serving institutions and underrepresented student populations, which is inconsistent DOT’s priority to cease initiatives that discriminate on the basis of race, national origin, or another protected characteristic. For instance, the SOW States that “Every CST leadership and educational program will include active partnerships with our minority institution members and prioritize underrepresented students and transportation workforce,” and further notes that “Scholarships, fellowships, and mentorships are reserved for underrepresented students,” with several K–12 outreach initiatives (e.g., the COMTO Minority Initiative and the Transportation YOU Summit) aimed exclusively at minority students.

*Question.* What does the Department intend to do with the remaining funds for these seven UTCs?

*Answer.* The Department intends to recompile and reissue the remaining funding.

*Question.* Will these seven UTCs be given the opportunity to re-apply under a new NOFO?

*Answer.* Yes, these seven UTCs will have the opportunity to re-apply under the new NOFO.

*Question.* The Department recently released an Air Traffic Control modernization plan, which is particularly important for the congested airspace around JFK, LaGuardia, and Newark.

—How much funding are you requesting for this Modernization Plan?

—Why was the Modernization Plan not included in the FY 2026 skinny budget?

—What is the FAA doing to improve the telecommunications infrastructure at these airports which has caused tremendous delays in recent weeks?

—What other specific improvements does the Air Traffic Control Modernization Plan envision to reduce flight cancellations and delays for New Yorkers?

*Answer.* The FAA is collaborating with industry to develop innovative ideas, new technologies, and new procurement strategies to expedite the building of a brand new, state-of-the-art air traffic control system. As a first step, the FAA is seeking information about how best to implement this new air traffic system. On June 3, 2025, the agency issued a Request for Information for an integrator to play a key role in managing this effort, including acquiring capabilities, and deploying the new technologies. The FAA looks forward to working with the Congress to secure the funding needed to execute the Administration's vision for building the air traffic system of the future.

In the near term, FAA is actively modernizing telecommunications infrastructure at major New York-area airports to address recent delays. This includes replacing outdated copper lines with fiber optics and installing a new fiber optic cable between Philadelphia and New York to improve controller-pilot communications.

The FAA will leverage new technologies like satellite-based tracking, digital communications, and real-time surface management to reduce delays and cancellations at New York's congested airports. These upgrades, along with airspace redesign and improved infrastructure, aim to enhance efficiency, safety, and reliability for travelers.

*Question.* On May 20, 2025, the FAA issued an interim order reducing flight arrivals and departures at Newark Liberty International Airport (EWR). The FAA proposed a limit of 28 arrivals and 28 departures per hour (total 56 operations per hour) during the ongoing construction period. The construction period is defined as the daily closure of Runway 4L/22R until June 15, 2025, and weekends from September 1, 2025, through December 31, 2025 from Friday at 11:00 p.m. through 5:00 a.m. on Sunday. Outside of the construction period, through the end of Summer 2025 scheduling season ending October 25, 2025, FAA proposes limit of 34 arrivals and 34 departures per hour (total 68 operations per hour).

What information or analysis did the FAA use to determine the limit of 56 total operations per hour during the construction period and 68 total operations per hour outside of the construction period?

*Answer.* The FAA established the rates of 28 arrivals/departures during construction, and 34 arrivals/departures after runway construction is completed, using prior operational experience with single runway configurations at EWR. The FAA recognizes that airport construction, runway/taxiway closures, weather (wind, IFR conditions, etc.), and staffing dictates the number of sectors that can be open at one time. To safely manage aircraft in and out of EWR and surrounding airports, arrival rates were modified based on the number of sectors that could be opened, taking into consideration critical controller training needs. Rates are dynamic based on runway configurations and daily weather and staffing constraints.

*Question.* What stakeholders did the FAA speak with during the delay reduction meetings?

*Answer.* The FAA met with key stakeholders including Alaska Airlines, American Airlines, Delta Air Lines, JetBlue, Spirit Airlines, United Airlines, and Allegiant Air, and the Port Authority of New York and New Jersey.

*Question.* Will you commit to providing the House and Senate Committees on Appropriations monthly briefings on the impact of these delay reductions on flight cancellations and delays as well as level of service and number of communities served by flights to EWR?

*Answer.* The FAA will brief the House and Senate Committees on Appropriations upon request.

*Question.* The FY 2026 skinny budget makes no mention of funding for Amtrak, yet Amtrak funding has been a priority for members on both sides of the aisle. In New York, the Northeast Corridor and our State-Supported Routes are extremely important.

Will you support the funding levels necessary to ensure Amtrak can operate all existing service lines on both the Northeast Corridor and National Network and not cut any service?

In response to my colleague's earlier question on Amtrak, you contemplated how we could make the Northeast Corridor "faster" and pointed out that "the rest of the world has high-speed rail". In order to increase the speed of trains along the Northeast Corridor, significant investments in replacing infrastructure are required along with coordination between Amtrak, DOT, States, and commuter rail lines that also operate on the track. This work is underway thanks to the historic rail investments provided by Congress in the Bipartisan Infrastructure Law. Will you commit to DOT continuing the investments and coordinated support necessary to bring faster, more reliant Amtrak service to the Northeast Corridor?

*Answer.* The FY 2026 President's Budget maintains Amtrak's annual grant funding at the \$2.4 billion level appropriated in FY 2024 and FY 2025 to cover Amtrak's base operating, capital, and debt service requirements. These funds will (1) sustain the operations of the Northeast Corridor, State-Supported, and Long Distance services; (2) enable Amtrak to fulfill its ongoing maintenance and capital renewal programs; and (3) support the Department's oversight efforts to drive Amtrak ridership and revenue growth, contain operating costs, and deliver capital projects more efficiently.

The FY 2026 President's Budget also supports the final year of advance appropriations provided by the Infrastructure Investment and Jobs Act (IIJA). To date, these funds are advancing more than \$22 billion awarded for projects on the Northeast Corridor (NEC) to reduce the corridor's state-of-good-repair backlog, replace or rehabilitate the 15 major bridges and tunnels that are each over 100 years old and cause significant delays, and modernize Amtrak's rolling stock and facilities. The Trump Administration is working to ensure that taxpayer dollars are spent on only the most meritorious projects that enhance the transportation system, improve safety, and lower costs to consumers and the traveling public.

*Question.* Building infrastructure in America already costs more than any other country. I am concerned by President Trump's reckless tariff policies and the impact it will have on construction materials and parts, which will only make this problem worse.

Mr. Secretary, will the Administration's tariff policy make transportation projects more expensive or less expensive?

*Answer.* The Department expects that the tariffs will have a minimal impact on the cost of transportation projects. Transportation projects that receive Federal funding and include Buy American provisions already rely on American-made steel and aluminum rather than imported products, and therefore would not be directly impacted by the tariffs. Estimates of the effect of earlier tariffs showed an increase in steel prices of just 2.4 percent between 2018 and 2021, and recent steel prices in the U.S. have been below 2021 levels.

*Question.* I am glad to see you rightly focused on air traffic controller hiring, and I am optimistic the improvements to the training academy will help flight delays in New York. However, hundreds of air traffic controllers are raising red flags about a provision in the House reconciliation bill, which could force them to retire early. House Republicans have voted to gut the supplemental annuity in the Federal Employees Retirement System for air traffic controllers who are eligible to retire but cannot collect Social Security. Controllers are already overstressed and they shouldn't have to worry about losing out on their pensions.

Mr. Secretary, will you work to defeat this ill-conceived proposal to eliminate the supplemental annuity for air traffic controllers?

*Answer.* The Department is supportive of any measures to recruit and retain air traffic controllers, particularly as we make further progress on addressing the controller shortage. Recently, we provided an incentive package to increase retention of experienced controllers in the field. The FAA offered controllers who are eligible for early retirement but remain on the job as part of the controller workforce a lump sum payment of 20% of their basic pay for each year they continue to work. As we continue to improve controller staffing levels, the Department is committed to working with Congress on any legislative proposals that may impact the recruitment and retention of air traffic controllers.

*Question.* According to the DOGE website, the Department has terminated or cancelled at least 26 leases for office space across 20 States and Puerto Rico that was used by the Federal Highway Administration, Federal Motor Carrier Safety Administration, Federal Transit Administration, Federal Railroad Administration, Maritime Administration, and Pipelines and Hazardous Safety Administration.

- Please provide a detailed list of all leases that have been terminated or cancelled by the Department between January 20, 2025 and the date of receipt of this question. This list should include:
  - the modal administration;
  - the location (including address) of the leased building or office space;
  - the date on which the existing lease was to expire prior to the termination or cancellation;
  - the date on which the existing lease will end as a result of the termination or cancellation (i.e. when it will no longer be used by the Department);
  - the amount of any early termination or cancellation fees;
  - the number of staff whose duty station was the leased building or office space as of January 20, 2025;
  - where the staff whose duty station was the leased building or office space will report to following the termination or cancellation;
  - and whether the Department will consolidate or co-locate the staff whose duty station was the leased building or office space in building or office space currently leased or owned by other modal administrations.

*Answer.* See “Attachment 2—Leases” for the requested information on leases. Currently, FHWA, FMCSA, FRA, FTA, MARAD, and PHMSA are the modes impacted by GSA action to exercise the soft-term termination. GSA rescinded some leases impacted by the soft-term lease termination, and FAA and OIG are no longer impacted. DOT is identifying alternate locations that are within 50-miles of the facilities impacted by GSA’s soft-term termination action. Currently, we are still evaluating these alternate locations to verify capacity and existing program functions that are performed at these locations.

In addition, DOT has submitted space requirements of these impacted facilities to GSA’s space match program. DOT, with the support of GSA, is looking at options to relocate staff to GSA identified locations that have an excess of space.

Note that the impacted locations are under the control and custody of GSA, and DOT is an occupant. GSA has rescinded some of the leases it intended to terminate. GSA would have better information on why some leases have been rescinded and why some leases continue with the soft-term termination action, as well as potential monetary benefits.

*Question.* According to the DOGE website, the Department has terminated or cancelled countless contracts. In response to previous inquiries from this Committee, your staff shared the following on March 4, 2025: “DOT is reviewing existing contracts to identify opportunities for achieving efficiencies and ensuring that spending is alignment with Administration priorities.”

Please provide a detailed list of all contracts that have been terminated or cancelled by the Department between January 20, 2025 and the date of receipt of this question. This list should include the modal administration, source of funding for the contract, the purpose of the contract, and the rationale for why the contract was no longer necessary.

*Answer.* See “Attachment 3—Contracts” for the requested information on contracts.

*Question.* Please provide a list of all advisory committees, panels, task forces, and commissions that were funded and operational in fiscal year 2024.

Indicate those that are mandated by law and those that are discretionary; the funding level of each; and the expiration date of the most recent charter.

Also list each advisory committee, panel, task force, and commission that have been terminated or cancelled by the Department between January 20, 2025 and the date of receipt of this question, as well as those the Department proposes to operate in fiscal year 2026, with the proposed budget for each.

*Answer.* See “Attachment 4—Advisory Committees” for the requested information on Advisory Committees.

*Question.* Please provide an update on any plans or planning the Department has to reorganize the Department or its modal administrations.

*Answer.* The FY 2026 Budget proposes consolidation of common support services across DOT Operating Administrations into OST. These functions include Procurement, Human Resources (HR), Information Technology (IT), Civil Rights, Public Affairs, and Governmental Affairs. The proposal assumes all modal IT spending, including commodity and program spending, will be consolidated under OST. The consolidation excludes the Federal Aviation Administration (FAA), the Office of Inspector General, and some functions of the Great Lakes and St. Lawrence Seaway Corporation (GLS).

*Question.* Please provide a list of all political and Presidential appointees employed by the Department as of the date of receipt of this question.

This list should include the name and title for each political and Presidential appointee and the modal administration in which such staff is employed.

If the total number is less than the 125 political and Presidential appointees allowed under section 183 of the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2024 (Public Law 118–42), which remains in effect under the Further Continuing Appropriations Act, 2025 (Public Law 118–158), please provide the total number of political and Presidential appointees expected by September 30, 2025 based upon vacancies, hiring plans, pending appointments by the President, and pending confirmations by the U.S. Senate.

*Answer.* See “Attachment 5—Noncareer Appointees” for the requested information. At this time, the Department expects 110 appointees onboard by September 30, 2025.

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#### QUESTIONS SUBMITTED BY SENATOR JACK REED

*Question.* The tragic collision at National Airport on January 29th caused the death of 67 people, including two Rhode Islanders, Christine Lane and her son, Spencer. I’ve met with Doug Lane, Christine’s husband and Spencer’s dad. I’ve also met with Tim and Sherri Lilley, whose son Sam was killed in the collision. Mr. Lane and the Lilley family have joined the families of other American Eagle Flight 5342 passengers to an advocate for safety reforms following this tragedy. I know you’ve also spent time meeting with these families and heard their stories.

One of the items that Mr. Lane and this group of families are calling for is an independent review of operations at National Airport.

Have you taken steps to initiate this a review?

*Answer.* The National Transportation Safety Board (NTSB), an independent Federal agency, continues to investigate the causal and contributing factors of the tragic accident at DCA, including the airport operations. Furthermore, in early June, the Department announced its support for an independent review by the DOT Inspector General of airspace operations and safety oversight in the National Capital Region.

In addition to supporting the NTSB investigation, the FAA initiated several safety reviews of the operations at DCA and has already implemented a comprehensive series of safety measures to enhance aviation safety in the National Capital Region, including:

- Permanent restricted mixed traffic in the immediate vicinity of the airport
- Rescinded the authority to operate without broadcasting an ADS-B Out signal in the National Capital Region and Washington D.C., with exceptions limited to active national security missions, continuity operations, and presidential transport
- Added lateral widths to the charted helicopter routes
- Eliminated the use of visual separation within 5 miles of DCA
- Increased the number of certified professional controllers at DCA tower from 28 to 30
- Increased the number of operational supervisors at DCA tower from six to eight
- Updated helicopter routes to ensure helicopters have proper procedural radar separation from other aircraft in accordance with the NTSB’s recommendations

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#### QUESTIONS SUBMITTED BY SENATOR BRIAN SCHATZ

*Question.* You published a plan to modernize our Nation’s air traffic control (ATC) system.

Please provide detailed requests for funding required to implement your plan over the project’s proposed time frame.

*Answer.* The FAA is collaborating with industry to develop innovative ideas, new technologies, and new procurement strategies to expedite the building of a brand new, state of-the-art air traffic control system. As a first step, the FAA is seeking information about how best to implement this new air traffic system. On June 3, 2025, the agency issued a Request for Information for an integrator to play a key role in managing this effort, including acquiring capabilities, and deploying the new technologies. The FAA looks forward to working with the Congress to secure the funding needed to execute the Administration’s vision for building the air traffic system of the future.

*Question.* President Trump stated that the entire ATC modernization project will be executed under “one big, beautiful contract”. Your modernization plan calls for improvements to telecommunications systems, air traffic management software,

tower facilities, and much more. These diverse upgrades are not best served by one contract.

Do you intend to execute a single contract for this modernization project? Do you commit to executing a fair, open, and ethical bid process for the contracts issued in implementing this modernization project?

*Answer.* On June 3, 2025, the agency issued a Request for Information for an integrator to play a key role in managing this effort, including acquiring capabilities, and deploying the new technologies. The FAA will work collaboratively with the integrator to develop the overall acquisition strategy, systems modernization, and execution of the work. The FAA is committed to executing a fair, open, and ethical bid process for any contracts issued.

*Question.* Over 4,000 DOT employees accepted deferred resignation program offers and you have stated intent to execute a mass layoff later this month. In your appearance before the Senate Appropriations subcommittee on Transportation, Housing and Urban Development, you stated that the pace of executing grant agreements must quicken.

How do you plan to accomplish this while simultaneously cutting department capacity?

*Answer.* In the near term, the Department stood up a Grants Review Task Force that is prioritizing the clearance of the unprecedented backlog of unobligated selections. Moving forward as part of Departmental efforts to improve efficiency, DOT is prioritizing work to unify competitive grants processes and systems. This initiative will identify opportunities to improve and expedite the execution of competitive grant agreements.

*Question.* Deputy Secretary Bradbury made a personal commitment in his confirmation hearing to maintain the Office of Tribal Government Affairs at DOT, which is the central body responsible for fostering government-to-government relations between the agency and Tribes and supports Tribal self-governance. It was funded at \$1.53 million in FY24.

Will the President's Budget Request maintain and fund this office at DOT?

*Answer.* The funding levels for the Office of Tribal Government Affairs in the President's Budget for FY 2026 are commensurate with the FY 2024 levels.

*Question.* Tribal governments rely heavily on consistent and predictable transportation funding, particularly from the Tribal Transportation Program and the Rural and Tribal Assistance Pilot Program.

Can you commit today that the Department will not reduce or redirect funding for Tribal transportation without prior Tribal consultation, and can you detail how your Department intends to protect Tribal transportation programs in your FY26 budget request?

*Answer.* The Rural and Tribal Assistance Pilot Program received limited funding through the Infrastructure Investment and Jobs Act (IIJA) and subsequently obtained funding in the FY 2024 Consolidated Appropriations and the Full Year Continuing Resolution for FY 2025. This funding was not part of prior Budget proposals but was appropriated by Congress. If Congress decides to continue funding this program, the Department will continue to implement.

*Question.* Executive Order 13175 and the U.S. Department of Transportation's own Tribal Consultation Plan under Departmental Order 5301.1 require that your agency engage in meaningful consultation with Tribal Nations before implementing policies or actions that have direct effects on Tribes.

Did you comply with DOT's Order 5301.1 before implementing reorganization efforts?

*Answer.* The Department accepted all meeting requests based on DOT Order 5301.1. As such, the Office of Tribal Government Affairs has met with all Tribes that requested meetings and has facilitated all incoming questions.

Will you commit to pausing any programmatic changes that could affect Tribes until full consultation is completed?

*Answer.* Currently there are no programmatic changes affecting the Office of Tribal Government Affairs.

*Question.* Successful implementation of the Tribal Transportation Self-Governance Program depends on close coordination with the Bureau of Indian Affairs and Tribes. Under recent reorganization efforts and funding reductions, Tribes are concerned about negative impacts to this program and their ability to secure funding agreements and technical support.

Will you commit to working with this me to implement the Self-Governance Program as Congress intended to avoid service disruptions to Tribes?

*Answer.* Yes. As challenges arise, please have your staff contact Deputy Assistant Secretary for Tribal Government Affairs, James A. Crawford, at james.crawford@dot.gov.

Will you commit to expanding this program to support Tribal self-governance at DOT?

*Answer.* The Department's Tribal Transportation Self Governance Program (TTSGP) is expanding, with an increasing number of Tribes participating in the program.

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QUESTIONS SUBMITTED BY SENATOR CHRIS VAN HOLLEN

*Question.* Congress will be putting together a new surface reauthorization bill over the next year. I have several priorities for the bill including the Sarah Debbink Langenkamp Active Transportation Safety Act. Sarah was a constituent of mine, and she was killed while riding her bicycle in Bethesda. This is a bipartisan bill that I introduced with Senators Baldwin, Hagerty and Johnson. The bill makes it easier for States and local governments to use Highway Safety Improvement program dollars as a local match for safe bicycling and pedestrian infrastructure.

Will you support the inclusion of this legislation in the next surface reauthorization bill and once passed, will you commit to implementing the requirements?

*Answer.* Safety is the Department's number one priority. DOT will work with Congress as it considers ideas, including this act, for the next reauthorization bill. If this legislation is enacted into law, the Department will implement its requirements.

*Question.* Earlier this month you terminated grants for seven University Transportation Centers over concerns related to advancing a so-called "woke agenda."

These grants required a dollar-for-dollar match, meaning the universities made significant financial and institutional commitments based on the promise of a 5-year Federal partnership. I'm concerned not just about the termination itself, but about how it was handled, the justification provided, and what this says about the Federal Government's willingness to honor its commitments.

Given that some of the universities have already revised their work plans and others have expressed a willingness to do so, can you commit today to working with these institutions to reverse the terminations and instead pursue a path that allows these UTCs to fulfill their mission under revised, mutually agreeable terms?

*Answer.* U.S. DOT does not intend to reverse the terminations, nor to rescope the terminated grants. The Department plans to re-compete the UTC grants to support research into advanced transportation technologies that enhance American competitiveness and innovation. Importantly, the universities whose grants were terminated will be eligible to participate in the re-competition process, without regard to the termination action.

*Question.* On March 12, 2025 it was reported that one of your modal agencies, the Federal Railroad Administration, has been meeting with representatives from Elon Musk's Boring Company about doing work on the Frederick Douglass Tunnel Amtrak project in Baltimore.

This appears to be another example of a clear conflict of interest between the President, his benefactors and the American taxpayers.

In the interests of transparency, please tell me who else the FRA has been "consulting with" ahead of awarding a new contract for the project?

Do any of the other firms have a direct line to the President?

Are any others owned by the same person who already has several billion dollars in other Federal contracts? (\$38 billion as of February 2025)

*Answer.* In November 2023, the Federal Railroad Administration (FRA) awarded more than \$4.7 billion in funding under the Federal-State Partnership for Intercity Passenger Rail program to Amtrak to replace the Baltimore and Potomac (B&P) Tunnel. The tunnel was built in 1873, is one of the oldest structures on the Northeast Corridor (NEC) and serves as a bottleneck for both Amtrak and MARC commuter trains. However, cost estimates under the project continue to balloon, with Amtrak claiming the project would now cost more than \$8.5 billion when the Trump Administration began in January.

The Department of Transportation is committed to protecting taxpayer dollars and delivering major capital projects on-budget and on-schedule. Recognizing the escalating costs for the B&P Tunnel, the Department has met with several stakeholders to seek input on innovative approaches to reduce costs and more efficiently deliver the B&P Tunnel project. This includes Amtrak, the Maryland Department of Transportation, the Boring Company, DB E.C.O. North America, Dr. Sauer & Partners, and the Coalition for the Northeast Corridor, whose members include several prominent transportation engineering firms. The Department continues to engage Amtrak, urging the application of value engineering to achieve significant sav-

ings and uncover further opportunities to reduce costs. The Department will also continue to engage with experts within and outside of government to maximize the finite resources available to build the transformative infrastructure projects the country requires to maintain our economic competitiveness.

*Question.* During the DOT budget hearing on May 15, 2025 I asked you about re-examining the decision to add the five additional slot pairs that were authorized for DCA in the FAA Reauthorization bill given the recent events and data showing the unacceptable frequency of proximity incidents over the last few years. You responded that you “would welcome the opportunity to engage” with the Committee on these matters.

Will you commit to reviewing the impacts of these additional flights on overall safety at DCA and, if they are determined to reduce the safety of the flying public, roll back the operation of these additional flights using the current authorities at your disposal and also work with Congress for a more permanent solution to reduce slots to improve safety at the airport?

*Answer.* The U.S. Department of Transportation and the Federal Aviation Administration (FAA) share your concerns and continue to support the ongoing NTSB investigations. Our work with the NTSB will help us understand the factors that contributed to recent accidents, and we will use the data to inform future FAA actions. I will continue to monitor capacity in view of the top priority of safety and will not hesitate to take appropriate action working with the FAA.

Immediately following the accident at DCA, I requested FAA restrict helicopter operations around the airport. Following NTSB’s preliminary recommendations, I made these restrictions permanent. Additionally, all aircraft operating in DCA Class B airspace are now required to broadcast their position and identification using ADS-B Out, with very limited exceptions. We will take further immediate action if needed to mitigate any subsequently identified safety risks.

Safety in the U.S. transportation system, especially in aviation, is my number one priority. While flying remains the safest mode of transportation, aviation safety is not static. We must identify trends, use data more effectively, and immediately implement any corrective actions.

*Question.* On May 22, 2025, the Government Accountability Office released a decision (file # B-337137) finding that the Department of Transportation violated the Impoundment Control Act by delaying expenditures for the National Electric Vehicle Infrastructure (NEVI) program, which was passed into law in 2021 as part of the Infrastructure Investment and Jobs Act. The NEVI program supports build out of a national network of fast chargers for electric vehicles, thereby strengthening the ability of the American automobile industry to compete in the rapidly growing electric vehicle market, while bolstering American manufacturing and competitiveness through its Buy America requirements.

Given GAO’s finding that DOT is illegally withholding NEVI program funding from States, when will DOT comply with the law and release the NEVI program funding that has been authorized and appropriated by Congress?

*Answer.* DOT continues to follow the law in its long-established practice regarding the timing of obligations and continues to follow the law with regard to the NEVI program. While GAO’s May 22 decision suggested otherwise, the conclusions reached in that decision were based on fundamental errors of law and fact and GAO’s opinions are not binding on executive branch agencies. As an executive branch agency, DOT adheres to the direction of the executive branch, including the Office of Management and Budget (OMB). As confirmed in OMB’s June 3, 2025, letter, DOT’s rescission of the previous Administration’s NEVI program guidance and temporarily pausing new obligations until new guidance could be issued is consistent with its statutory authority under 23 U.S.C. 106(a)(3). This revised guidance will be posted for public comment. Once these comments are considered, final guidance will be published, allowing States to revise their plans and obligate NEVI funds. NEVI funds do not expire, so there is no risk of the period of availability for these funds to lapse. However, it should also be noted that the President’s FY 2026 budget proposes rescission of unobligated NEVI funding. On June 24, 2025, the U.S. District Court for Western District of Washington issued a preliminary injunction that requires DOT to permit 14 States to resume obligation of funds under their prior State plans. DOT is complying with the injunction and considering appellate options.

#### SUBCOMMITTEE RECESS

Senator HYDE-SMITH. And the subcommittee stands in recess, subject to call of the chair. I want to say thank you to the Lilleys,

and please know that our condolences are definitely genuine, and we are so sorry for your loss. But thank you for being here and being the advocate.

[Whereupon, at 11:51 a.m., Thursday, May 15, the subcommittee was recessed, to reconvene a time subject to the call of the Chair.]

## **TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2026**

**WEDNESDAY, JUNE 11, 2025**

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

The subcommittee met at 3:31 p.m. in Room 192, Dirksen Senate Office Building, Hon. Cindy Hyde-Smith (chairwoman) presiding.  
Present: Senators Hyde-Smith, Gillibrand, Murray, Coons, and Schatz.

### **DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT STATEMENT OF HON. SCOTT TURNER, SECRETARY**

#### **OPENING STATEMENT OF SENATOR CINDY HYDE-SMITH**

Senator HYDE-SMITH. I am pleased to be joined this afternoon by our Ranking Member Gillibrand and hopefully we'll have Chair Collins and Vice-Chair Murray here momentarily or sometime during this meeting as the other members of the subcommittee, as we review the fiscal year 2026 budget request for the Department of Housing and Urban Development.

Secretary Turner, it's my pleasure to welcome you to your very first hearing before this subcommittee. And I just want to thank you for your willingness, how energetic you are in getting things done, and it's just been a pleasure. I've enjoyed our previous conversations and I'm so impressed by your diverse backgrounds as your work as a pastor, an athlete, and a Texas legislator, to your leadership on opportunity zones, and your non-profit work supporting children in poverty.

How you found time to do all of this and accomplish all of this while being a husband and a father is pretty impressive. Your energy and leadership will be needed as the HUD budget faces a time of uncertainty.

As we kick off the fiscal year 2026 process, I want to highlight that Congress does not have a top line discretionary budget agreement in place at this time. As a result, the House and Senate will likely produce bills, with very different overall spending levels that will need to be reconciled later.

Meanwhile, existing home sales failed this spring, the lowest April numbers since 2009, according to the National Association of Realtors. Sluggish home sales and high interest rates suggest that the subcommittee can't rely on strong FHA and Ginnie Mae re-

ceipts to offset the CBO score of our bill. And of course, the cost of maintaining existing rental assistance continues to increase, driven by insufficient inventory of affordable housing across the entire country. These housing challenges must be balanced against competing demands in the transportation space, including aviation safety.

As for navigating these funding challenges, I think it's fair to say that OMB did not do you any favors with their request for HUD of \$43.5 billion in new spending. This request is \$33.6 billion or 43.6 percent below the current funding levels.

Despite the funding reduction, I'm delighted to see the request continue support for the Foster Youth Independent Living Initiative. This crucial funding ensures that when youth exiting foster care are at risk of homelessness, that they have access to a Section 8 voucher to help stabilize their housing situation. I hope that my colleagues on both sides of the aisle will join me and recognize the importance of this particular funding, and the need to continue assisting youth as they transition out of foster care.

As much as I look forward to supporting the request, I do have several concerns with a border request. The largest concern, of course, is a proposal to consolidate HUD's rental Assistance program, tenant and project-based Section 8 public housing, housing for the elderly and housing for persons with disabilities into one single block grant. Combined, these programs serve approximately 4.5 million households, the majority of whom are elderly and disabled.

There are a lot of concerns that losing this assistance would place those residents at significant likelihood of homelessness. The proposed single block grant would leave it to states alone to determine how HUD funds will be spent. Suddenly replacing current partnerships with local housing authority and contracts with private owners, risk undermining HUD's existence.

Although this new block grant proposal requires statutory changes from the authorizers, the budget request assumes those changes have already been made and request \$2.7 billion below the current funding level for these programs. With this proposal, OMB appears to be putting the cart before the horse.

Separately, the request proposes the elimination of the popular effective Community Development Block Grant program. The CDBG program enjoys strong bipartisan support because it provides flexible funding for critical investments, serving low- and moderate-income communities across the country.

This essential resource for state and local government flies at the heart of HUD, Community Development mission. And at a time when there's a need to increase the supply of affordable housing, the budget request eliminates the HOME program and the critical role it serves in providing gap financing to countless housing projects every year.

I was also disappointed to see the request eliminate the Section four in Self-Help Homeownership Opportunity Program (SHOP), which grow local nonprofit capacity and use sweat equity models to promote home ownership. Additionally, when we should be making even stronger commitments to lifting up the least among us, and ending cycles of poverty and dependency, eliminating the Fam-

ily Self-Sufficiency and loss programs, appear to be Pennywise in pound foolish, especially if Congress adopts a Rental Assistant Block Grant proposal. There's a danger to pulling on a loose thread.

I'm concerned about the broader risk across Federal housing programs, not only at HUD, but also at USDA and at Treasury. It feels like we're pulling on multiple loose threads without a clear vision of what comes next. While I understand and share the Administration's concerns about rising cost and shrinking revenues, the uncertainty created by these proposals increases risk, and risk raise cost.

The cost of uncertainty is reflected in the cost of materials of labor, and other times it is reflected in either fewer housing units or even entire projects being built. Managing these risks and uncertainties should be addressed with careful thought and deliberation.

As former HUD's Secretary, Dr. Ben Carson has often pointed out, "A people without a vision will perish." The committee stands ready to work with HUD to identify a path forward to improve the efficiency and effectiveness of the programs we fund within the constraints we have to operate. Reducing undue regulatory burdens and lowering the cost of housing production, are two examples of where Congress and the Administration can identify early successes to build on.

I look forward to working with Ranking Member Gillibrand and the rest of our colleagues in writing a fiscally responsible THUD Bill this year, one that seeks to meet the needs of all Americans across the country.

Secretary Turner, once again, thank you for appearing before the committee today, and I look forward to your testimony and to continue these important conversations. And now I'll turn to Ranking Member Gillibrand for her opening statement.

#### STATEMENT OF SENATOR KIRSTEN GILLIBRAND

Senator GILLIBRAND. Thank you, Chair Hyde-Smith. Thank you, Secretary Turner, for joining us today and thank you for our discussion yesterday. I really appreciate it. Housing affordability, as you and I discussed, is a huge problem across the country. Whether you're in a red state or a blue state, a big city or a suburb, housing is just too expensive and it's time that we did something about it.

On day one, President Trump signed an executive order directing agencies to take "Appropriate actions to lower the cost of housing and expand housing supply." I think we can all agree on that goal. But I worry that the Administration's actions are making things worse.

In fact, the President's tariffs and trade wars are making housing less affordable. Just an example from my state of New York, when you have a tariff on Canada, we get most of our wood for building new houses from Canada, and so that's just automatically going to raise your housing costs. And notwithstanding many multiples of other parts of the supply chain.

At HUD, the funding freezes, delays and contract and grant terminations, have sent service providers scrambling to keep supporting residents. Housing providers and homeless shelters have

struggled to pay rent on millions of housing units and make payroll. Many have had to draw on costly lines of credit, spending funds that should be spent on supporting residents.

HUD is struggling to meet the most basic responsibilities after losing 2300 employees through the deferred resignation program. All of this has created new challenges for private developers, public housing authorities, and our communities.

To make matters worse, now, the Administration's trying to cut HUD in half. The 2026 budget requests cuts rental and homelessness assistance by over \$27 billion, sets time limits on assistance, and kicks responsibility for vulnerable families to the states, without any detail about how that transition is going to happen.

10 percent of all residential rental units are supported by HUD rental assistance. That's 5 million residential units that are worth an estimated of \$900 billion. Over half a million of those units are in New York. HUD assistance is baked into the long-term financial stability of those properties. So, if we just pull the rug out from under those renters, landlords and property owners without any recourse, we're going to create serious economic ripples.

On top of these cuts, the budget does nothing to address the funding cliff for 58,000 households, that were able to escape homelessness and intimate partner violence through the Emergency Housing Voucher program, including 9,400 who live in New York. I've visited some of those shelters. Some of them are the most life-saving, productive, helpful shelters we have for women and their children.

The President wants to expand housing supply, but instead of investing in housing production, the budget eliminates funding for Community Development Block Grant (CDBG) Program and HOME Investment Partnership programs. So, the question is, how will this Administration increase the number of pieces of housing and units available?

The first Trump administration's HUD budgets were all rejected by Congress on a bipartisan basis, and I expect that that will happen again. Are our HUDs housing programs perfect? We agree, no. I agree with you that we should focus on working together to improve them, but given the millions of lives at stake, we need to be thoughtful and deliberative.

As we move forward with today's discussion about the fiscal year 2026 budget, I want to remind us all of the important things that HUD does and who HUD helps. HUD assistance helps over 10 million Americans keep a roof over their head. 9 out of 10 households are elderly, disabled, or working families. It helps address the dire housing needs in Indian country.

The Federal Housing Administration makes home ownership possible for first time homeowners and actively manages over 8 million mortgages. Ginnie Mae is central to the stability of America's housing finance system responsible for a portfolio of \$2.6 trillion.

So, as you and I discussed Secretary Turner, we share the goals here. We want people to have a roof over their heads. We want children to feel safe in their homes. We want homes to be livable. We want to have much higher standard housing available for more Americans. And I trust your commitment to those goals.

I struggle with how we're going to meet those goals with the situation President Trump has created with regard to funding streams, with regard to staffing, with regard to all things HUD does, you'll have a massive challenge ahead of you, but I pledge to you chairwoman Hyde-Smith and Secretary Turner, I would like to work with you diligently on solving these massive problems.

We have so many homeless children in New York. We have enough homeless teenage girls from multiple Girl Scout troops. Kids should not be growing up homeless in America. We are the richest country in the world. This is a failure, a moral and ethical failure. And as a Pastor, I don't have to tell you about the Sermon on the Mount. We are called to do this work in multiple ways, not just as elected leaders, but people of faith and people of goodwill. So, I trust you'll work with me diligently on this for as long as you are HUD Secretary, and as long as you are chairman. Thank you.

Senator HYDE-SMITH. Thank you. Now, Mr. Secretary, we would love to hear your remarks.

#### SUMMARY STATEMENT OF HON. SCOTT TURNER

Secretary TURNER. Well, thank you, Madam Chairman, and Ranking Member Gillibrand. I really appreciate your opening testimonies and I'll say from the beginning that I do commit to working with you. And also wanted to say hello and thank you to all of these distinguished members of the subcommittee.

Thank you for this opportunity today to testify in support of President Trump's 2026 budget for the United States Department of Housing and Urban Development. Members, we have a small window of opportunity to help every American achieve the dream of home ownership, and that clock is ticking.

As of April, of this year, the national median home price is \$414,000, up from more than \$341,000 in April of 2021. And this is an increase of more than 21 percent. It became very hard to own a home due to the policies of the Biden Administration, which have been marked by negligence and a lack of stewardship of taxpayer resources.

We can't keep running the same losing plays. It's time to run new plays. And I say that as the HUD Secretary, but also as a former athlete, we have to run plays that help us to be successful. And so, this budget, the President's budget of 2026 is indeed that new playbook that we are proposing. The budget requests \$43.5 billion for the department funding critical programs and providing greater fiscal responsibility and restraint. It carries out President Trump's Day One directive to increase the supply of affordable housing.

This budget supports HUD's mission and we will maximize the budget that you all provide for us no matter the amount given. We've been taking inventory at HUD, as I said, during our confirmation, of every program. And we found that HUD's rental assistance to be full of waste, fraud, and abuse, broken and really deviating from its original purpose of serving temporarily Americans that are in need.

HUD's assistance is not supposed to be permanent. It should be a trampoline, not a hammock, not a resting place, if you will. It's

supposed to be like a trestle, which is a temporary military bridge that is removed once obstacles are overcome.

We also are eliminating radical political agendas and wasteful spending at HUD. For example, we identified \$260 million in savings for taxpayers, cancelled \$4 million in DEI contracts, and recovered an additional \$1.9 billion from inactive contracts that should have been closed out under the previous Administration. We've seen that just pouring money into these programs only has fueled existing issues.

Now, we're reversing course to be efficient and to be effective, not to be bloated and bureaucratic as we have been. We're also undoing harmful regulations, including the Obama-Biden-era affirmatively furthering Fair housing rule, which effectively turned HUD into a national zoning board. While cutting red tape is indeed important, so is increasing the housing stock and opportunities for first time home buyers.

The Federal Housing Administration (FHA) as we know it, which ensures mortgages on more than 7 million homes, has insured mortgages for more than 140,000 1st time home buyers since January when President Trump returned to the White House. So that's good news. In addition, we're ending taxpayer funded subsidies at HUD for all illegal aliens.

But HUD is more than just about housing. We've streamlined the disaster recovery process to help funding get to the communities more quickly and efficiently. For our tribal communities, we announced a \$2.2 million expansion of the tribal HUD-VASH program to address veteran homelessness. And for our rural communities in our country, we convened round tables and discussed solutions for workforce housing. We're returning HUD to its intended purpose, serving Americans through localized solution.

The President's budget continues this approach by limiting the size and the spending of Federal programs. It proposes a state-based formula grant to encourage states to have skin in the game for the funding and design of their own rental assistance. The block grant process will empower states to be more thoughtful and to be more precise in their stewardship.

HUD currently manages approximately 30,000 program award-ees or recipients. No wonder the system is plagued by abuse. Empowering states through a reimagined grant system would prune this administrative burden, while maintaining necessary assistance for the elderly and disabled as stated in the budget language.

The budget also continued HUD's commitment to promoting economic independence, by adopting a compassionate common sense and historically bipartisan conversation around work requirements and time limits that will encourage able-bodied residents to move up and to move out of assisted housing.

It also addresses our nation's homelessness crisis by welcoming efforts from faith-based service providers and supporting localized solutions that affirm addressing homelessness and it goes far beyond housing.

The President's budget will save billions of taxpayer dollars and help us to restore fiscal responsibility. In order to properly serve the American people, we must care about the mission and care

about the ones that we do serve and ones we've been called to serve and that's who and what we are at HUD now.

This 2026 budget request will allow us to operate at a standard of excellence, as part of the President's golden age. And I'm proud to be here, proud to support, and I'm looking forward, Madam Chair, for our conversation and to answer your questions. Thank you.

[The statement follows:]

PREPARED STATEMENT OF HON. SCOTT TURNER

Thank you for the opportunity to testify today in support of President Trump's 2026 Budget for the United States Department of Housing and Urban Development.

We have a small window of opportunity to usher in the Golden Age of Homeownership. And the clock is ticking. As of April, the National median home price is 414,000 dollars. Up from more than 341,000 dollars in April of 2021—marking a huge increase of more than 21 percent. And the average 30-year fixed mortgage rate is almost 7 percent, nearly double the rate in 2019.

The numbers don't lie: It became significantly harder to own a home due to the policies of the Biden administration. Simply put, we need a new playbook. The President's Fiscal Year 2026 Budget is that playbook. It requests forty-three point five billion dollars for the Department. But more than that, it represents the clear balance between funding mission critical programs and much-needed fiscal restraint.

It carries out President Trump's Day One Presidential Memorandum to decrease the cost and increase the supply of affordable housing. And it reflects excellence, accountability, and purpose. This budget supports HUD's mission to serve rural, Tribal and urban communities. Much of that work is already underway.

And I want to emphasize this: We will maximize whatever funds Congress gives us, whether it's 10 billion dollars or just 10 dollars.

At HUD, we are taking inventory of every program and process. We started this mission on day one and are continuing to take inventory each and every day. What we have found is a rental assistance system full of waste, fraud, and abuse; inefficiencies and bloated administrative costs; deteriorating public housing units; and a rent structure that punishes work and marriage among residents. Simply put, it is a broken system that has deviated from its original and intended purpose—to temporarily help Americans in need.

I want to focus on that word: "Temporary." HUD assistance is not supposed to be permanent. It's supposed to be a treadway, which is "a temporary, tactical pontoon bridge designed for use by the military to cross water obstacles. It's a modular system made of sections that can be assembled quickly to form a bridge, allowing the passage of heavy vehicles and equipment."

So HUD rental assistance is meant to be a temporary station for people in need in the same way a treadway facilitates the crossing of an obstacle. Military engineers remove the treadway after successfully crossing. We are taking steps to return HUD to its mission and to fix structural flaws.

We are consolidating our 40 plus departmental management systems into one, common platform and implementing processes to ensure accountability throughout our 60 plus grant programs so funding goes where—and to whom—it is intended for. At the same time, we are eliminating radical political agendas and wasteful spending. We identified 260 million dollars in savings for the American people, cancelled 4 million dollars in DEI contracts, and recovered an additional 1 point 9 billion dollars from inactive contracts that should have been closed out under the Biden administration. We have seen that pouring more money into programs, without thinking of long-term and sustainable solutions, has not and will not solve the issues of housing affordability and homelessness.

We want to be lean and mean, not bloated and bureaucratic. We are also working to undo harmful rules and regulations, including the Obama-Biden-era Affirmatively Furthering Fair Housing rule. This mandate effectively turned HUD into a national zoning board, amounting to one of the greatest top-down intrusions ever undertaken by Washington. It forced local authorities to implement a 100-question grading tool and undertake complicated demographic analyses of their residents and housing stock to target suburbs and reshape them as part of a misguided scheme of social engineering. It was an attack on the American, suburban dream and, really, the American family. While cutting red tape is an important part of the equation, so is increasing the supply of land to build more housing.

The Department of Interior oversees more than 500 million acres of Federal land, including areas suitable for residential use. We are working with Secretary Doug Burgum to identify underutilized Federal land suitable for affordable housing development, while still protecting our public lands, parks and other important spaces.

As part of this partnership, we will work with governors and local leaders to better steward our public resources.

Finally, we are enforcing the rule of law at HUD and cutting off the taxpayer funded subsidization of HUD programs for illegal aliens, particularly when it comes to HUD-funded housing or HUD-backed mortgages. But HUD is about more than housing. Congress has provided HUD funding to support disaster recovery. But oftentimes, we found that paperwork was getting in the way of helping people. So, we did something about it. We streamlined and simplified the disaster recovery process with an updated universal notice that incorporated over 700 stakeholder comments, and fully aligns with the President's Executive Orders. For our Tribal communities, we announced 2 point 2 million dollars under the expansion of the Tribal HUD-VASH program to address veteran homelessness.

And for our rural communities, especially ones with growing populations, we convened stakeholder roundtables and discussed solutions for more workforce housing so people can work where they live and live where they work. The impact of our policies underscores how we are returning HUD to its intended purpose— serving everyday Americans through localized solutions. The President's Budget continues this local-first approach by limiting the size, scope and spending of Federal programs.

It is transformational and fundamentally changes how the government works for the better. It proposes a State-based formula grant which would encourage States to have skin in the game for the funding and design of their own rental assistance programs without heavy-handed interference from Washington. The block grant process will also empower States to be more thoughtful and precise in their distribution and spending of taxpayer dollars.

HUD currently manages approximately 30,000 program awardees or recipients, so there's no wonder the system is plagued by so much redundancy and abuse. Empowering States through the reimagined grant system would cut down on this administrative burden, help them do what the Federal Government has failed to do, and better serve the American people while maintaining necessary assistance for the elderly and disabled.

Importantly, the Budget also maintains HUD's commitment to promoting economic independence by adopting a compassionate, common-sense, and historically bipartisan conversation around reforms like time limits that will encourage able-bodied residents to move up and out of assisted housing.

Finally, it thoughtfully addresses our Nation's homelessness crisis by welcoming efforts from faith-based service providers and supporting comprehensive localized solutions that acknowledge addressing homelessness goes far beyond housing.

Overall, the President's Budget would save billions of taxpayer dollars that can play an important role in balancing our Nation's budget. The 2026 HUD Budget Request will allow HUD to operate at a standard of excellence as part of the President's Golden Age and I am proud to support it.

Senator HYDE-SMITH. Thank you very much. And I'm going to start the questioning process. I know the budget request speaks to rental assistance, but I would like to focus on housing production, especially affordable housing.

There's a lot of players involved in increasing the housing supply, including local, state, and Federal governments, banks, commercial developers, and nonprofit organizations. These entities can be involved in regulatory oversight, funding through grants and loans, or a combination of both.

As this is your first time before the committee, I'd like to put a quarter in the machine, so to speak, and let you talk about how the Administration sees the role of the Federal government in increasing housing supply relative to other actors. And then secondly, HUD's role relative to other Federal entities.

Secretary TURNER. Thank you, Madam Chair. First, one of our first priorities was to look at the regulatory environment. And you know, burdensome regulations have really crippled home building

in our country from a Federal level. I made a mention of the Affirmatively Furthering Fair Housing rule, which we took down to restore flexibility back to localities, back to states. And also, when you look at some of the burdensome regulations on our local level where builders and developers, 40 percent of building a multifamily project is regulation. 20 to 25 percent of building a single-family project is in regulations.

And so, tearing down and making those regulations, easing the burden, will unleash the creativity, unleash the ingenuity of our developers and private builders around our country. We need about 7 million units of housing in our country. Multifamily, single family, manufactured housing duplexes, condos.

And so having said that, Secretary Burgum and I from the Department of Interior signed a joint task force MOU, to identify underutilized Federal lands. About 500 million acres, the Department of Interior has, and to look at those and say, where can we build more housing around our country, on our Federal lands, while protecting our national forest, while protecting our national parks and the beauty of our country, but utilizing this land to build more affordable housing and all types of housing.

Also, HUD is as you know, the leader and holds the code for manufactured homes. Manufactured homes are a great alternative, if you will, and building homes, affordable homes around our country. And so, we're working very hard to make sure that those codes are up to date, as a lot of codes need to be up to date. But manufactured housing is also one thing that we can do from a HUD standpoint to increase the housing supply.

So, in summation, taking down the regulatory environment, the MOU we have with Department of Interior, the manufactured housing, and also restoring flexibility and control and creativity, if you will, back to localities.

Senator HYDE-SMITH. And Secretary Turner, I've spoken with you before about my Respect State Housing Laws Act, which would repeal a section of the Pandemic Era Cares Act of 2020 that continues to require many landlords and property owners to issue a 30-day notice to vacate before filing to evict a tenant for non-payment of rent. As you know, we're no longer facing a pandemic. This supposedly temporary eviction provision needs to end and return the statute to its pre-Covid requirements.

However, on December the 13th of 2024, HUD published a final rule titled, 30 Day Notification Requirements Prior to Termination of Lease for Non-Payment of Rent. The rule requires tenants to receive a written notice at least 30 days before a formal judicial eviction is filed to non-payment of rent if they live in public housing or one of the several project-based rental assistance properties.

Will you rescind this rule to return eviction policies back to the state and local level in order to help house providers meet their financial obligations, and continue to provide affordable housing? And if you plan to rescind this harmful rule, when will you do it?

Secretary TURNER. Thank you, Madam Chair. And yes, you know, housing affordability is of utmost priority for myself and our team at HUD. And to answer your question, this issue has been raised to us and I know that we are committed to working with you and your staff to make sure that this issue is resolved. And so, yes,

ma'am, I commit to working with you to make sure that housing is affordable again and you best be assured that we've talked about this and the issue has been addressed.

Senator HYDE-SMITH. Thank you. And the last one for right now, is like other agencies across the government, HUD programs, especially in the case of rental assistance, can be a high-risk area for improper payments. In some cases, rental subsidies exceed what a household is eligible to receive, and in other cases, the payments are too low.

And while the Government Accountability Office (GAO) notes that reducing improper payments is critical to safeguarding Federal funds and could help achieve cost savings, the HUD Office of Inspector General (IG) reported last month that the department is unable to estimate improper payments for the tenant-based and project-based Section 8 programs. Its two largest rental assistance programs.

In April, the acting IG testified that HUD has uniquely struggled to identify and mitigate the risk of improper payments. Mr. Secretary, how has HUD prioritizing fixes to its improper payments problem? In what step will the new leadership in the office of Chief Financial Officer, Public and Indian Housing and the Office of Housing, be taking this year to resolve the GAO and the IG concerns?

Secretary TURNER. Thank you, Madam Chairman. So, you know, we have the best CFO in the country and Mr. Irving Dennis, who was in a previous Administration with Dr. Carson. We had clean audits during Dr. Carson's tenure here. And now, you know, we do have a bit of an issue on our hands. But having Irv Dennis back and his team and the CFO's office and our offices of PIH and Housing, they are doing a top to bottom review of this improper payment issue. And it will get resolved and we will be in compliance.

And we look forward to hearing from you and the committee and working with you on this. But Irv Dennis and his team are on top of this. Thank you, ma'am.

Senator HYDE-SMITH. Thank you. Senator Gillibrand.

Senator GILLIBRAND. Thank you, Madam Chairwoman. The other committee that I have a leadership role on is the Senate Aging Committee, and you know how important housing is to our older Americans. Seniors are the fastest growing age group among people experiencing homelessness. Over 41,000 seniors, age 65 and older experienced homelessness at the time of the 2024 point in time count. And that number could triple by the year 2030.

The budget, however, cuts HUD homeless assistance by 13 percent, and you propose strict time limits even for seniors. These are people with fixed incomes, can't work, face very increasing healthcare costs and challenges and need wraparound services to stay housed.

So, Mr. Secretary, under your proposal, what happens to the seniors currently being served in permanent supportive housing? And what's your ambition with regard to addressing homelessness amongst our older Americans?

Secretary TURNER. Thank you, Senator Gillibrand. I appreciate our conversation yesterday. And as you will note in the budget, the language in the budget prioritizes our seniors, our elderly and dis-

abled and our veterans. And so, we are well aware of this. And at HUD, we will continue to prioritize our seniors.

You know, you alluded to the homelessness in our country. And I want to make note for the committee, you know, with record funding from HUD, HUD's budget over the last 8 years went from approximately \$42 billion to \$77 billion, and yet, homelessness is at an all-time high. It went up 18 percent last year with over 770,000 people homeless at one single night in January of 2024.

And when I look at this, obviously with this type of funding and with the role that we do have, that's unacceptable. As you know, I was just in New York City visiting New York City and NYCHA, the public housing authority there, which has many problems as it pertains to stewardship, as it pertains to fraud and abuse and authorities there, leadership there, being indicted and, you know, homelessness.

We've made it very hard for faith-based institutions to work with the government, to work with HUD in particular. And when I visit cities around our country and you see the faith-based institutions that are actually doing the work every day as it pertains to homelessness, we need to partner with these institutions, partner with the nonprofits that actually have data-driven results to decrease homelessness, to not only get people off the streets, but also to help people be transformed.

When you think about drug addiction, mental health, the restoration of the family, the faith. And so that's my approach to it, Senator, is to have a holistic approach and better stewardship, if you will, and to bring in these partnerships so that we can eradicate homelessness on our streets. But the budget language does prioritize our elderly and our disabled.

Senator GILLIBRAND. Thank you. And I would like to work with you on perhaps new legislative language about increasing the ability to do partnerships, faith-based partnerships, as I mentioned to you yesterday.

There's a not-for-profit in the Bronx called the Fortune Society. And I would love you to tour that, because they deal with formerly incarcerated men, which is a very critical population that are at risk for homelessness. Not only do they house them, they give them skills training, they give them mental health support, they give them any substance use disorder order prevention that's necessary.

And they holistically look at these individuals and say, how do we make sure that you get on your feet, that you have a great job and you can pay for your own housing? And what does it take to get you from the day you are released to the day you are self-sufficient.

And I would love to work with you on legislation to accomplish those goals in whatever ways we can because again, the failure of this country not to house Americans is painful and we have to do a better job. And I'm open to all solutions and I'd love to work with the chairwoman on that.

The second issue that I raised with you that I wanted to raise for the committee is, what do we do with all the buildings that are empty in cities like New York? There are so many commercial buildings that no one is going to work in anymore, that are entirely unutilized. And I would like to work on legislation to provide con-

versions, to be able to create resources, and also authorities, so that we can make it easier to take empty buildings and transform them into critical housing needs.

Now, the type of critical housing needs that I would make this eligible for, is certainly for formally homeless. I think we have to get out of the model that homeless people are going to shelters. They should be going to permanent housing, with the transitional wraparound services like the Fortune Society offers for this one group of people, like some of the shelters offer for battered women and their children.

So, the kinds of services that get people on their feet so they can be self-sufficient. And there's going to be a lot of important things we need to look at to make conversions possible. And I also would like your commitment that you will work with me on that to get legislation written and supported to get the resources and the authorities to do that kind of work.

Secretary TURNER. Yes, ma'am. I look forward to working with you on these two issues that you raised. Thank you.

Senator HYDE-SMITH. Senator Schatz.

Senator SCHATZ. Thank you, Chair, and vice-Chair, and thank you, Secretary. First of all, appreciate our team's working relationship as Maui continues to try to recover, which starts with housing. So, I appreciate that good working relationship.

I just wanted to touch upon your testimony regarding reducing regulatory barriers. I've sort of over the last, I don't know, five to 8 years or so, been radicalized on the extent to which there really are regulatory barriers and they really are an impediment to building enough housing for everybody, not just affordable housing, capital A, capital H, but housing for everybody.

And I agree with you, there are Federal barriers, but the truth is, if you talk to any developer and this 20 to 40 percent of the cost of home being regulations, most of those regulations are at the local level. So, I guess the first thing I'd like you to do is just speak to where the Federal government cannot sort of override. It's my dream, override zoning locally. I would get exactly three votes in the Senate for that, so I understand. But not to override it, not to come over the top, but to nudge them in the right direction.

And then secondly, I want to talk about the pro housing program. I have some pride of authorship. It was my thing when I was chair of this subcommittee, and I understand it's sort of gotten caught up in this DEI question plus there's budgetary pressure. But I want to get that relaunched, with you, because I do think it's the most significant pro housing deregulatory mechanism that we've passed.

Maybe there are other things that we can do in the future, or that we should have done in the past, but this thing is a big pot of money to incentivize states and counties to kind of unravel this labyrinth that we've created for ourselves. So, I'd like your comments on both matters.

Secretary TURNER. Well, thank you Senator. And yes, it's been good to work with you and your staff for your constituents there. And I look forward to being with you there sometime.

You know, the regulatory environment, I mentioned the AFFH rule that we tore down as far as HUD being a national zoning

board, that restores the flexibility back to the locality. So, from our standpoint, from the Federal side, to restore that back to them as one step.

The second step is as the HUD secretary and as I travel, and this is what I have been doing, so I'm going to bring you real time. What I have been doing is I travel around the cities and meet with stakeholders.

When I meet with local officials, mayors, economic development authorities and things and people of this nature, is to encourage them, as we are doing from a Federal side, to take inventory of their regulatory environment, to take inventory of their restrictions, what's causing the restrictions in their localities that is keeping people from building, keeping developers from building, and not only identify the problem, but do something about the problem.

And so, that has proven to be very effective thus far. And so, to answer your questions, taking down a regulatory environment from HUD standpoint and encouraging localities from their standpoint to do the same. I believe that if we continually do this, that will help unleash the flexibility and the freedom for developers to build. Again, we need 7 million units, and developers want to build, they just need the government to take their hands off of them from Federal and state.

Senator SCHATZ. This is one of the only areas where politicians create a shortage of something on purpose and then stroke their chins wondering why there's not enough of it. But I guess the point I wanted to make to you, Mr. Secretary, is that, I have some colleagues, who are sort of waking up to how much of a problem regulatory barriers are, specifically at the zoning level, restrictive covenants, minimum lot sizes, all of that stuff, which was essentially the sort of great grandson of post Jim Crow real estate law.

And as they evolve and they think about the policy tools, they basically reinvent the thing that we have annually in the THUD mark for the last, I think it's now 3 years. And so, this program induces—it doesn't just provide planning grants, it induces with a small financial incentive to counties to sort of get off their butts and do the thing. So, I just want to keep working on this.

And I understand that you and I may have a disagreement about what constitutes woke or DEI or whatever, and there were some racial equity criteria in the grant announcements, that I understand Donald Trump is President. He's not going to go for that. And fair enough, you won. But the core of the bill and the core of the program does not hinge on that particular question. And you could restart it sort of in your own vision.

And I'd be really pleased to see it be restarted because it was always a bipartisan priority. It's a real innovative program. The THUD mark doesn't allow you a lot of flexibility to do cool stuff and innovate. You just kind of have to go, okay, here's our capital expenses for public housing authorities, here's our home program. And they're all so important and so underfunded. You don't get to do a lot of new things. This is an area where we did a new thing and it was really starting to make progress. So, I encourage you to look at restarting it as quickly as you can. Thank you, sir. Thank you.

Senator HYDE-SMITH. Senator Murray.

Senator MURRAY. Thank you very much. Chair Hyde-Smith, Senator Gillibrand, good to work with both of you on this committee. Secretary Turner, welcome. You know, the entire point of your department is to help Americans keep a roof over their head. I am really afraid that pretty much everything that you and President Trump have done to date appears kind of in direct opposition to that goal.

First off, the President's illegal funding freezes are causing chaos across the country. I was in Everett in my home state of Washington a few weeks ago. I was talking to organizations that help people find housing. And if they can't get their already awarded funding, they will be forced to start evicting people this summer, and may even have to shut down their services altogether.

And on top of that, you're pushing out 2,300 staff who are dedicated public servants with decades of experience. And I just don't see how you can tell us with a straight face that forcing out over a quarter of your workforce is going to have no effect, on your department's ability to meet its statutory responsibilities under law.

And now, after all the damage that's been done, you are here today requesting that congress slash funding for your department nearly in half, nearly in half, that would force millions of Americans out of their homes. Your request would force states to make up for the draconian cuts and abdication of responsibility. And I don't know what state can afford to do that, especially when this Administration is simultaneously working to shift even more costs to states for things like Supplemental Nutrition Assistance Program (SNAP) and healthcare.

It is kind of absurd to claim that we cannot afford basic programs that keep people off the streets, but we can hand trillions of dollars in new tax cuts to billionaires and big corporations. You know, housing affordability and homelessness is a crisis in Washington State and in many places across the country, you know that. But this Administration just appears to me to be trying to make it all worse.

And I'll tell you right now, looking at your budget request, as far as I'm concerned as Vice Chair of this committee, it's not going anywhere. I want to start with the funding that you are illegally freezing. The Continuum of Care program is essential to addressing homelessness in my home state of Washington.

In March, HUD began issuing grant agreements with a host of new conditions that are deeply concerning and completely unrelated to HUD's mission. HUD did that without notice and without any explanation of what the vaguely worded conditions mean, or what a grantee would be required to do.

As I said earlier, organizations I have talked to in my state say that without these funds, they're going to evict people this summer. The courts, as you know, are sorting this out. I'm glad to see that they have extended the preliminary injunction to stop HUD from enforcing these new and extreme requirements.

But Mr. Secretary, I want to ask you, are you going to, and I quote from the court order, "Take every step necessary to effectuate this order, including clearing any administrative, operational or technical hurdles to implementation?"

Secretary TURNER. Thank you, Madam Senator. Great to meet you. As you have said, this is under active litigation and so we'll leave it there. And once this is through litigation, I look forward to having a conversation. But right now, I won't comment on it.

Senator MURRAY. Not even to tell us if you're following the court order?

Secretary TURNER. I will follow the law, but I won't mention it anymore, it's under active litigation.

Senator MURRAY. Are you following the court order?

Secretary TURNER. Our team follows the law and the court order. Yes, ma'am.

Senator MURRAY. Are you in full compliance with the court order?

Secretary TURNER. I'm not going to speak anymore on it because of the active litigation.

Senator MURRAY. Then you can't even tell us.

Secretary TURNER. You know, the other thing that I wanted to mention to you, well—

Senator MURRAY. Let me just follow up on this, when will you be in full compliance with the court order? Are funds being withheld today?

Secretary TURNER. We will be with you as soon as we can once it's done with active litigation.

Senator MURRAY. So, are funds being withheld right now, even though the court order is in place?

Secretary TURNER. You know, you talked about the 2300 people—

Senator MURRAY. Mr. Secretary, I just want you to know I'm talking about this continuum care because, I am hearing from providers in my state that funds are being withheld, meaning you are not in compliance. Are you aware of that?

Secretary TURNER. Ma'am, I am aware of the litigation, yes, ma'am. It's an active litigation Senator.

Senator MURRAY. Yeah. And I'm hearing that funds are still being withheld despite the court order. So, I need to know if you know that, and if you're going to make sure that the funds are released?

Secretary TURNER. Yes ma'am, I'm the Secretary. And so, things that go on at HUD I'm well aware of. But I also know with this active litigation that I'm not going to say very much in our hearing today, but happy to talk to you as time goes on and as I'm able to. I commit to that.

Senator MURRAY. Well, we are running out of time. They're going to start evicting people and they need those funds. I want to move on to another example because I just haven't—

Secretary TURNER. Can I address the 2300 people that quit?

Senator MURRAY. Well, you're just going to—you got 10 seconds because I need to talk to you about a specific program.

Secretary TURNER. Alright, I'll take it. So just to clarify, the 2300 people that left HUD, it was voluntary. They were not forced out.

Senator MURRAY. I know. I've been hearing that from every Secretary that comes before.

Secretary TURNER. Well, no ma'am. This is just me from HUD, and I'm just telling you it's 2,300 that they took—

Senator MURRAY. They were told, if you don't get out now, you're going to be sorry in the future. So, it is people that we need there. Anyway, let me move on to another example. Your Green and Resilient Retrofit Program, that was created to help make properties more resilient to disasters, and less expensive to heat and cool.

On day one, you and the President deemed this common-sense program woke, somehow, and illegally attempted to terminate it. The courts have now directed HUD to process and disperse those funds. But I want you to know, we are hearing from owners that HUD is doing nothing to restore the administrative contract that DOGE canceled, which is holding up this deal for moving forward.

This committee has now asked five times for HUD to brief my staff on this, yet they've refused to speak to us about basic legal requirements. So, let me just ask you here today, why are you preventing HUD assisted property owners from making overdue upgrades to low income and senior housing?

Secretary TURNER. Again, Senator, this also is under active litigation, as you know. And so, my comments on this will be zero to limited. It's under active litigation. As soon as we get done with that, I'm happy to speak with you.

Senator MURRAY. Well, there are people waiting. And this fund's critical and there are court orders, I expect them to be followed. And I'm just going to say for the record, there is nothing objectionable about this funding.

It's stunning to me that we are under a court order and you're not giving the money out. It's for things like replacing windows and outdated HVAC systems, installing fire resistant roofs. These are things that are badly needed for people in this country. And I am out of time. So, thank you Madam Chair.

Secretary TURNER. Thank you, ma'am.

Senator HYDE-SMITH. Senator Coons.

Senator COONS. Thank you, Chair Hyde-Smith, and Ranking Member Gillibrand. Secretary Turner, welcome. Thank you for the chance to be with you today. I appreciated receiving finally, your budget submission. And I look forward to getting to know you better and to work with you.

I'll just mention right at the outset, Madam Chair, that my week had a positive start because I got to visit a project built by a faith-based organization from the Mennonite community, to address youth aging out of foster care in a rural community known as Greenwood, Delaware. And I'm pleased, as are you, that the youth aging out of foster care program will be sustained.

But I'm gravely concerned that several of the tools that were used to make that project work, are not being continued. I was a county executive. I spent 6 years of my life working on housing. We were responsible for the second largest housing authority in my state. The housing Authority didn't own any units. It was all private sector, private landlords, but working in partnership with us and with HUD.

And I'm working on a bipartisan piece of legislation with Senator Kramer of North Dakota, called The Choice in Affordable Housing Act. And this would make housing choice vouchers more accessible. It would do a better job of attracting and retaining private sector

landlords to the program. It's got a wide range of groups involved in housing, housing production, housing advocacy, supporting it.

And I'd like you to commit to working with me on that legislation to see if we can make progress on improving the Housing Choice Vouchers program. Is that something you'd be willing to work with me on?

Secretary TURNER. Thank you, Senator. It is great to see you, sir. And I do look forward to seeing the language and hearing from you and your staff and how we can work together. Obviously, the housing affordability is a top priority of mine and taking care of American people. And also, to see people live lives with self-sustainability and for the youth aging out of foster care.

You know, I'm looking forward to working with this committee and also with the First Lady as we take care of our youth to make sure that they land on solid ground in the days ahead.

Senator COONS. Well, you heard from Senator Gillibrand, and I'll repeat the same thing. A passion on my part for working on the conversion of formerly commercial buildings to residential buildings. I'm close with a developer in Delaware that's done that a number of times successfully. As Senator Gillibrand knows, it's very difficult to do.

Some properties lend themselves to it easily, some properties are almost impossible. We have a significant challenge nationally. We are not producing enough affordable housing. We're not producing enough housing in urban centers. We're not producing enough housing in rural areas. And taking underutilized or vacant commercial properties and appropriately transitioning them to housing for those who are either homeless, unhoused or under housed, is another thing I'd love to work with you on.

But I must say, just right off the top, that I looked at this budget, you are a person of faith as are the rest of us on this panel. You share a commitment to caring for our vulnerable neighbors, the least of these. But this budget, Mr. Secretary, is not a serious proposal. It does not meet the urgent housing needs of our country. A 50 percent cut to all the programs at HUD would be devastating to families, and goes well beyond right sizing a bloated agency, which was your phraseology.

I think it takes a chainsaw of programs that I've worked with for years, and that I've seen help the neediest Americans. As county executive, I relied on the HOME program. I've worked closely with the SHOP Sweat Equity program. I've supported and worked closely with the Continuum of Care program, whether it's HOPWA or housing for the elderly, or housing for persons with disabilities.

The solution to eliminating all of these services and then rolling them up into a new black ground program, I will assert Mr. Secretary, will simply shift the burden onto states and counties. States and counties will end up being forced to pick up services for people who will become newly unhoused. That may not be your intention, but it is certainly my intention to test and push and challenge some of the assumptions underlying this.

The Administration is shifting the burden onto states and counties for a lot of other programming, for food assistance, healthcare, education, and that will badly strain state and county budgets, to also move housing affordability for seniors, for the disabled for fam-

ilies with children. I think goes beyond streamlining HUD services, but leads to fewer people receiving services.

Let me just talk a little bit more about CDBG and HOME. As county executive, HOME was absolutely critical to our working and partnership with local nonprofit, several of them faith-based. It required a non-Federal match, a robust non-Federal match. It allowed us to build affordable housing, especially for disabled folks in our county. It helped 44,500 individuals a year.

Do you actually believe state and local governments have the ability to pick up the cost for services that will be shifted to them if all of these programs are eliminated?

Secretary TURNER. Thank you, Senator, and I appreciate your perspective on everything and thank you to your service, you know, both locally and here, nationally. Senator, HUD has record funding and currently we're only able to serve one out of four eligible families with \$77 billion.

And I alluded to this before, and I will say again, we have to do something different, because what we have been doing over these many years has not been working. Stewardship has to be a priority. There's a lot of waste, there's a lot of fraud, there's a lot of abuse in our system, and we can't, when I alluded to saying, you know, you can't keep running the same plays.

What I mean, the best teams that I've seen in my career are the teams that make adjustments. You know, we can't keep running the same play because it's causing us to lose. Well, that's what I feel like in America today, and particularly with HUD, that we've been running plays that have caused us to lose.

And so, sir, this is a different way of looking at things. It's a rethinking of how can we get states to have skin in the game. I do realize, I understand the responsibility that you speak of, but this is a way for states to identify their unique needs and then to distribute their funds as they see fit. They can identify those that have been successful and fund those. And so, it's a way for the states to uniquely get involved, to be very deliberate and decisive of their stewardship.

And so, sir, that's the paradigm that I'm talking about. That's the culture shift I'm talking about. It's a new way of looking at it, a new way of rethinking it. The HOME program, to be honest, over the last 33 years has built 1.3 million units. That's only 32 units a year, and it provides gap funding, but the other funding has been \$185 billion. So, I think we have to relook look at this in a different way and do it better.

Senator COONS. Mr. Secretary, with all due respect, I welcome and appreciate some fresh thinking or a new look, a new attitude. But cutting funding by 50 percent, cutting the HUD workforce by a third, is not going to produce any significant increase in housing production.

You can reorganize, you can right size, you can reanalyze existing programs. I would reject the assertion that the HOME program as administered in my county was rife with waste, fraud, and abuse. I'm not going to defend every HOME program in every county in America because I can't. But I know the ones I was responsible for.

I met with the Delaware Home Builders earlier today. Many of the folks in the room I've known four decades. One of them is among the leading builders of quality, affordable multifamily housing in America. And they probably don't want me to quote them right now, but their comment was the staffing cuts that you've pushed through this agency, reducing by a third, the total headcount, means that getting projects approved that have to have an approval, a sign off on a mortgage, or a sign off on a project approval, their wait times have gone from months to projects not moving forward, falling apart.

And they cited to me the potentially disastrous consequences for low-income housing tax credit projects, for HOME projects, for Section 232 and 202 projects, of having all the staff with experience and expertise managing these, gone. And then all the funding shoved into one big pile and sort of pushed at the states to say, you come up with your priorities.

In the room full of folks, I just met with, who have decades of experience building housing of all kinds, high end, mid, low, multifamily, single-family, inner city, rural. These are guys who represent the whole scope of the home building industry in my state. They were not optimistic that working together, we are going to generate more housing.

And I'll say one last point on one comment if I might. Senator from Rhode Island, Senator from Hawaii, Senator from Delaware: the idea that we're going to solve this problem by accessing Federal lands, that doesn't build you one single unit of housing in my state.

East Coast, there's not a whole lot of relevant vacant Federal land. And I dare say, although these are not my states or my geography, in states like Wyoming, or Montana, or Utah, my hunch is the infrastructure cost to connect out to and build on available vacant Federal land may not pencil out.

Let me conclude, I'm way over, and I apologize, Madam Chair, but I was the last, so I figured I'd take a little moment. Thank you for what you've said today about the values you bring to this work and about working together to find the right balance. And thank you for your willingness to take on a challenging department at an important time.

But bluntly, Mr. Secretary, I think we need to produce more housing, not less. And I look forward to working with you to try to find ways to do that in keeping with our charge of stewardship. Thank you, Madam Chair.

Secretary TURNER. Thank you, sir.

Senator HYDE-SMITH. Thank you. Without objection, this letter from the First Lady Melania Trump, in support of the Foster Youth Independence Initiative, will be entered into the record.

[The information follows:]



*Melania Trump*

June 10, 2025

The Honorable Cindy Hyde-Smith  
Chairwoman  
Subcommittee on Transportation, Housing, and Urban Development  
Committee on Appropriations  
United States Senate  
Washington, D.C.

Dear Madam Chairwoman,

As the T-HUD Subcommittee considers important funding for the United States Department of Housing and Urban Development (HUD), I request that you fully fund President Donald J. Trump's Fiscal Year 2026 Budget request for \$25 million to provide housing services for youth transitioning out of foster care.

For years, I have actively supported the children and youth through Fostering the Future, a BE BEST initiative. Most recently, I worked with the Administration to secure a \$25 million commitment in the President's Budget to support the safety, welfare, and autonomy of those in the foster community.

According to the U.S. Department of Health and Human Services, more than 20,000 youth transition out of foster care each year. A significant percentage of these young adults face housing insecurity or homelessness. That is why during President Trump's first term, HUD created the Foster Youth to Independence (FYI) program, and I am very thankful HUD Secretary Scott Turner has worked with me to continue supporting this important program.

Today, more than 300 Public Housing Agencies across the country utilize the FYI program to help prevent homelessness in our communities. Your commitment to funding smart investments like this ensures that young adults who have experienced foster care have a stronger foundation for pursuing education, employment, and long-term independence.

Thank you for your consideration, and I urge you to fully fund these vital housing services for youth transitioning out of foster care in the FY26 appropriations process. We must continue to provide an essential safety net for these young people during a pivotal time period in their lives.

Sincerely,

A handwritten signature in black ink, appearing to read "Melania Trump".

*The White House*

## ADDITIONAL COMMITTEE QUESTIONS

Senator HYDE-SMITH. And if there are no further questions, Senators may submit additional questions for the subcommittee's official hearing record. We request your responses within 30 days. The subcommittee stands in recess, subject to call of the chair.

## QUESTIONS SUBMITTED TO HON. SCOTT TURNER

## QUESTIONS SUBMITTED BY SENATOR CINDY HYDE-SMITH

*Question.* Mr. Secretary, one of President Trump's first actions was to direct Federal agencies to pursue actions to lower the cost of housing. This continues the action the President took in his first Administration by establishing a White House Council on Eliminating Regulatory Barriers to Affordable Housing. In 2021, the HUD Office of Policy Development published a report on the Council's work. Unfortunately, this report was largely ignored by the Biden Administration.

Mr. Secretary, does the 2021 report still provide value as a roadmap for HUD to address housing affordability challenges, or is there a need to start fresh?

*Answer.* The report, "Eliminating Regulatory Barriers to Affordable Housing: Federal, State, Local, and Tribal Opportunities", was published in January 2021 under the leadership of Secretary Ben Carson. It continues to serve as a valuable roadmap for addressing the housing affordability issues facing the Nation. This Administration carries on the commitment to reducing housing costs and increasing housing supply through the reduction of burdensome regulations.

The report provides a foundation on which overly burdensome regulations and processes can be identified, such as instances when "1) the costs of implementing or complying with the regulation or process exceed the social benefits; (2) complex, non-transparent development processes limit entry to the market; and (3) restrictive land use regulations near employment and services may limit labor mobility, harming households and the National economy."

The report identified areas where HUD can take a leadership role in the effort to reduce and eliminate regulatory barriers, such as making environmental review processes less restrictive, reducing the burden of program requirements in the Housing Choice Voucher program, and quickly implementing innovation and best practices in the manufactured housing sector. This Administration will continue to look for areas in which program processes can be improved and burdens reduced in ways that tangibly expand housing supply and lower costs for American households.

## QUESTIONS SUBMITTED BY SENATOR SUSAN COLLINS

*Question.* Mr. Secretary, enabling seniors to age-in-place is critical for the health and well-being of the individuals, the stability of local communities, and the Federal cost savings captured by avoiding the high costs of assisted living facilities. For these reasons, I have championed funding at HUD for low-cost, low-barrier, high impact home modifications that enable seniors to remain in their homes and communities.

These modifications include minor adjustments such as installing grab bars and railings, and replacing door knobs and faucets, as well as relatively bigger modifications such as replacing an existing bath tub with a walk-in tub, or anchoring an outside wheelchair ramp.

In the cases of replacing existing tubs in existing homes, or anchoring wheelchair ramps on existing property footprints, HUD has determined that these activities require environmental reviews. These requirements result in time delays and cost increases, and discourage proven strategies to help seniors remain in their homes.

Meanwhile, the Department of Transportation has figured out how to exempt from environmental review the replacement of the Francis Scott Key Bridge in Baltimore following its collapse last year. If D.O.T. can figure out how to exempt an entire bridge replacement project from an environmental review, surely HUD can figure out how to do that for replacing a tub in an existing bathroom.

Mr. Secretary, what can you do to help HUD get out of its own way when it comes to establishing reasonable environmental review requirements?

*Answer.* In compliance with several of the President's executive orders, HUD is reviewing all environmental requirements and removing those that are not based in statute and impede housing development.

As to your example above, the FHA single family mortgage insurance program is not subject to environmental review under HUD's NEPA regulations.

For all other HUD funding and mortgage insurance programs, while minor housing rehabilitation is technically subject to environmental review, repair activities such as installing grab bars, replacing sinks and tubs, and replacing fixtures are categorically excluded from NEPA and not subject to related laws and authorities (See categorical exclusion covering maintenance activities: 24 CFR 50.19(b)(13)).

Larger scope rehab such as a full bathroom remodel is also categorically excluded from NEPA, but is subject to certain laws such as the National Historic Preservation Act. However, these activities would be exempt from compliance with most other environmental laws and authorities (See categorical exclusion for rehab: 24 CFR 50.20(a)(2)).

*Question.* HUD's rental assistance programs provide access to safe, stable homes for veterans, women at risk of or fleeing domestic violence, people with disabilities, and families with young children. They also provide tenants choice on where to live and housing providers with a steady, reliable source of income with a lower risk of nonpayment, and increase efficiency and reduce bureaucracy by putting the onus of maintaining housing on providers rather than the Federal Government.

The Administration's Budget Request proposes to consolidate HUD's rental assistance programs into a State-based formula grant program and institute a 2-year cap on rental assistance for able-bodied adults. According to the proposal, this State Rental Assistance Block Grant program would lead to a \$26 billion decrease in HUD's rental assistance programs.

While it is no secret that there are many improvements that can be made to these programs, I am not sure that a \$26 billion cut is one of them. HUD's rental assistance programs often operate in silos with different rules, funding mechanisms, and administrative requirements that can create inefficiencies for housing providers and confusion for tenants. Streamlining would reduce significant burdens for housing providers, families, and the administration, but shifting rental assistance to a State-based block grant model could also reduce accountability, national consistency, and put services that are provided to the elderly and people with disabilities in jeopardy.

Mr. Secretary, HUD has been successful with rental assistance pilot programs like the Rental Assistance Demonstration and Moving to Work. Are there lessons that HUD can take away from these pilots or are there other strategies HUD is considering to improve the delivery and effectiveness of rental assistance?

*Answer.* The Moving to Work (MTW) Demonstration is a HUD program that provides PHAs with funding and regulatory flexibilities to tailor their programs to fit their local needs. Through the demonstration program PHAs are able to improve cost effectiveness, provide greater housing choice, and promote resident self-sufficiency. MTW agencies have led the country in RAD conversions, self-sufficiency programming, and regionalization of PHAs to expand efficiencies and housing choice. Further, five State-level PHAs are already MTW agencies. MTW has been a very successful demonstration program and is an approach we can learn from and expand for the proposed State Rental Assistance Program.

The Rental Demonstration Program (RAD), as a demonstration program, has the flexibility to keep adapting to changing conditions and to provide the participating PHAs, private owners, and their partners with the tools to address their affordable housing recapitalization needs. It's a great example of reducing regulatory constraints to unleash creativity and resources, with proven results.

HUD will leverage its knowledge from these programs to support States in designing rental assistance programs to improve housing choice, expand affordable housing, and promote economic independence for low-income families.

In the Research and Technology (R&T) account in the President's budget, HUD will support States by providing research findings on what works and through sharing of model documents between States as States create them to support transition from existing HUD agreements with housing providers to State or local agreements with housing providers. HUD R&T funds would also be used to facilitate peer learning between the States.

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#### QUESTIONS SUBMITTED BY SENATOR JOHN HOEVEN

*Question.* North Dakota's State and local housing entities utilize HUD and other Federal funding to facilitate public-private partnerships. This leveraging ensures maximum efficiency of taxpayer dollars.

Can you discuss how the Fiscal Year 2026 budget request supports these types of public-private partnerships?

*Answer.* HUD has strong partnerships to support housing and economic development around the country, including with faith-based organizations. The 2026 budget supports the Center for Faith (formerly the Center for Faith-Based and Community Initiatives), which serves as the Department's liaison between faith-based and community organizations, HUD program offices, and the White House Faith Office. This office assists in developing and coordinating HUD and the Administration's policy agenda affecting faith-based and other community programs and initiatives and optimizes the role of such efforts in communities. The budget also proposes new Implementation Support to States which would provide tools, templates, and supports to guide States in designing and launching innovative rental assistance programs.

*Question.* Are there steps HUD can take to streamline any administrative burdens that programs under FHA may place on loan servicers like the North Dakota Housing Finance Authority?

*Answer.* HUD is looking at all programs, systems, regulations, and sub-regulatory guidance to reduce burden for our stakeholders, and we stand ready to assist your North Dakota stakeholders.

*Question.* How will the Department's Fiscal Year 2026 budget request support elderly populations that rely on HUD's rental housing assistance programs?

*Answer.* The President Budget maintains HUD's commitment to protecting our most vulnerable elderly and disabled citizens. This budget would prioritize rental assistance for these families. At the same time, HUD will also maintain our commitment to promoting self-sufficiency and economic independence by adopting a common-sense time limit that will encourage able-bodied residents to move up and out of assisted housing.

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#### QUESTIONS SUBMITTED BY SENATOR JERRY MORAN

*Question.* Delinquency rates for FHA have increased, and FHA recently announced changes to its loss mitigation program.

While FHA premiums are a key tool to improve affordability, how is HUD evaluating the tradeoff between providing cost relief to borrowers and ensuring the Mutual Mortgage Insurance Fund remains well-capitalized in the event of future stress?

*Answer.* FHA remains focused on striking the right balance between supporting affordable and sustainable homeownership while safeguarding the long-term strength of the MMI Fund. FHA's recent updates to its loss mitigation program are aimed at helping homeowners stay in their homes while addressing increases in delinquency and re-default rates. We recognize that broader financial pressures, including the resumption of student loan repayments for many FHA mortgagors, may contribute to additional strain on household budgets and increase the risk of mortgage delinquencies. Combined with ongoing uncertainty in the housing market and the broader economy, these factors reinforce the need for careful, data-driven stewardship of the MMI Fund.

*Question.* Will HUD consider further reductions to its mortgage insurance premiums to expand credit access for first-time homebuyers and low-to-moderate income borrowers?

*Answer.* HUD is not currently considering a reduction to FHA mortgage insurance premiums as it continues to monitor the performance of the MMI Fund and evolving economic conditions. Ensuring the Fund remains well-capitalized is critical to FHA's ability to support future borrowers and respond effectively in times of stress.

*Question.* FHA multifamily production has dropped more than 40% in the last several years.

What are your plans to modernize the program and bring private sector developers back into building rental housing?

*Answer.* There are many factors that impact multifamily production, including interest rates, available land, and local land use requirements. The administration has taken a comprehensive review of staffing, programs, systems, regulations, and sub-regulatory guidance to reduce administrative burden. Additionally, since January 20, 2025, HUD implemented the following to modernize the program, streamline processing, and bring private sector developers back into building rental housing: Published FR-6522-N-01 Federal Register Notice proposing across-the-board MIP reductions which are necessitated by a sharp rise in construction costs and mortgage interest rates. Published Mortgagee Letter 2025-11 Annual Revisions to Base City High-Cost Percentage and High-Cost Areas Annual Indexing of MAP Guide's Substantial Rehabilitation and Large Loan Risk Mitigation Thresholds. Implemented Risk Based Underwriter Training to improve consistency and efficiency. Im-

plemented The Single Underwriter Model to streamline and shorten HUD review times.

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QUESTIONS SUBMITTED BY SENATOR KIRSTEN GILLIBRAND

*Question.* To make commercial building conversions possible and unlock the massive amount of new housing we need in this country, large scale zoning and land use de-regulation is necessary. In your confirmation hearing you said the Federal Government has a role in encouraging States and local governments to reduce regulations and barriers, and I agree with you. Yet the FY26 budget request eliminates the PRO Housing grant program, which is designed to do exactly that.

How specifically will you incentivize State and local governments to remove their legal and regulatory barriers to housing production without the PRO Housing program?

*Answer.* PRO Housing was first authorized in FY2023. Twenty-one awards were funded in June 2024 at \$85 million in aggregate. Eighteen awards were funded in January 2025 at \$100 million in aggregate. These figures represent full appropriations for their respective fiscal years. The awards are slated to fund a wide variety of housing planning and development activities. These activities were developed by the State and local government applicants as part of their applications. However, housing planning and development take years to complete. Thus, the effectiveness and impact of this new program remains to be seen.

Further, while office to residential conversions can be subject to zoning and land-use regulations, they are also subject to innate construction challenges. Office buildings are generally not designed for residential occupancy. Office conversions often require the redesign and reconstruction of interior spaces and structures. Other challenges include significant rework of existing building systems, including plumbing, electrical, heating, ventilation and air conditioning, lighting, window size and placement, sound reduction and insulation, and fire protection systems.

Meanwhile, taxpayer dollars are a precious resource. Opportunity zones and low-income housing tax credits have proven to be real drivers for change. One of the President's earliest Presidential Memoranda recognized the need to "lower the cost of housing and expand housing supply" and deregulation is a key Administration priority, outlined by the Executive Order 12866, Unleashing Prosperity Through Deregulation. The budget supports deregulation in the housing market and HUD's commitment to expand the affordable housing supply to unlock homeownership housing opportunities for the American people, including homeownership opportunities. HUD looks forward to working together with States and local governments to identify other ways to stimulate housing supply and break down the barriers holding housing production back.

*Question.* How specifically does the budget request support State and local deregulation efforts?

*Answer.* HUD is undertaking a regulatory review, with a focus on reducing the burdens we put on communities, grantees, and developers. We are working to make HUD a better partner. The Budget request includes funding for research and demonstrations in the Office of Policy Development and Research (PD&R) focused on deregulation in the housing market, increasing housing supply, and lowering housing costs. This work will build upon PD&R's "Eliminating Regulatory Barriers to Affordable Housing: Federal, State, Local and Tribal Opportunities" report, published during the President's first term.

Our proposed State Rental Assistance Program will remove the multiple layers of overlapping programs and the rules that accompany them, allowing each State to take its own path and provide rental assistance in the way that best meets their needs. In that process, HUD will encourage States to reduce and remove regulatory barriers. States that retain barriers will see other States' grants going further and making more progress. This is the kind of competition that will lead to real, organic deregulation instead of top-down mandates and edicts.

*Question.* How specifically does the budget request carry out the Federal deregulatory work this Committee has encouraged under both Democratic and Republican administrations?

*Answer.* Deregulation is a key Administration priority, outlined by the Executive Order 12866, Unleashing Prosperity Through Deregulation. The budget supports deregulation in the housing market and HUD's commitment to expand the affordable housing supply to unlock housing opportunities for the American people, including homeownership opportunities.

*Question.* The House-passed reconciliation bill expands the Low-Income Housing Tax Credit (LIHTC). However, one third of LIHTC deals rely on HUD programs to actually pencil out and make these “public-private partnerships” work. The FY26 budget request eliminates all of those HUD programs.

Congress goes along with the budget proposal to eliminate HOME, CDBG, and the current rental assistance programs, what are the potential ripple effects on the LIHTC program?

*Answer.* LIHTC projects are typically built with a variety of local government financing. While HOME, CDBG, and Federal rental assistance are currently used in LIHTC transactions, they are not the sole source of gap funding and many LIHTC projects are completed without the use of those funding sources. Due to the interest of private developers and equity providers in the LIHTC program, these transactions will continue as a valuable source of low income housing.

*Question.* By accepting the budget request, how much housing will be built that is affordable to very low-income households?

*Answer.* The current system of rental assistance programs has been dysfunctional for a long time, wasting taxpayer dollars and artificially driving up housing costs for all through government subsidies, all while stifling self-sufficiency and economic independence for residents.

When I came to HUD, I committed to taking inventory of our programs and processes to find out what is and isn’t working well for taxpayers and those who depend on our programs. It’s time to take a different approach—the Washington approach of one size fits all for communities does not work.

What I have found is a rental assistance system full of waste, fraud, and abuse; inefficiencies and bloated administrative costs; deteriorating public housing units; and a rent structure that punishes work and marriage among residents.

What we propose is indeed transformational—a State-based formula grant which would encourage States to have skin in the game for funding and design of their own rental assistance programs based on their unique needs and preferences, without heavy-handed interference from Washington.

The proposal also maintains HUD’s commitment to protecting our most vulnerable elderly and disabled citizens. This budget would prioritize rental assistance for these families. At the same time, HUD will also maintain our commitment to promoting self-sufficiency and economic independence by adopting a common-sense time limit that will encourage able-bodied residents to move up and out of assisted housing.

*Question.* HUD is required by law to ensure its assisted properties are safe and in good repair. Over the years, this Committee has invested in an inspection standard modernization effort that began under Secretary Carson, and the Appropriations Committees have worked with HUD to dig out of a massive inspection backlog. Money is not an issue here. HUD currently has over \$110 million for inspections. HUD chose to cancel one of its property inspection contracts, before having a plan in place for how HUD would maintain oversight of property conditions.

Mr. Secretary, will you commit to getting inspections back on track and on schedule as quickly as possible?

*Answer.* HUD currently has awarded several contracts to support HUD’s mission to ensure housing units and properties meet National Standards for the Physical Inspection (NSPIRE). The work we are doing on IT modernization and upgrading HUD’s technology systems will help these inspections work more efficiently.

*Question.* Will you commit to increasing the number of in-house inspectors?

*Answer.* HUD is prioritizing inspections and will continue to focus on bringing in inspectors via contract or Federal inspectors. We will keep all options open.

*Question.* Will you commit to inspecting all failing properties at least once a year?

*Answer.* HUD prioritizes inspecting high risk properties identified as Troubled and is exploring ways to reduce the regulatory burden to re-inspect High Performers every 3-years.

HUD has completed 8,834 of its 11,335 targeted inspections as of July 17, 2025. The remaining inspections for 2025 plus the 2,639 backlog are ordered, scheduled, underway or under review.

*Question.* When PHAs are in violation of statutes or regulations for systemic, long-standing, or severe issues, they often require extraordinary levels of expertise and resources to remediate performance deficiencies and improve the quality and safety of housing for residents. Under possession or administrative receivership, HUD assumes responsibility for both the governance and daily management of a PHA’s public housing and voucher programs.

How many PHAs are currently in receivership?

*Answer.* Five PHAs remain in HUD possession: Alexander County Housing Authority of Cairo (IL), since 2016, Highland Park (MI) Housing Commission, since

2021, Irvington (NJ) Housing Authority, since 2022, Indianapolis (IN) Housing Authority, taken into HUD possession in April 2024, and Atlantic City (NJ) since 2025.

*Question.* How many PHAs in receivership does the Department plan to return to local control in FY2025?

*Answer.* In FY2025 the Housing Authority of the City of Slidell was returned to local control so it's no longer in HUD's possession.

*Question.* How have the staffing levels and organizational structures of the Office of Prevention, Recovery and Transformation and Office of Field Operations changed since January 20, 2025?

*Answer.* The Office of Field Operations took approximately a 31% reduction while the Office of Prevention, Recovery and Transformation took a 22% reduction.

*Question.* Under your leadership, how will HUD manage and oversee PHAs that are troubled and in default of their annual contributions contracts?

*Answer.* This is a priority for HUD. HUD plans to utilize the expertise from throughout the organization to focus on troubled PHAs and hold them accountable sooner and ensure effective and appropriate oversight. This will allow HUD to provide direct operational oversight early, creating solutions that will ensure residents are living in safe and healthy homes.

*Question.* Mr. Secretary, I am concerned with the impact President Trump's tariffs are having on housing affordability. The National Association of Home Builders estimate tariffs are adding nearly \$11,000 to the average cost of a new home. Home insurance rates could jump by another 11 percent. All of this will inevitably increase rents, and as rents increase, so will homelessness.

Mr. Secretary, based on your experience working for a major housing developer, will the Administration's tariff policies make housing construction and maintenance more expensive or less expensive?

*Answer.* The Trump Administration is implementing revisions to tariff policies to increase economic and national security. The Administration's view is that in the short run foreign producers will reduce prices to offset about 3/4 of the tariffs. Recent evidence has in fact shown that the prices of imported goods have been stable or falling since the beginning of this Administration's current term. In the long run, tariffs will stimulate increased domestic production of building materials which will ultimately lead to lower prices due to economies of scale and reduced reliance on imports.

*Question.* What are you doing to help public housing authorities and affordable housing developers address these higher costs, especially insurance?

*Answer.* Rising insurance costs are a pressing concern for housing stakeholders and the residents they serve. That's exactly why we have a proposed a paradigm shift through the creation of a new State-based formula rental assistance grant that will encourage States to have skin in the game for funding and design of their own rental assistance programs based on their unique needs and preferences, without heavy-handed interference from Washington. Under the proposal, the States will be in the best position to negotiate and leverage the cost of insurance for their jurisdiction. These reforms will go a long way towards cutting down onerous costs.

In addition, the cost of insurance is driven by many factors, all of which are out of the control of HUD. That being said, our Multifamily FHA Office has taken steps to assist owners and lenders in addressing these costs, including using other available tools to assist owners. Another way HUD is working to address these higher costs is the proposed elimination of the Green and Energy Efficient Mortgage Insurance Premium (MIP) category which standardizes all MIP rates at 0.25% within FHA's multifamily housing programs.

*Question.* In 2024, on a bipartisan basis, Congress authorized HUD to run the Continuum of Care (CoC) competition on a 2-year cycle so that CoC programs don't have to re-apply for funding every year. This approach would cut down on red tape, and eliminates nearly 115,000 hours of administrative work to fill out new applications. We can all agree these hours would be better spent on improving services and outcomes for homeless individuals and families.

Mr. Secretary, will you commit to a 2-year competition cycle for CoCs for FY2024 and FY2025, instead of issuing a new NOFO this year?

*Answer.* On July 3, HUD sent out a letter informing CoCs to prepare for a FY2025 competition focused on treatment and recovery, reducing unsheltered homelessness, reducing returns to homelessness, and increasing employment income. The 275,000 people living on our streets and American taxpayers deserve the careful stewardship of resources to address homelessness.

*Question.* Will you commit to a 2-year competition cycle for FY2026 and FY2027?

*Answer.* HUD acknowledges the administrative burden of the CoC program for communities and for HUD staff and is taking inventory of how to best streamline

the process. HUD does not have the authority to run a 2-year CoC competition in 2026 and 2027.

*Question.* According to the Department of Government Efficiency (DOGE) website, HUD has terminated or cancelled at least 3 leases for office space in two States and the District of Columbia.

Please provide a detailed list of all leases that have been terminated or cancelled by the Department between January 20, 2025 and the date of receipt of this question. This list should include: the location (including address) of the leased building or office space; the date on which the existing lease was to expire prior to the termination or cancellation; the date on which the existing lease will end as a result of the termination or cancellation (i.e. when it will no longer be used by the Department); the amount of any early termination or cancellation fees; the number of staff whose duty station was the leased building or office space as of January 20, 2025; where the staff whose duty station was the leased building or office space will report to following the termination or cancellation; and whether the Department will consolidate or co-locate the staff whose duty station was the leased building or office space in a building or office space currently leased or owned by HUD.

*Answer.* To date, HUD has not initiated any lease terminations.

*Question.* According to the DOGE website, Federal agencies have terminated or cancelled countless contracts, but the website intentionally goes out of its way to provide the information in the least useful manner.

Please provide a detailed spreadsheet of all contracts that have been terminated or cancelled by HUD between January 20, 2025 and the date of receipt of this question. This spreadsheet should include the following for each contract: Program office, Source of funding for the contract, Recipient name, Purpose of the contract, Amount originally awarded and/or approved for obligation, Contract period of performance, Rationale for why the contract was no longer necessary, and Whether the contract has since been reinstated, and if so, whether the contract is still listed on the DOGE website as of the date of receipt of this question.

*Answer.* HUD is reviewing all contracts for efficiency and effectiveness to accomplish good government goals. When certain contracts are found not to accomplish HUD's mission with economy, efficiency, and effectiveness, action is taken. HUD will continue to deliver on its critical functions, mission to serve rural, Tribal, and urban communities and statutory responsibilities.

*Question.* Please provide a list of all advisory committees, panels, task forces, and commissions that were funded and operational in fiscal year 2024. Indicate those that are mandated by law and those that are discretionary, the funding level of each and the expiration date of the most recent charter.

Also list each advisory committee, panel, task force, and commission that have been terminated or cancelled by the Department between January 20, 2025 and the date of receipt of this question, as well as those the Department proposes to operate in fiscal year 2026, with the proposed budget for each.

*Answer.* No committees, panels, task forces, or commissions mandated by law have been terminated or disbanded by HUD between January 20, 2025 and July 16, 2025.

Please see the chart below for the committees and panels the Department intends to operate in FY26, along with the proposed budget.

Name	Mandated by Law or Discretionary	Charter Expiration Date	FY24 Cost (values in thousands)	Est. FY26 Cost (values in thousands)
Housing Counseling Federal Advisory Committee (HCFAC)	Mandated by Law	June 11, 2026	\$815	TBD
Manufactured Housing Consensus Committee (MHCC)	Mandated by Law	September 30, 2026	\$991	\$666
Cityscape Panel	Discretionary	N/A. New Charter to be developed by new PD&R leadership.	\$24	TBD
MTW Research Federal Advisory Committee	Mandated by Law	May 30, 2026	\$12	TBD
Tribal Intergovernmental Advisory Committee (TIAC)	Discretionary	The charter is ongoing until terminated.	\$75	TBD

*Question.* Please provide an update on any plans or planning the Department has to reorganize the Department or its program offices.

*Answer.* At this point, there has been discussion about realigning a small number of program office functions to increase effectiveness and efficiency of those programs. There has also been discussion of how to provide administrative support functions more efficiently across the Department. However, no action has been taken on any of these initiatives at this time.

*Question.* Please provide a list of all political and Presidential appointees employed by the Department as of the date of receipt of this question. This list should include the name and title for each political and Presidential appointee and the program office in which such staff is employed.

*Answer.* Political appointees are listed through the OPM Plum Book consistent with the practices of prior administrations.

*Question.* Please provide the name, title, and office of employment for each employee that is working at the Department as part of the DOGE team as of the date of receipt of this question, as well as their job description. Please specify if they have been hired as full-time HUD employees or are Special Government Employees, and whether any additional DOGE team members have been or will be detailed to the Department.

*Answer.* HUD's DOGE Task Force is composed of HUD employees.

*Question.* Please provide a list of all IT systems, subsystems, or IT contracts decommissioned or terminated in FY 2024, FY2025 through the date of receipt of this question, and any planned over the next year. For each such system, subsystem, or contract, provide a description of the program or function supported, any plan for replacing that functionality, and the cost for each of the past 3 fiscal years.

*Answer.* The Office of the CIO is currently conducting a 120-day evaluation of the information technology (IT) platforms, applications and systems used to support programs at HUD. OCIO's goal is to develop an IT roadmap that integrates technology with enterprise architecture, cybersecurity, and data protection requirements and that will support the agency's mission. Our goal is to adopt best practices from across industry and the Federal landscape to ensure optimal functionality and performance. By collaborating with various stakeholders, including program offices, technology providers, and other government entities, we will devise a comprehensive and efficient strategy. Additionally, we are prioritizing cybersecurity and data protection in line with legislative mandates and executive orders, ensuring that HUD systems are fortified against potential threats.

*Question.* Please provide the total number of Fair Housing and Equal Opportunity investigations, settlements, closures, and dismissals that occurred in FY 2024 and FY 2025 as of the date of receipt of this question. This list should be categorized by State and should include the basis of the discrimination alleged in each complaint and whether the complaint was referred to the Department of Justice.

*Answer.* By way of summary, in 2024, the relevant totals were as follows:

- Total number of Investigations: 8,423
- Total number of Settlements: 1,908

- Total number of Closures: 8,137
- Total number of Dismissals: 4,317
- Total number of Referrals to the DOJ: 15

In 2025, the totals so far are as follows:

- Total number of Investigations: 6,082
- Total number of Settlements: 1,336
- Total number of Closures: 6,317
- Total number of Dismissals: 3,382
- Total number of Referrals to the DOJ: 2

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#### QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

*Question.* Mr. Secretary, you went on TV to spread misconceptions about the “welfare state” and said 50 percent of households that receive HUD funding have no one working. This is a blatantly misleading statement.

Nearly 60 percent of HUD-assisted households are headed by a senior or person with a disability. True or false?

*Answer.* In 2024, the proportion of HUD-assisted renter households headed by a person aged 62 or older or a person with disabilities was 61%.

*Question.* The majority of work-able households do indeed work. True or false?

*Answer.* As a point-in-time, roughly 60% of non-elderly, non-disabled households had some wage income in 2024. That means 40% had no wage income in 2024. For non-elderly, non-disabled tenants in housing assistance 3 years or longer, only 42% were consistently employed over that 3-year time period, while 37% were in and out of the workforce, and 21% did not work at all in those 3 years.

*Question.* 9 out of 10 HUD-assisted households include seniors, people with disabilities, or have jobs. True or false?

*Answer.* False, a more correct statement would be “more than 8 out of 10 households include seniors, people with disabilities, or have jobs.” We estimate approximately 85% of all households are working, disabled or elderly. These figures are based on data reported to HUD by Public Housing Authorities and multifamily property owners on two forms, the HUD-50058 (or public housing and vouchers) and HUD-50059 (for multifamily assisted) forms which capture details on HUD assisted tenants, including age, disability, and employment for each member of the household.

*Question.* The median length of stay on HUD assistance is around 4 or 5 years, and statistics on the average length of stay statistics (which you frequently use) are skewed by the high number of assisted seniors and persons with disabilities who cannot work. True or false?

*Answer.* This chart provides data from December 2024 for current average (mean) and median tenant length of stay in assisted housing

	Mean (years)	Median (years)
Working age households without disabilities .....	7.8	5.0
Older adults or people with disabilities .....	10.5	7.3
All Households .....	9.5	6.3

*Question.* My colleagues and I sent you letters on February 16 and February 20 on staffing cuts and actions that DOGE had taken up to that point. I received a response on June 3 with little to no answers to the questions posed in these letters. The Committee needs responses with real information to be able to carry out our Constitutional duty to oversee the funds that Congress provides.

Please respond to all 19 questions asked in these letters and specifically provide the actual data requested in those questions. The 19 questions in these letters are as follows:

How many probationary employees were terminated—by office, division, and branch?

*Answer.* Since January 20, 2025, HUD has terminated 83 probationary/trial period employees from the following organizations:

Program Office	Employees Terminated
Community Planning and Development (CPD) .....	1
Office of Fair Housing and Equal Opportunity (FHEO) .....	15
Field Policy and Management (FPM) .....	12
Government National Mortgage Association (GNMA) .....	2
Housing (HSNG) .....	4
Administration (ADMIN) .....	9
Chief Financial Officer (OCFO) .....	3
Chief Information Officer (OCIO) .....	2
General Counsel (OGC) .....	14
Policy Development and Research (PDR) .....	2
Public and Indian Housing (PIH) .....	19

*Question.* What factors did HUD consider in determining which probationary employees would and would not be terminated on February 14?

*Answer.* HUD's leadership in each HUD program office identified which probationary employees in their offices would be retained and which would be terminated, ensuring that top performing probationary employees supporting critical programs were retained.

*Question.* Were there any exceptions for offices that already lack sufficient capacity to address HUD's legal obligations, statutory mandates, and for the purposes of public safety, law enforcement, and security?

*Answer.* Yes. Program office leadership determined which of the probationary employees in their offices would be retained and which would be terminated, ensuring that top performing probationary employees supporting critical programs were retained.

*Question.* What steps did the Department take to ensure the continuity of programs for families and communities prior to terminating hundreds of employees?

*Answer.* HUD's program office leadership determined which of the probationary employees in their offices would be retained and which would be terminated and endeavored to ensure continuity of programs for families and communities.

*Question.* What role did you personally play in directing and reviewing employee lists vis-&-vis the DOGE team and vis-&-vis the political appointees leading each office component?

*Answer.* Program office leadership determined which of the probationary employees in their offices would be retained and which would be terminated, ensuring that top performing probationary employees supporting critical programs were retained.

*Question.* How much notice was provided to terminated employees?

*Answer.* Each probationary employee was given a written termination notice informing them of the effective date annotated on the memorandum for that same day.

Per Title 5, Chapter 1, Subchapter A, Part 11.5e, "Before an agency terminates the service of an employee serving a probationary or trial period, it shall notify such employee in writing as to the effective date of the action."

*Question.* If terminations were conducted under 5 C.F.R. § 315.804, what justification was provided to employees as the reason for their termination?

*Answer.* The only termination conducted under 5 C.F.R. § 315.804 cited the justification that the employee displayed an inability to perform their duties.

One additional termination for an excepted service employee under a trial period cited conduct reasons. The remaining 81 probationary/trial period terminations were conducted under Civil Service Rule XI, established by Executive Order 14284.

*Question.* Consistent with the staffing review you are conducting in response to the February 11 executive order, please provide HUD's comprehensive list of the functions performed by each office that are mandated by statute or related to public safety and law enforcement, as well as the current number of staff associated with those functions.<sup>1</sup>

*Answer.* The U.S. Department of Housing and Urban Development (HUD), a Cabinet-level agency created in 1965 (42 U.S.C. 3532–3537), is responsible for national policy and programs that address America's housing needs, improve and develop the Nation's communities, and enforce fair housing laws. HUD accomplishes its mission

<sup>1</sup> <https://www.whitehouse.gov/presidential-actions/2025/02/implementing-the-presidents-department-of-government-efficiency-workforce-optimization-initiative/>

through component organizations and offices that administer programs which are carried out through a network of regional and field offices and partnerships with other Federal agencies, State and local grantees, and private sector, philanthropic and non-profit organizations.

HUD works to ensure Americans have access to fair, affordable housing, and opportunities to achieve self-sufficiency, thereby strengthening our Nation. It does that through mortgage insurance and mortgage security guaranty that makes homeownership possible for millions of Americans, housing and homeless assistance programs that reduce and resolve homelessness, community targeted block grants that help build and repair housing and infrastructure for strong communities, and enforcement of civil rights laws, among others.

HUD serves over 6.2 million renters through programs administered by its program offices in the Office of Public and Indian Housing (PIH), Office of Multifamily Housing, and the Office of Community Planning and Development (CPD). In 2024, the Federal Housing Administration (FHA) served more than 790,000 Americans buying homes, refinancing their mortgage, or accessing home equity to age in place through the Single Family forward and reverse mortgage insurance programs. Over 82 percent of FHA-insured forward purchase transactions by loan count, or 498,363 mortgages, went to first-time homebuyers.

*Question.* For the employees who have accepted the deferred resignation offer, what is the estimated cost to taxpayers to pay those employees for not working through the end of the year?

*Answer.* The estimated cost to pay employees on the Deferred Resignation Program (DRP) through the end of the year is nearly \$220 million, but that cost will be more than offset by outyear savings from a smaller and more efficient workforce better aligned to HUD's core mission. The out year annual savings to taxpayers from HUD's new workforce footprint is estimated to be approximately \$400 million.

*Question.* The Committees on Appropriations intentionally funds each HUD program office separately to support program execution and fulfillment of HUD's mission. How are the costs of the deferred resignations and planned reductions in force "necessary expenses" and consistent with appropriation law?

*Answer.* HUD is focused on "right-sizing" our staffing levels to meet the needs of HUD's mission, and to be good stewards of taxpayer dollars. Appropriations for salaries and expenses are properly available for those ongoing efforts to address agency human resources needs, including the use of deferred resignation, potential reductions in force, and other necessary and appropriate tools.

*Question.* How many individuals are currently part of HUD's DOGE Task Force? Please provide the names of all Task Force members and whether they are considered employees of HUD or any other Federal agency.

*Answer.* HUD's DOGE Task Force is composed of HUD employees.

*Question.* What are the specific components of the \$260 million in contracts that you described in your February 11, 2025, interview on The Charlie Kirk Show? Please provide a list of all contracts that DOGE employees have identified as wasteful and the justification for cancellation.

*Answer.* HUD is detailed and deliberate about every dollar spent to serve rural, Tribal, and urban communities. We ended the business-as-usual posture and eliminated contracts that do not further HUD's mission. It is our duty to be good stewards of taxpayers' dollars, identify and eliminate waste, fraud and abuse, and better serve the American people.

*Question.* Do members of the DOGE Task Force have access to any non-public HUD information, including data systems, contracting systems, personnel records, or other legal records? Does this include proprietary Tribal enrollment data submitted for Native American Housing Assistance and Self-Determination Act (NAHASDA) funding?

*Answer.* The task force is composed of HUD employees.

*Question.* Relating to Tribes, Tribes do not submit any proprietary Tribal enrollment data to HUD. All Tribal enrollment data that is submitted to HUD is currently publicly available online at HUD's Indian Housing Block Grant formula website.

What steps have you taken to protect Americans' data and ensure compliance with the Privacy Act?

*Answer.* HUD will continue to comply with all applicable laws regarding the privacy and security of personal identifiable information.

*Question.* What are the objectives of the HUD DOGE Task Force and how long will the Task Force be in place?

*Answer.* The task force, composed of HUD employees, is examining how to best maximize HUD's budget and ensure all programs, processes and personnel are working together to advance the purpose of the department.

*Question.* Has there been any pause or delay in disbursing or obligating HUD funds, including delays in signing grant agreements, since January 20, 2025? Please provide a detailed accounting of any pauses or delays.

*Answer.* HUD will continue to administer its grant programs consistent with all applicable laws and regulations.

*Question.* Has HUD cancelled—or does HUD intend to cancel—the Green and Resilient Retrofit Program, including terminating or failing to enter into awards or contracts?

*Answer.* HUD has terminated various technical assistance contracts associated with the GRRP. The One Big Beautiful Bill Act has rescinded all unobligated balances appropriated under Section 30002 of the Inflation Reduction Act. Consequently, HUD cannot enter into new awards or contracts with GRRP funds. The awards which were obligated under Section 30002(a)(1) prior to January 20, 2025, remain in place and, pursuant to the Court's order in *Woonasquatucket River Watershed Association et al v USDA et al*, HUD is processing transaction materials submitted to the Department and is disbursing funds in response to appropriate construction draw requests.

*Question.* Please explain in detail any plans to reduce HUD staffing below the level of staff employed at the agency on January 20, 2025, including:

Current or planned changes in staffing by HUD Office and the reason for any change, including retirement, participation in a Deferred Resignation Program, or other actions; The number of staff that would be present in each HUD Office after planned changes; and whether any programs or functions of HUD would be reduced or eliminated.

*Answer.* About 30% of HUD's workforce elected to participate in voluntary downsizing incentive programs such as in the Deferred Resignation Program, Voluntary Early Retirement Program, or Voluntary Separation Incentive Program. HUD leadership is assessing if any additional rightsizing actions are needed, and if so, what those are.

*Question.* Are there any programs, functions, or offices you plan to eliminate at HUD? If so, please provide a list of those programs, functions, or offices. If not, please detail how you intend to perform HUD's critical functions and prevent mismanagement of funds with the proposed staff reductions.

*Answer.* At this time HUD is assessing its staffing and functions to determine what additional reductions, if any, will be made. The Department is exploring the use of technology to support critical workforce needs and will prioritize mission critical work and oversight to prevent mismanagement of funds.

*Question.* One of your first official acts as Secretary of HUD was stopping the enforcement of the Equal Access rule, which provides universal access to life-saving shelter, regardless of a person's gender identity. For months, a proposed revised rule has been listed on OMB's website as "pending," but no one has seen it.

Mr. Secretary, what is the status of the proposed rule?

*Answer.* The intent of the statement ordering HUD to cease all enforcement of the rule is meant to comport HUD policies with the president's executive orders, particularly EO 14168, *Defending Women From Gender Ideology Extremism and Restoring Biological Truth to the Federal Government*.

*Question.* Does HUD agree that people in crisis should have quick and safe access to emergency assistance?

*Answer.* HUD is committed to supporting localities in providing immediate homelessness services and shelter to address the crisis on our streets. The President's proposed budget does just that, by providing \$4-billion in funding for the Emergency Solutions Grant program to administer emergency and short-to medium term assistance.

*Question.* Will you provide at least 60 days for public comment so that the people who would benefit and be harmed by it can weigh in?

*Answer.* HUD will follow all applicable legal requirements when publishing regulatory actions.

*Question.* In March, HUD and DHS entered into an unprecedented memorandum of understanding regarding data sharing.

What specific information is HUD sharing with DHS?

*Answer.* HUD will provide appropriate data pursuant to requests supported by law enforcement investigations managed by DHS.

*Question.* What steps is HUD taking to protect the privacy of the individuals and families in its programs?

*Answer.* HUD will continue to comply with all applicable laws regarding the privacy and security of personal identifiable information.

*Question.* Mr. Secretary, in your written testimony you claim to have "identified \$260 million in savings for the American people" and shared that you "cancelled \$4

million in DEI contracts.” This Committee asked your staff for the details on these savings and cancellations, but has received no response. I’m deeply concerned by the lack of transparency and accountability on what you are cutting and how it is impacting communities in our States.

Please provide the full details in writing to the Committee on what makes up the \$260 million in savings and \$4 million in cancelled DEI contracts.

*Answer.* HUD is detailed and deliberate about every dollar spent to serve rural, Tribal, and urban communities. We ended the business-as-usual posture and eliminated contracts that do not further HUD’s mission. It is our duty to be good stewards of taxpayers’ dollars, identify and eliminate waste, fraud and abuse, and better serve the American people.

*Question.* According to the DOGE website, Federal agencies have terminated, cancelled, or reduced funding for countless grants, but the website intentionally goes out of its way to provide the information in the least useful manner.

Please provide a detailed spreadsheet containing all grants that have been terminated, cancelled, or reduced in funding by the Department between January 20, 2025 and the date of receipt of this question. This spreadsheet should include the following information for each grant:

Program office, Grant program, Source of funding for the grant, Recipient name, Amount originally awarded, Amount approved for obligation, If/how the scope of work has changed, Rationale for why the grant was no longer necessary or reduced in funding, and Whether the grant has since been reinstated, and if so, whether the grant is still listed on the DOGE website as of the date of receipt of this question.

*Answer.* The Department is responsible for ensuring our grantees and contractors are in compliance with the President’s Executive Orders. When certain grants are found not to accomplish HUD’s mission, action is taken. We’re looking forward—not back—and investing in programs that deliver the greatest impact for the American people. We invite you to visit <https://doge.gov> to learn more about information listed on the DOGE website.

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#### QUESTIONS SUBMITTED BY SENATOR DICK DURBIN

*Question.* Secretary Turner, in a recent interview, you were asked about the vision and purpose of the Department of Housing and Urban Development. You responded, quote, “HUD’s mission is to serve the most vulnerable people in our country. We meet people where they are.” In the same interview, you acknowledged that our Nation has a shortage of 7 million affordable housing units. That is correct—we are short 7.1 million affordable housing units in the United States, including more than 442,000 affordable housing units in Illinois.

Secretary Turner, listening to this interview, it sounds like we agree on a great deal, but then I see President Trump’s Fiscal Year (FY) 2026 Budget Request, which calls for severe cuts to nearly every HUD program. This includes a \$27 billion cut for Housing Choice Vouchers, project-based rental assistance, public housing, and housing for seniors and people with disabilities; a nearly \$300 million cut to HUD’s Healthy Homes and Lead Hazards program, which protects families from the devastating impacts of lead poisoning.

Mr. Secretary, how do you reconcile what you have said about serving the Nation’s most vulnerable populations, meeting them where they are, with this 44 percent cut to HUD?

*Answer.* The current system of rental assistance programs has been dysfunctional for a long time, wasting taxpayer dollars and artificially driving up housing costs for all through government subsidies, all while stifling self-sufficiency and economic independence for residents.

When I came to HUD, I committed to taking inventory of our programs and processes to find out what is and isn’t working well for taxpayers and those who depend on our programs. It’s time to take a different approach—the Washington approach of one size fits all for communities does not work.

What I have found is a rental assistance system full of waste, fraud, and abuse; inefficiencies and bloated administrative costs; deteriorating public housing units; and a rent structure that punishes work and marriage among residents.

What we propose is indeed transformational—a State-based formula grant which would encourage States to have skin in the game for funding and design of their own rental assistance programs based on their unique needs and preferences, without heavy-handed interference from Washington.

The proposal also maintains HUD’s commitment to protecting our most vulnerable elderly and disabled citizens. This budget would prioritize rental assistance for

these families. At the same time, HUD will also maintain our commitment to promoting self-sufficiency and economic independence by adopting a common-sense time limit that will encourage able-bodied residents to move up and out of assisted housing.

*Question.* Around 35 million homes have lead-based paint, impacting almost 30percent of all housing units. Lead-based paint was banned in 1978-nearly 47 years ago. And yet, families with young children are still exposed to lead and its well-known health hazards. Even at very low levels, lead exposure damages a child's brain and nervous system, resulting in slowed growth and development, learning and behavior problems, and hearing and speech issues. The financial consequences of childhood lead exposure are estimated to be around \$84 billion, and it will take decades for the existing HUD programs that address lead in homes to reach all the children at risk of lead poisoning, particularly as many communities already struggle to access resources and coordinate remediation efforts. President Trump's FY26 Budget Request called for just \$49 million for HUD's Healthy Homes and Lead Hazards program, a nearly \$296M decrease from FY25.

Given that the financial consequences of childhood lead exposure are estimated to be around \$84 billion in lost wages, health care, and other services, can you explain to the Committee how this cut would keep our kids safe?

*Answer.* HUD recognizes that its lead safety programs are not scaled to reach all homes and children on their own, given that, as noted, around 35 million homes have lead-based paint (and that HUD has also found that around 29 million homes have one or more significant lead-based paint hazards). HUD's lead hazard reduction program can be used to not only address lead paint hazards directly, but also to leverage private funding and prompt market forces. As more lead-safe housing is created, more landlords and homeowners may be motivated to address lead paint hazards in their units to realize increased property values associated with lead hazard control in a competitive market. HUD funded research has shown this in at least one study and we will continue to prioritize this with available funds.

In 2026, HUD will continue implementing approximately 210 lead hazard reduction grants from previous fiscal years, which will continue to serve as models for leveraging private funding and prompting market forces.

*Question.* How far do you expect this \$49 million to go in remediating these homes, and what other initiatives is HUD pursuing, including cross-cutting initiatives with other agencies?

*Answer.* HUD will use the estimated \$273.2 million in unobligated balances for grants in 2026. Given this, the President's Budget does not request new budget authority for the Lead Hazard Reduction program.

HUD is continuing its cross-cutting lead safety initiative on making and keeping HUD-assisted housing lead safe through implementation of the Department's Lead Safe Housing Rule by the HUD program offices and their grantees. HUD is also continuing its long-standing interagency collaboration with EPA and CDC and other Federal agencies, to explore, understand, and act together to improve children's environmental health and safety. Initiatives include those to reduce children's exposure to lead sources, identify lead-exposed children and improve their health outcomes, communicate more effectively with external partners, and support and conduct critical studies on reducing lead exposures and health risks.

*Question.* Does HUD currently have the staff to complete its mission to keep kids safe from lead poisoning?

*Answer.* Yes. The Office of Lead Hazard Control and Healthy Homes (OLHCHH) has been assigning staff, within their existing position descriptions, to grant-based activities to keep children safe from lead poisoning. OLHCHH is working with HUD's support offices to increase their level of support to cover functions lost, and to automate processes that were previously more manual. Future OLHCHH hires will continue this adjustment in workload priorities.

*Question.* Public housing serves a critical role in housing some of our most vulnerable citizens. For many, it is the only the option they have for shelter. These are seniors, people living with disabilities, and low-income families with children. After decades of disinvestment, our public housing stock has fallen into disrepair. President Trump's FY26 Budget Request, however would not provide funding for the Public Housing Capital Fund.

Secretary Turner, how would you evaluate our Nation's public housing stock? What is your plan to stop our existing public housing units from continuing to fall into disrepair, since the Administration refuses to fund its maintenance?

*Answer.* The Department believes that States are in the best position to make sound decisions about the delivery of affordable housing in their jurisdictions. Under the State Rental Assistance Proposal, States will have the flexibility to facilitate capital investment in properties where it makes sense to invest in them through:

Obtaining mortgage financing that will be unlocked because the properties will no longer be subject to a Federal declaration of trust; Providing tax credit and bond financing; Providing local financial support; Allowing properties to have more flexibility; and, Potentially develop other creative solutions once freed from most Federal oversight.

Bottom line—Washington needs to get out of the way and allow States to flourish! States will also have the freedom to discontinue support for properties that are not cost effective to operate or are not worth the investment in relation to other options to provide affordable housing.

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QUESTIONS SUBMITTED BY SENATOR JACK REED

*Question.* The Family Self-Sufficiency (FSS) program has a proven record of success: 34% of FSS graduates no longer need Federal rental assistance within 1 year of leaving the program, while nearly 10% of graduates purchase their own home. That's why Senator Britt and I have introduced legislation, S. 970, the Helping More Families Save Act, which would expand FSS.

Given that a rhetorical theme of the Department of Housing and Urban Development's (HUD) budget request is supporting self-sufficiency, why does your budget propose eliminating the successful FSS program?

*Answer.* HUD's State Rental Assistance Program proposal includes transformational program requirements, such as time limits, that will help able-bodied HUD-assisted residents achieve true self-sufficiency. In addition, HUD encourages communities to work with State and local governments, local non-profits, the private sector, and faith-based organizations to incentivize self-sufficiency among HUD-assisted residents according to their specific circumstances.

*Question.* HUD's budget request would eliminate rental assistance programs and cut total rental assistance funding by \$26.7 billion—a 42% cut. HUD data shows around 10 million low-income Americans are currently served by these programs.

Has HUD analyzed how many individuals currently assisted by HUD will become homeless if program funding is cut by over 40%?

*Answer.* The current system of rental assistance programs has been dysfunctional for a long time, wasting taxpayer dollars and artificially driving up housing costs for all with government subsidies, all while stifling self-sufficiency and economic independence for residents.

When I came to HUD, I committed to taking inventory of our programs and processes to find out what is and isn't working well for taxpayers and those who depend on our programs. It's time to take a different approach—the Washington approach of one size fits all for communities does not work.

What I have found is a rental assistance system full of waste, fraud, and abuse; inefficiencies and bloated administrative costs; deteriorating public housing units; and a rent structure that punishes work and marriage among residents.

What we propose is indeed transformational—a State-based formula grant which would encourage States to have skin in the game for funding and design of their own rental assistance programs based on their unique needs and preferences, without heavy-handed interference from Washington.

The proposal also maintains HUD's commitment to protecting our most vulnerable elderly and disabled citizens. This budget would prioritize rental assistance for these families. At the same time, HUD will also maintain our commitment to promoting self-sufficiency and economic independence by adopting a common-sense time limit that will encourage able-bodied residents to move up and out of assisted housing.

*Question.* HUD did not begin finalizing Continuum of Care (CoC) contracts with Rhode Island awardees until the end of May. This was just a few weeks before some contracts, and the homeless assistance services they provide, were due to expire. Many Rhode Island CoC contracts with expiration dates later this year have still not been finalized. As you know, these are CoC awards that HUD announced months ago.

Will you commit to me that HUD will finalize all of Rhode Island's CoC contracts before any of these contracts expire this year?

*Answer.* On January 17, 2025, the Department announced \$3.6 billion in CoC Program awards for nearly 7,000 projects across the country, and additional funding for CoCs affected by major disasters that received an extension to the original application deadline of October 30, 2024, was announced on March 21, 2025. Final grant agreements for all awarded projects were made available on March 20, 2025, and HUD prioritized executing grant agreements for recipients with existing renewal

grants expiring within the first 4 months of the calendar year. The Department has continued to prioritize processing grant agreements for the FY24 CoC awards.

*Question.* In 2024, on a bipartisan basis, Congress authorized HUD to run the CoC competition on a 2-year cycle so that CoCs would not have to re-apply for funding every year. This change cuts down on red tape by eliminating nearly 115,000 hours of administrative work CoCs need to fill out extremely similar applications.

Will you commit to a 2-year competition cycle for CoCs for FY 2024 and FY 2025, instead of issuing a new NOFO this year?

*Answer.* On July 3, HUD sent out a letter informing CoCs to prepare for a FY2025 competition focused on treatment and recovery, reducing unsheltered homelessness, reducing returns to homelessness, and increasing employment income. The 275,000 people living on our streets and American taxpayers deserve the careful stewardship of resources to address homelessness.

*Question.* HUD's budget request and your testimony in front of the Senate Appropriations Committee advocate for States and localities to be given more autonomy within our Nation's housing assistance programs. But HUD's budget request would eliminate the Community Development Block Grant (CDBG) program, which has long provided flexible grants that States and localities use for housing, economic development, and other local needs at their own discretion.

How does eliminating flexible CDBG funding give localities more control?

*Answer.* States and localities are in the best position to know how to tackle their unique housing and community development challenges—not Washington. The President's Budget reflects a right-sizing of HUD to limit the size, scope and spending of Federal programs. Many of these housing and community development activities are better funded and administered at the State and local level. The President's Budget advances this local-first approach for housing and community development.

Further, CDBG is poorly targeted and has been used for activities that the Federal Government simply should not be funding, such as improvement projects at a brewery, a plaza for concerts, and skateboard parks. For example, the Town of Greenwich in Connecticut's famously affluent "Gold Coast" does not need Federal grants, yet it received nearly \$4 million in CDBG funding in the last 5 years and spent it on wasteful projects like theater arts programming for students and public swimming pool renovations.

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#### QUESTIONS SUBMITTED BY SENATOR BRIAN SCHATZ

*Question.* Infrastructure costs for housing, such as water and sewer piping and electrical wiring, is far higher in remote areas and for low-density housing.

How does HUD plan to address infrastructure costs for housing on Interior Department land?

*Answer.* Through HUD's and Interiors' respective expertise, the Joint Task Force for Federal Land for Housing will help both identify where the housing needs are most pressing, and locations that are best suited to meet those needs. Our agencies will work together to ensure we support the infrastructure required for development.

*Question.* Other Federal agencies such as the Department of Defense have land in built-up areas close to existing infrastructure.

In addition to its work with the Interior Department, will HUD prioritize multi-family housing on other Federal lands?

*Answer.* HUD is committed to creating additional housing and will explore opportunities to do so on various Federal lands, including utilizing FHA insurance programs.

*Question.* The Indian Housing Block Grant Program provided 40,309 homes in FY2024. According to Census data, these homes housed 137,000 people, including more than 37,000 children.

With the \$875 million proposed in the president's budget, how many people will lose housing assistance on Tribal lands and Hawaiian Homelands?

*Answer.* HUD recognizes that the Indian Housing Block Grant program is the largest source of funding for Tribal housing programs. The \$1.1 billion provided last year was a dramatic increase from the program's traditional funding levels of less than \$700 million. The President's budget proposal for the program this year ensures that families currently receiving assistance under the IHBG program will continue to do so. We expect that this level of funding will allow Tribal grantees to continue to maintain and operate their existing housing stock. With that said, we are working hard with our Tribal partners and our Tribal Advisory Committee to identify ways to streamline burdensome regulations so that they can build housing and

infrastructure for their communities more efficiently and cost-effectively. For example, we are actively soliciting feedback from Tribal leaders on how we can streamline NEPA and other environmental requirements to ensure that we are taking a reasonable and balanced approach to housing development.

With respect to the Native Hawaiian Housing Block Grant program, the budget recognizes a greater role for State and local governments, the private sector, and nonprofits to address housing and community development needs across the Nation. The budget also recognizes that the Department of Hawaiian Home Lands has accumulated a large balance of unexpended funds and can continue to operate in FY26 using unexpended NHHBG funds.

*Question.* HUD has still not unfrozen more than 100 grants for the renovation of affordable housing properties across 40 States and territories that were awarded through Comprehensive cohort of the Green Resilient Retrofit Program (GRRP), despite a court order on April 15. Other GRRP funding, such as the Jack Hall Waipahu project in the Elements cohort, have also not been delivered.

What is HUD's plan and timeline for unfreezing the Comprehensive GRRP projects so these rehab projects can move forward?

*Answer.* HUD is continuing to process GRRP awards consistent with the court order in *Woonasquatucket River Watershed Association et al v USDA et al*.

*Question.* Specifically, what is HUD's timeline to deliver funds under the grant agreements it signed for \$1.68 million awarded to the Ainakea Elderly Housing Project and \$750,000 awarded to Jack Hall Waipahu in Hawaii?

*Answer.* Pursuant to the Court's order in *Woonasquatucket River Watershed Association et al v USDA et al*, HUD is processing transaction materials submitted to the Department in accordance with the GRRP governing notice. With regards to the Jack Hall Waipahu Elements award, the owner has not submitted the necessary due diligence materials for HUD review. HUD cannot proceed to disburse funds unless the awardee submits the closing documentation package described in the GRRP governing notice, the package is reviewed, and the package is determined to comply with the notice. The owner should reach out to staff at the Office of Recapitalization at [GRRP@HUD.gov](mailto:GRRP@HUD.gov) with any questions. With regards to the Ainakea Elderly Housing Project, HUD is considering options for next steps.

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#### QUESTIONS SUBMITTED BY SENATOR CHRIS VAN HOLLEN

*Question.* The budget notes that the new State Rental Assistance Program formula will be determined by the Secretary, taking into account assistance provided in 2025 and "other factors."

What other factors are under consideration?

*Answer.* HUD is considering a range of factors, as we described in our Congressional Justifications, the program will distribute block grants to States by formula. It will require that States: 1. Prioritize the rental assistance needs of the elderly and disabled; 2. Consider currently assisted households; and 3. Incentivize self-sufficiency among non-elderly, non-disabled residents, through the implementation of 2-year time limits, as well as any other appropriate means.

The formula would consider data on prior-year occupied housing units receiving rental assistance and could favor assistance provided for households with elderly or disabled residents over non-elderly non-disabled households. The formula could also be gradually adjusted to be more representative of the relative needs of each State, and in accordance with changing needs over time. HUD may also consider how to best incentivize State contributions.

*Question.* Can you provide the formula that will be used to make state allocations, and the allocation that would be made to Maryland if the full request is funded?

*Answer.* See above.

*Question.* The existing rental assistance programs are carried out by local Public Housing Agencies. The Department envisions eliminating those programs in favor of a block grant carried out by States.

How might a State set up and administer a program and get rental assistance out the door to families without any transition time?

*Answer.* Many States currently have a State-level housing finance agency. This agency typically has a range of housing programming, including the Low-income Housing Tax Credit program, and many States already currently have a State-wide public housing agency (PHA). HUD anticipates that many States likely would leverage their current housing expertise to implement the State Rental Assistance Program. HUD also anticipates that States may leverage the expertise of local PHAs in the development and implementation of the program.

*Question.* Recent reporting has noted severe gaps in the HUD workforce after about 2,300 civil servants took the early resignation offer. The Washington Post reported that more than 30 HUD Field Offices have staffing issues, including 13 that have 2 or fewer employees left. These offices administer grants and respond to disasters. A HUD email to staff noted, “In some cases, supervisors are left with no staff, or staff are left with no supervisors, or offices are left with nobody to keep programs delivered.” The Post reported that the Department is now asking employees to relocate to quote, “immediately cover skill gaps and critical functions.” Staffers would have to work in person but would have to pay their own moving costs.

Bloomberg reported that the Office of General Counsel, which includes forensic accountants and financial analysts as well as experts in housing law, has experienced such a high loss of staff that it is “significantly increasing litigation risk and the risk of fraud, waste and abuse.”

Did the Department consider its operational needs when deciding to allow staff to take early resignations?

*Answer.* Yes.

*Question.* What are the “skills gaps and critical functions” that the Department is currently trying to fill with relocation offers?

*Answer.* It varies office by office, but relocation offers are not the primary way gaps are being filled. Assessments are ongoing to identify capable staff members who already have the skills and competencies to perform the duties of those whose departures led to these gaps.

*Question.* As the Department works to fill vacancies, is it still providing full pay and benefits to the people who took the deferred resignation offer?

*Answer.* Yes.

*Question.* The budget cuts Section 4 by 60% and eliminates the Self Help Home Ownership Program. In the Appropriations Committee hearing in the House, you noted that the budget returns authority to the States to identify programs that work. You also said that the State Rental Assistance Program block grant could not be used for this purpose, and that there would not be additional block grant programs to support the functions of the Self Help Home Ownership Program.

If the States want to fund these types of programs, would they have to fund them entirely with state funds?

*Answer.* The States are uniquely situated to know their own State-level needs and to identify ways to meet them within their own budgets. The President’s Budget right-sizes the Federal Government and returns it to a proper balance whereby the States can develop localized solutions that fit their needs. The President’s budget reflects the Administration’s choice to discontinue funding for such programs in favor of States developing their own locally driven public-private programs with strong private leverage.

*Question.* The HUD Inspector General has noted that HUD has faced challenges meeting its requirement to complete discrimination investigations within 100 days, in part because of limited staff and training, staff workload, and complexity of the cases. To help address the delays, HUD hired 230 new employees from FY20 to FY22, and, at the time of the most recent IG audit, noted it needed an additional 88 staffers to meet the necessary level. Since January 2025, the Office of Fair Housing and Equal Opportunity (FHEO) has lost 35% of its workforce, and this does not account for probationary employees that HUD attempted to fire and whose case remains in litigation. The FY26 proposed budget cuts Fair Housing activities by 70%.

Given the fact that the IG has identified lack of staffing as one reason that FHEO saw investigation delays, how will HUD meet its statutory requirements with these cuts?

*Answer.* HUD will continue to rigorously enforce the fair housing laws and will at all times make a good faith effort to comply with any applicable statutory obligations. The goal of any workforce reduction is not a diminution of services to the public but instead it is focused on achieving our mission objectives with greater efficiency.

*Question.* FHEO’s discrimination complaint procedures have changed in recent months, limiting the avenues for complaints to be submitted and discontinuing hotlines, intake numbers available in English and Spanish, and email addresses previously used for filing complaints.

How will you ensure that the public is aware of the complaint process, it is accessible to all, and any barriers that arise are mitigated?

*Answer.* Information about our complaint process is made available to the public on the HUD.gov website at the following URL: <https://www.hud.gov/contactus/file-complaint>.

SUBCOMMITTEE RECESS

Secretary TURNER. Thank you, ma'am.

Senator HYDE-SMITH.. The hearing was adjourned.

[Whereupon, at 4:26 p.m., Wednesday, June 11, the subcommittee was recessed, to reconvene at a time subject to the call of the Chair.]



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