EXAMINING THE FISCAL YEAR 2016 BUDGET REQUESTS FOR THE U.S. DEPARTMENT OF COMMERCE AND THE U.S. DEPARTMENT OF TRANSPORTATION

HEARING

BEFORE THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION UNITED STATES SENATE

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CONTENTS

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TUESDAY, MARCH 3, 2015

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The Committee met, pursuant to notice, at 9:01 a.m. in room SR–253, Russell Senate Office Building, Hon. John Thune, Chairman of the Committee, presiding.

Present: Senators Thune [presiding], Wicker, Ayotte, Fischer, Sullivan, Moran, Johnson, Gardner, Daines, Cantwell, Klobuchar, Blumenthal, Schatz, Markey, Booker, Udall, Manchin, and Peters.

OPENING STATEMENT OF HON. JOHN THUNE, U.S. SENATOR FROM SOUTH DAKOTA

The CHAIRMAN. Good morning. This hearing will come to order.

We are here today to examine the administration's budget request for the Departments of Commerce and Transportation, the two leading Departments under this committee's jurisdiction.

I am sorry to report that Ranking Member Nelson is fighting the flu and will not be joining us today. So Senator Cantwell is here to very ably serve as Ranking Member.

And I know my colleagues will all be pleased to hear that we are not going to do opening statements up here today because in the interest of time, we are going to get right to our cabinet Secretaries and allow them to make their comments.

I just want to note that we are pleased to welcome Secretaries Pritzker and Foxx back to the Committee. Secretary Pritzker was last here in November 2013, encouraging us to move legislation on manufacturing, which we finally did late last year. And for his part, Secretary Foxx is back to continue the conversation on reauthorization of the surface transportation law, which was the subject of his May 2014 appearance before the Committee. No doubt this will not be our last discussion of that subject.

So, indeed, tomorrow Senator Fischer's subcommittee is going to begin a series of hearings on the reauthorization with the first focusing on the Federal Motor Carrier Safety Administration.

And you all are very fortunate as well that we have a short timeline today. You will not get the full monty from the Committee here I guess, so to speak, in terms of the questions. But we do have something we have to get over to the Capitol for, as I think you

all, know later. So we will try and be as efficient here as possible today.

And I want to turn now to Senator Cantwell, if she would like to make an opening statement.

STATEMENT OF HON. MARIA CANTWELL, U.S. SENATOR FROM WASHINGTON

Senator CANTWELL. Mr. Chairman, I thought we were going to skip those this morning. So I will put mine in the record.

[The prepared statement of Senator Cantwell follows:]

PREPARED STATEMENT OF HON. MARIA CANTWELL, U.S. SENATOR FROM WASHINGTON

Thank you, Mr. Chairman.

The foundation of our country's success was built by great Americans with big ideas. Whether it was the way our country revolutionized the manufacturing of cars or constructed the transcontinental railroad—these big transportation ideas helped our country become a global leader.

We see the legacy of these ideas in our country's ports, bridges, airports, highways, and rails today. Every corner of the country, every state, and every city continues to rely on visionary investments of past generations.

But today, our country is hitting pothole after pothole. Where we once planned for the future growth of our country, we now scramble just to maintain what we have. And we struggle to even meet that challenge.

It's time that we do more. And I believe that we must begin this process now. That's why I am so pleased to see our distinguished panel here today.

Secretary Foxx, in the Department's budget and thirty year plan, the Administration is looking at how to meet the long-term challenges our country is facing.

And let's be honest, those challenges are numerous.

They range from underinvestment in our transportation infrastructure to important, long-delayed rulemakings on the movement of crude-by-rail.

Which is a topic I will be discussing more in my questions.

But if we don't rise to the broader infrastructure challenge, then our economy, global competitiveness, and the safety of the traveling public will suffer.

In fact, we are suffering already. Projects that are ready-to-go get pushed further and further down the road, because there aren't resources to support them.

That includes a dedicated source of revenue for freight mobility projects, something else I care deeply about and hope to improve in our next surface bill.

I'm pleased that the Department proposed $18 billion over six years for a new, national freight program.

We need to get the policy right, and then we need to get funding behind it. That's what the National Freight Advisory Committee told us in recommendations last July. And that's what I'm working on as we speak.

Furthermore, the Department's budget recognizes the need to prioritize the safety of the driving public by proposing a significant increase in funding for the National Highway Traffic Safety Administration (NHTSA).

The recent debacles involving General Motors and Takata airbags have once again highlighted the need to provide the National Highway Traffic Safety Administration (NHTSA) with more resources and employees so that it can quickly identify, investigate and address safety defects in vehicles.

The National Highway Traffic Safety Administration's (NHTSA) safety budget has long been flat-lined for over a decade, and it's time we end this trend.

As we gear up for reauthorization on the aviation front, we need to continue efforts to modernize our air traffic control system through "NextGen," which will enable the Federal Aviation Administration (FAA) to lay the groundwork for future technologies that will improve the safety, efficiency, and capacity of air travel here in the United States.

Other areas of safety must also remain a critical focus of the Federal Aviation Administration (FAA). While I was encouraged to see the proposed rule on small unmanned aircraft systems (UAS) released a few weeks back, I believe that much work remains to protect the public both in the air and on the ground.

The proposed rule would create an important framework for businesses to use small unmanned aircraft systems (UAS) for engaging in dangerous or difficult jobs, creating new opportunities for small businesses and making hard work safer.

Unfortunately, I am concerned that the current framework does not do enough to stem the dangerous trend of reckless unmanned aircraft system (UAS) operation near aircraft, airports, and other sensitive areas.

In fact, just last month, we saw how easy it was for an unmanned aircraft system (UAS) to penetrate the grounds of the White House. These are safety and security concerns that we must continue to address, whether through geo-fencing technology or other common-sense, targeted regulation.

I also want to make sure that UAS operators which are not covered by the new rule are allowed to safely test and develop their technologies in the United States. Many American companies, Mr. Secretary, have been forced to move their testing to countries such as Australia, Canada, The United Kingdom, and Israel. I think this is a deeply troubling trend, and I hope that we will redouble our efforts to find a way to allow this important work to continue in the United States in a safe and efficient manner.

I hope I have your commitment, Mr. Secretary, to work on this and other safety concerns going forward.

Commerce

Secretary Pritzker, there aren't many national priorities that the Commerce Department doesn't touch. From manufacturing to weather forecasting—your Department directly impacts the daily lives of Americans.

I look forward to bringing you to Washington state, because we have got it all: technological innovators, large-scale manufacturing, world-class fisheries, and coastal hazards.

Last year, the Commerce Committee led the Senate's legislative efforts to promote advance manufacturing in the United States, and I am pleased that the President's budget builds off of this work.

The Committee favorably reported and Congress eventually passed the Revitalize American Manufacturing and Innovation Act, introduced by Senators Brown and Blunt, which authorized the establishment of advanced manufacturing institutes. The President's budget proposes to expand these manufacturing institutes all across America.

I am also very supportive of the Administration's proposal to increase funding for cybersecurity initiatives. Last year, the National Institute of Standard and Technology (NIST) released its Framework for Improving Critical Infrastructure Cybersecurity, which has been the recipient of universal praise.

The Administration's budget builds off of the Framework and devotes increased resources to government efforts to protect our networks from cyberattacks. The dangers posed to the American public by cyberattacks cannot be overstated—as a nation, we must make this issue a top priority.

Though, we have significant investments to make when it comes to oil spill research—which in part is conducted by the National Oceanic and Atmospheric Administration.

Twenty-six years ago this month, the Exxon-Valdez oil tanker ran aground in Prince William Sound, Alaska, spilling 10.8 MILLION GALLONS of oil into the ocean. While much of the oil has been cleaned up, there are lasting impacts. The Pacific Herring population there has not rebounded.

Next month will mark five years since the *Deepwater Horizon* oil rig exploded in the Gulf of Mexico. I look forward to hearing more about spill science, natural resource damage assessment and habitat restoration. Because unfortunately, *Exxon-Valdez* was not the first—and *Deepwater Horizon* was not the last—oil spill that we will face.

The budget also requests investment to construct a new NOAA ocean survey vessel. This ship will have a flexible platform from which NOAA can study fisheries, research marine mammals, and maintain our nations DART buoys which alert us to incoming tsunami.

I am concerned about cuts to salmon programs, fishery observer coverage and other restoration lines. Our fisheries fuel our vibrant maritime economy in Washington state and support ONE MILLION fishing jobs across the Nation. I look forward to hearing more about those issues during the NOAA Budget hearing later this year.

I also want to take a moment to commend the work done by the National Telecommunications and Information Administration (NTIA) in planning and preparing for the recent spectrum auction held by the Federal Communications Commission (FCC). I think it is fair to say that the whole world has noticed the success of that auction—and a great deal of the credit for that goes to the hard work done by the National Telecommunications and Information Administration (NTIA) in overseeing and coordinating the efforts by other Federal agencies and stakeholders to come up

with a reasonable and effective plan for transitioning Federal spectrum to commercial use. My hope is that this effort becomes a model for how everyone works to make additional, scarce spectrum available to commercial users while preserving essential Federal operations.

I look forward to working with you, Mr. Chairman, on all of these issues.

The CHAIRMAN. I just wanted to make sure I gave you that opportunity. Thank you, Senator Cantwell.

We will turn now to our witnesses. Secretary Pritzker, the Commerce Department was established about 50 years before the Department of Transportation, and NOAA traces its history back to the first decade after the Revolution, believe it or not. So you go first, Secretary Pritzker.

STATEMENT OF HON. PENNY PRITZKER, SECRETARY, U.S. DEPARTMENT OF COMMERCE

Secretary PRITZKER. Thank you very much. Chairman Thune, Senator Cantwell, and members of the Committee, thank you for this opportunity to lay out the priorities of President Obama's Fiscal Year 2016 budget request for the Department of Commerce.

This budget advances the core tenets of our Department's mission to develop and implement policies that support economic growth, enhance our country's competitiveness and global leadership, as well as strengthen America's businesses both at home and abroad.

To support this mission, the Fiscal Year 2016 budget provides $9.8 billion in discretionary funding to reinforce the priorities of the Department's strategy, our "open for business" agenda, by promoting U.S. exports, trade, and investment, by spurring high-tech manufacturing and innovation, by unleashing more data for economic benefit, by gathering and acting on environmental intelligence, and by making our agencies' operations more efficient and effective.

Today I want to highlight some key initiatives supported by this budget.

First, the Census Bureau creates data products used by businesses, policymakers, and the public. And this budget reflects the fact that this is a critical year for the preparation of the 2020 Census as we test the use of administrative records, re-engineered field operations, and Internet data collection, create new systems to improve the quality of the Census, and develop plans for the fiscal years 2017 and 2018 integrity test of the entire process, all leading to a potential savings of $5 billion to taxpayers. To achieve these savings, we must invest today.

Another part of our agenda is to help communities and businesses prosper in a changing environment. NOAA's budget will enhance our ability to meet this goal through two investments. First, the budget proposes $2.4 billion to fully fund the next generation of weather and environmental satellites. Funding the development and launch of future satellites is absolutely critical to reduce the risk of a potential gap in weather data in 2017 and beyond. Second, the budget requests $147 million to develop a high-endurance, long-range ocean survey vessel. Immediate action is necessary to maintain our critical ocean observing capabilities. Making this investment this year will enable NOAA to take advantage of the

Navy's design work and project management team which will save taxpayers millions of dollars in acquisition and design costs.

For generations, manufacturing has been a key to U.S. innovation, a source of middle class jobs, and a pillar of our global leadership. Over the last 5 years, America's manufacturers have added 870,000 jobs, growing for the first time in decades. Recognizing the importance of manufacturing to our competitiveness, Congress passed the Revitalize American Manufacturing and Innovation Act, which calls for the expansion of the National Network for Manufacturing and Innovation. This initiative brings together industry, university researchers, community colleges, NGOs, and government to accelerate the development of cutting-edge manufacturing technologies. Our Fiscal Year 2016 budget requests funding, first, to support and coordinate current and future NNMI institutes and, second, to support two institutes led by the Commerce Department which will focus on manufacturing technologies that industry determines have the most potential.

This budget will also provide the International Trade Administration with the resources needed to advance President Obama's robust trade agenda and to help U.S. businesses expand their exports and reach the 95 percent of customers who live outside of the United States.

Finally, our budget requests $24 million for the renovation of our Department's headquarters to enable us to make better use of our space and ultimately to reduce the amount of funds required to house our employees.

These priorities only scratch the surface of our Department's work to support U.S. businesses, communities, and our economy.

I look forward to answering your questions today and to partnering with this committee to keep America open for business. Thank you.

[The prepared statement of Secretary Pritzker follows:]

PREPARED STATEMENT OF HON. PENNY PRITZKER, SECRETARY,
U.S. DEPARTMENT OF COMMERCE

Chairman Thune, Ranking Member Nelson, and members of the Committee, thank you for this opportunity to discuss with you President Obama's Fiscal Year 2016 (FY16) Budget Request for the U.S. Department of Commerce. The investments included in the FY16 Budget request build upon the important investments you enacted in FY15 and I am grateful for your support.

The Department plays a critical role in promoting U.S. economic growth and providing vital scientific and environmental information. To support this mission across its diverse bureaus, the Budget provides $9.8 billion in discretionary funding for Commerce. This funding level will enable key investments in areas such as promotion of exports and foreign investment; development of weather satellites; wireless and broadband access; and research and development to support long-term economic growth. At the same time, efficiency gains, such as streamlining operations in the Census Bureau and reductions in lower-priority activities enable Commerce to reduce costs and operate more efficiently.

The FY16 Budget request reflects and advances the priorities of the Department's "Open for Business" Agenda. It maintains our role as the voice of business in the Obama Administration by making critical investments in areas that will grow our economy and create good American jobs. This Budget prioritizes promoting U.S. trade and investment, spurring high-tech manufacturing and innovation, unleashing more of our data, and gathering and acting on environmental intelligence, while also streamlining operations to help businesses grow. We are committed to working with Congress to achieve these goals so we can continue to build on our economic momentum and keep America more competitive in the global economy.

The FY16 Department of Commerce Budget includes key investments in the following areas:

Strengthening U.S. Trade and Investment:

Increasing trade and investment is critical to growing our economy. Exports have driven nearly one-third of economic growth since 2009 and support 11.3 million jobs. 96 percent of companies that export are Small and Medium Enterprises (SMEs). Today, 95 percent of potential customers are outside our borders and growing the number of export-related jobs, which pay up to 18 percent more on average, will require expanding our ability to reach these foreign markets.

The Budget includes $497 million for the International Trade Administration (ITA) to strengthen the competitiveness of U.S. industry, promote job-creating trade and investment, and ensure fair trade through the rigorous enforcement of our trade laws and agreements. Funding for ITA includes $15 million to accelerate operations of the Interagency Trade Enforcement Center (ITEC), a multi-agency effort to address unfair trade practices and barriers that impede U.S. exports.

The Budget also provides $20 million within ITA to further strengthen SelectUSA, which is the government-wide effort to promote and facilitate business investment into the United States. From a vast domestic market, to a transparent legal system, to the most innovative companies in the world, America is the place for business. Building upon the successes of the inaugural SelectUSA Summit in 2013, the Department will host its second SelectUSA Investment Summit in March 2015. Other funds will support ITA's efforts to make it easier for U.S. companies of all sizes to reach consumers who live beyond our borders, including program and policy improvements to provide exporters more tailored assistance and to strengthen partnerships at the state and local level that support export promotion and foreign direct investment attraction strategies.

The President's FY16 Budget requests $115 million for the Bureau of Industry and Security (BIS). Following the successful realignment of significant license application responsibilities from the Department of State to BIS, our capacity-building now focuses on fully funding export administration while enhancing export enforcement. Approximately 43,000 of the license applications that the State Department has processed annually are becoming the responsibility of the Commerce Department's BIS, either as Commerce licenses, license exceptions, or other authorizations. This is almost a doubling of the 24,782 license applications that BIS processed in FY13, prior to any of the transfers from the State Department.

The requested level of funding will allow us to increase the number of enforcement agents within BIS to ensure enforcement of export controls and compliance-related activities to ensure that exporters and re-exporters are following our export control regulations.

If we are to ensure that we can export U.S. goods more quickly, while also ensuring that sensitive technologies do not end up in the wrong hands, we must be able to educate exporters and re-exporters about our regulations and their responsibilities, and we must put sufficient teeth into our enforcement efforts. Strong enforcement levels the playing field for U.S. exporters, while lax enforcement threatens our national security and permits violators to flourish at the expense of the compliant.

To continue supporting the national growth of minority-owned U.S. businesses, the Budget includes $30 million for the Minority Business Development Agency. Minority owned firms make a significant and valuable contribution to our economy and export at a higher rate compared to all U.S. firms. This investment will promote further growth and global competitiveness of our Nation's minority-owned businesses.

Spurring Innovation, Growth and Competitiveness:

Strengthening U.S. Manufacturing: As global competition continues to increase, the United States must find ways to foster the innovation that produces economic growth and creates well-paying middle-class jobs. A national effort to create institutes focused on advanced manufacturing innovation will accelerate development and adoption of cutting-edge manufacturing technologies for new products that can compete in international markets. The National Network for Manufacturing Innovation (NNMI) provides an advanced manufacturing research infrastructure where U.S. industry and academia collaborate to solve industry-relevant problems. To date, five institutes, funded by the Department of Defense and the Department of Energy, have been launched, involving more than 300 companies and universities and attracting $480 million in private funding in the institutes. NNMI will keep America on the front-lines of discovery, which will result in our businesses, our manufacturers, and the American economy becoming more competitive in the 21st century global economy.

The Budget supports the President's vision of creating a full national network, expanding NNMI with up to 45 manufacturing innovation institutes across the Nation during the next ten years. In total, the Budget includes discretionary funding for seven new institutes in FY16, including $140 million for the first two Commerce-led institutes. The Budget includes an additional $10 million for the National Institute of Standards and Technology (NIST) to coordinate the activities of the current and future institutes, leveraging the authorities in the bipartisan Revitalize American Manufacturing and Innovation Act (RAMI), enacted as part of the Consolidated and Further Continuing Appropriations Act, 2015, thanks to your support.

The Budget also provides $141 million for NIST's Hollings Manufacturing Extension Partnership (MEP), which will continue to focus on expanding technology and supply chain capabilities to support cutting edge technology adoption by smaller manufacturers to improve their global competitiveness.

Manufacturing is a key sector of the U.S. economy and is important for boosting exports. Small and medium sized manufacturers contribute significantly to America's exports. Twenty-three percent of manufacturing firms are exporters, and the most recent data shows that 97 percent of manufacturing exporters are small and medium size companies. The investments proposed in the Department's budget to support manufacturing growth will help more U.S. firms achieve success at home and abroad.

Supporting 21st Century Economic Development: Economic Development helps create the conditions for economic growth and improved quality of life by expanding the capacity of individuals, firms, and communities to maximize the use of their talents and skills to support innovation, lower transaction costs, and responsibly produce and trade valuable goods and services. The Budget invests $273 million in the Economic Development Administration (EDA) to support innovative community planning, regional capacity building, and capital projects. Within this amount, $25 million is included for the Regional Innovation Strategies Program to promote economic development projects that spur entrepreneurship and innovation at the regional level. The EDA Budget also includes $39 million for Partnership Planning to support local organizations with their long-term economic development planning efforts and outreach. Additionally, $53 million is provided for Economic Adjustment Assistance for critical investments such as economic diversification planning, and implementation, technical assistance, and access to business start-up facilities and equipment. Further, the budget request includes $85 million for public works investments.

Supporting the Digital Economy: The FY16 Budget request demonstrates the Administration's continued commitment to broadband telecommunications as a driver of economic development, job creation, technological innovation, and enhanced public safety. The investment of $49.2 million will allow the National Telecommunications and Information Administration to develop, implement, and advocate policies to help meet challenges related to the digital economy, Internet openness, privacy, and security. The President's broadband vision of freeing up 500 MHz of Federal spectrum, promoting broadband competition in communities throughout the country, and connecting over 99 percent of schools to high-speed broadband connections through the ConnectED initiative will create thousands of quality jobs and ensure that students have access to the best educational tools available.

The Budget supports implementation of telecommunications provisions enacted in the Middle Class Tax Relief and Job Creation Act of 2012, which are expected to reduce the deficit by more than $40 billion over the next 10 years through spectrum auctions. These auctions will increase commercial access to wireless broadband spectrum while fully funding an interoperable public safety and first responder broadband network.

Beyond our efforts to promote innovation, the Budget highlights the Administration's commitment to cybersecurity by supporting NIST's efforts to work with industry on implementing the Cybersecurity Framework of standards and best practices, as well as sustaining initiatives associated with cybersecurity automation, cybersecurity information, and the National Strategy for Trusted Identities in Cyberspace (NSTIC).

Spurring Innovation for American Businesses: Through implementation of the America Invents Act, the U.S. Patent and Trademark Office (USPTO) continues to make it easier for American entrepreneurs and businesses to bring their inventions to the marketplace sooner, converting ideas into new products and new jobs. The Budget supports a program level of $3.5 billion for USPTO, a level that would allow USPTO to fund operations and to further implement administrative actions proposed by the President's Patent Task Force.

Fueling a Data-Driven Economy: Data is the fuel that powers the 21st century economy, and Commerce Department data touches every American and informs

business decisions every day. The Budget will support data-related efforts ranging from our preparations for the 2020 Census to unleashing more NOAA data through public-private partnerships.

Improving Federal Statistical Measures: The Budget provides $1.5 billion to provide critical support for the U.S. Census Bureau to research, test, and implement innovative design decisions made at the end of 2015. Funding in FY16 supports the rapid system and operational development necessary to achieve the goal of conducting a Census at a lower cost per household than in the 2010 Census, potentially saving up to $5 billion compared to the costs of repeating the 2010 Census design in 2020. We have to invest in research and testing now to ensure the 2020 Census model works to produce a quality and cost effective census when it is implemented. The Budget also includes a planned cyclical increase for the Economic Census. The Budget includes $10 million in additional funding for the Census Bureau to lay the ground for acquiring and processing administrative data sets in an administrative records clearinghouse that will benefit program evaluation and statistical work across the government as well as amongst private researchers. The Bureau will accomplish this by building on its existing strengths to develop a more comprehensive infrastructure for linking, sharing, and analyzing key datasets.

Gathering and Acting on Environmental Intelligence: The Department's environment agenda aims to help communities and businesses prepare for and prosper in a changing environment through the models, assessments, forecasts, and tools generated based on data from our network of satellites, ships, and world-wide sensors.

The Budget provides $6.0 billion to advance the National Oceanic and Atmospheric Administration's (NOAA) ability to understand and anticipate changes in the Earth's environment, improve society's ability to make scientifically informed decisions, deliver vital services to the economy and public safety, and conserve and manage ocean and coastal ecosystems and resources. The Budget invests in NOAA's observational infrastructure, including $2.4 billion to fully fund NOAA's weather and space weather satellite programs. This includes $380 million for the Polar Follow-On satellite program which minimizes the risk of a gap after JPSS 2, allowing for a launch schedule that is necessary to improve the robustness of the satellite systems that provide critical weather data.

The Department continues its commitment to support a Weather-Ready Nation, and evolve the National Weather Service to become a more agile decision support organization capable of providing more accurate and more timely weather forecasts. The United States has the greatest number and greatest variety of severe weather events of any country on the planet. The Budget invests $1.1 billion for the National Weather Service, including funding increases for critical infrastructure.

The President's Budget makes investments to fill information needs in observations, surveys, and fisheries management, including $147 million for a new ocean survey vessel. The Budget also provides $50 million for an expanded Regional Coastal Resilience Grant Program, which will help reduce the risks and impacts associated with extreme weather events and changing ocean conditions and uses, along with $30 million for ocean acidification research to improve understanding of its impacts and support tool development and adaptive strategies for affected industries and stakeholders. Additionally, the Budget requests an increase of $19 million for expanded Endangered Species and Magnuson-Stevens Act consultation capacity that will reduce permitting timeframes.

Streamlining Operations: To further the President's goals of improving customer service and enhancing the efficiency of government, the Budget includes $6 million to support a Commerce Digital Services team to adopt private sector best practices and recruit talent to improve Commerce's information technology systems. This team will be responsible for driving the efficiency and effectiveness of the Agency's highest impact, client focused information technology systems. In addition, the Budget includes $3 million to support the development of an "Idea Lab," which will house a team dedicated to incubating and investing in innovative approaches to more efficiently and effectively meet Agency strategic goals and objectives through greater employee engagement.

Securing the Department's Systems and Infrastructure: Cybersecurity is a very high priority for the Department. Our strategic plan's Operational Excellence goal calls for an improvement in the Department's cybersecurity enterprise architecture, and the Department's FY 2016 budget request enhances network security, incident response, and other activities in support of this plan. We are currently in the process of deploying a Department-wide system for continuous monitoring of several key security controls. This is the first operational cybersecurity capability to be deployed Department-wide at Commerce.

Conclusion

With the FY16 Budget, the Department seeks to advance the core tenets of its mission: to create the conditions for economic growth; help U.S. businesses expand; and to ensure that America stays competitive, stays ahead, and continues to lead the global economy in the 21st century. The smart investments proposed in President's FY16 Budget will support a globally competitive economy by promoting trade and investment, spurring innovation, fueling a data-driven economy, and gathering and acting on environmental intelligence. With this budget, I am confident that we will keep America "Open for Business." I look forward to working with the Committee to achieve these important goals.

The CHAIRMAN. Thank you, Secretary Pritzker.
Secretary Foxx?

STATEMENT OF HON. ANTHONY R. FOXX, SECRETARY, U.S. DEPARTMENT OF TRANSPORTATION

Secretary FOXX. Thank you, Mr. Chairman and Ranking Member—today—Senator Cantwell. Thank you so much. It is great to be with you, as well as with all the members of the Committee.

I am very glad to be joined today by my colleague, Secretary Pritzker, of the Commerce Department and appreciate her great work.

Mr. Chairman, a tidal wave is coming. It is a tidal wave of people and of passengers and goods. In just 30 years' time, we are going to have to squeeze into this country a population larger than New York, Texas, and Florida all combined. Seventy million more people will call America home in 30 years. Air traffic will shoot up by 50 percent. Demand for inter-city passenger rail will also rise significantly, and for every 10 trucks now on the road, there will be four more in the year 2045. And they will be carrying a large part of the additional 29 billion tons of freight we will have to move every year. That is a weight so big that if it came through America's ports, it would take all 360 of them more than a decade to move.

A tidal wave is coming for us, Mr. Chairman, and the question is—are we going to choke on our own growth or are we going to build for it?

Well, last spring, this administration sent Congress the GROW AMERICA Act to help answer this question. Instead, what our transportation system received last year was no growth in funding at all. In fact, we received flat funding with no meaningful policy reforms for just 10 months.

What happened next was predictable. States like Delaware, Arkansas, and Tennessee looked at the short-term measure and mothballed $1 billion worth of projects because of how much uncertainty it created in the system. Thousands of potential jobs were lost and so were 10 months that we could have spent preparing for the next generation.

In the weeks and months to come, we will see more states make the same difficult choices and potentially destructive choices as we get closer to the expiration of our spending authority. And all this is why the administration will be coming back again in the next few weeks and sending Congress a new and improved GROW AMERICA Act, a 6-year, $478 billion bill. The new GROW AMERICA would not just give states the long-term funding they need to build, nor would it just give the system the 50 percent bump in

funding it needs, it would also save people's lives because a grow-ing population is not just a capacity issue, it is also a safety issue. When 70 million more people are crowding the system, the room for error is much smaller, and GROW AMERICA would make the chance for error as small as it has ever been.

It would allow us, for example, to step up our prosecution of un-safe bus companies. It would beef up the National Highway Traffic Safety Administration, doubling the number of investigators who are tasked with uncovering car defects. It would provide dedicated funding from our Transportation Trust Fund to make investments in a first-class rail network that will alleviate highway congestion and allow for the smoother and more efficient movement of freight on our highways and railways. It would also include needed fund-ing for rail safety, including funding for grade crossings which have been a hot topic of discussions after the recent incidents in New York and California.

In the end, Mr. Chairman, when more traffic hits our roads, the roads will not expand by themselves to relieve congestion, nor will cars automatically get safer to navigate, and when more pas-sengers show up at our airports, more flights will not be safely added by default.

All of that requires leadership from all of us, and that is why I look forward to working with you and with all of Congress on sur-face reauthorization now and aviation legislation in the coming months.

With that, thank you, Mr. Chairman.

[The prepared statement of Secretary Foxx follows:]

PREPARED STATEMENT OF HON. ANTHONY R. FOXX, SECRETARY,
U.S. DEPARTMENT OF TRANSPORTATION

Chairman Thune, Ranking Member Nelson, and Members of the Committee, thank you for the opportunity to appear before you to talk about the President's $94.7 billion Fiscal Year (FY) 2016 Budget Request for our transportation programs and the importance of these programs to our economy and job creation. This is a critical area for our Nation, and it is critically important that we work together to enact the priorities reflected in this budget that make much-needed investments in our Nation's infrastructure, provide long-term funding certainty to States and local governments, and implement policies that modernize the Federal programs to meet our current challenges.

Over the last year, I traveled across the country—to engage with local officials, business leaders, and everyday people about the state of our transportation system. In the Spring last year, I spent a week traveling by bus from Ohio to Texas stopping in cities and one-stoplight towns along the way. Just two weeks ago I took a similar trip, starting in Florida and stopping in cities on our way back to Washington D.C. What we saw on all of these trips—and what we heard from people around the country and in State Departments of Transportation—demonstrated to me that peo-ple outside the Beltway desperately want us to find a way to work together in Washington and fix the serious transportation problems we have in the United States.

Transportation is a critical engine of the Nation's economy. Investments in our transportation network over the country's history have been instrumental in devel-oping our Nation into the world's largest economy and most mobile society. Over time, however, our level of investment as a percentage of the gross domestic product has dropped significantly, as it fails to keep pace with our growing economy and population. The costs of inadequate infrastructure investment are exhibited all around us. It is estimated that Americans spend 5.5 billion hours in traffic each year, costing families more than $120 billion in extra fuel and lost time. American businesses pay $27 billion a year in extra freight transportation costs, increasing shipping delays and raising prices on everyday products. Also, 65 percent of our Na-tion's roads are in less than good condition; one in four bridges require significant

repair or can't handle current traffic demands and 45 percent of Americans lack access to basic transit services.

Underinvestment impacts safety too. There were over 32,000 highway traffic fatalities in 2013, and roadway conditions are a significant factor in approximately one-third of them. Such fatalities occur disproportionately in rural America, in part because of inadequate road conditions. For a Nation that is expected to have 70 million more citizens by 2050 and an increase in the volume of freight traveling on our highways, railroads, and aviation systems, the current investments we put into our transportation system will not be sufficient to address these competing but urgent needs.

Worse still, in recent years, the transportation enterprise—and the millions of jobs that come with it—has been thrown into a continuing period of uncertainty due to the numerous short-term spending "patches" that we use to fund our Federal transportation programs. The inability to pass a long term surface transportation funding bill creates uncertainty for local project sponsors and inhibits their ability to plan effectively. Since 2009, our surface transportation programs have operated under 11 short term extensions, including a two day lapse in March 2010. In addition there have been 21 continuing resolutions, forcing all transportation programs to operate under a CR for 39 of the last 77 months, not to mention a 2½ week stretch where the government was shutdown. Governors, mayors, city and county councils, and tribal leaders can't commit to needed projects because they don't know whether the Federal program and payments will be suspended—again—in just a few months' time.

Increasingly, we are seeing State and local officials abandon planning on the more ambitious and expensive projects that will move our economy forward. Instead, these officials are targeting available dollars on smaller preventative maintenance and repaving projects that while important for maintaining infrastructure availability in the near term, do not address the longer term needs for additional investment in transportation infrastructure capacity and quality. State and local officials are rightly concerned about whether Congress will allow spending authority from the Highway Trust Fund to expire three months from now—precisely when the construction season should be heading into full swing. Just recently, the Commissioner of Tennessee's DOT announced he was delaying $400 million in highway projects because of the funding uncertainty in Washington, saying "this piecemeal funding of projects and programs is having a significant impact on how and when State DOTs and municipal planning organizations deliver much needed investment in our transportation networks." Similarly, the Director of the Arkansas State Highway and Transportation Department decided to delay $100 million in highway construction projects because of uncertainty over the Highway Trust Fund and the Delaware state transportation commissioner to delay $600 million in transportation construction projects until greater certainty can be provided. We may not see it directly, but failure to act on a long-term bill is actually making investments in critical infrastructure more expensive—and more difficult, for all of our State DOTs.

Inadequate and inconsistent funding is not our only problem. The Federal programs that govern how we deliver projects must be modernized. Too often, projects undergo unnecessarily lengthy reviews, and we need to be able to make the types of reforms that will expedite high priority projects and identify best practices to guide future efforts without undermining bedrock environmental and labor laws or public engagement. We also need to reward States and local communities that coordinate their decision making with their neighbors and prioritize funding for freight projects that will benefit the Nation's economy. Finally, we need to reform our Federal programs so that they focus our resources on achieving priorities of national importance. For example, we need to prioritize our investments on projects that benefit the movement of goods in this country to maintain our long-term economic competitiveness and support job creation.

For these reasons, I hope that the Administration, this Committee, and the many other Committees in Congress who must be heard from, will agree that we must bring this period of short-term patches to a close.

Last year as part of the Budget, the Administration submitted to Congress the Generating Renewal, Opportunity, and Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout America—or GROW AMERICA—Act. This proposal was a comprehensive four-year, $302 billion reauthorization proposal which called for substantial funding increases as well as dozens of critical policy reforms. What America received instead was yet another short-term extension, with status-quo policies and flat funding. The President's 2016 Budget adds additional certainty by requesting a 6-year, $478 billion multimodal proposal that includes essential program improvements so we can improve safety, support critical infrastructure projects, and create jobs while improving America's roads,

bridges, transit systems and railways in our cities, fast-growing metropolitan areas, small towns and rural communities across the country.

Our proposal is fully paid for through an important element of the President's plan for a reformed business tax system, which will encourage firms to create U.S. jobs instead of shifting jobs and profits overseas. Specifically, the Administration's proposal would impose a one-time 14 percent transition tax on the untaxed foreign earnings that U.S. companies have accumulated overseas. Unlike a voluntary repatriation holiday, which the President opposes and which would lose revenue, this transition tax would mean that companies have to pay U.S. tax right now on the $2 trillion they already have overseas, rather than being able to delay paying any U.S. tax indefinitely. And it would be coupled with reforms to eliminate the incentive to shift profits and jobs to tax havens in the future. Revenue from the transition tax—along with projected fuel tax receipts—will fully pay for the GROW AMERICA Act.

Our six-year proposal will provide the funding growth and long-term certainty so desperately needed by our states and local communities so they can make real progress on addressing our infrastructure deficit. The GROW AMERICA Act will also build ladders of opportunity to help Americans get to the middle class by providing transportation options in rural, suburban and urban areas that are more affordable and reliable and by improving their quality of life through greater access to education and new job opportunities. Most importantly, the GROW AMERICA Act will put into place a program structure and funding stream focused on the transportation needs of the future.

Reauthorization of the Federal Aviation Administration is also approaching in 2015. The FAA is developing its goals and objectives to improve the safety and efficiency of the national airspace system. The FAA is currently in the middle of a multi-year, multi-billion dollar modernization known as NextGen. This overhaul will take advantage of satellite-based navigation technology to create a safer, more efficient system. NextGen's new technology and procedures will also help to enable the integration of new entrants, such as unmanned aerial systems, into the national airspace.

As part of our effort to focus on the future of transportation, the beginning of February, I released the Department's 30-year vision for the future of transportation in America—entitled "Beyond Traffic." It is intended to start a meaningful national dialogue on the choices we must make as a nation if we are to avoid a painfully congested future where our transportation system serves as a crippling drag on our economy rather than a catalyst for growth. I would encourage all Committee members to review the document and participate in this dialogue. One thing our report makes clear is that technology will have to play an essential role in helping us get maximum capacity out of our existing infrastructure as well as all the new roadways, transit systems, and railways we are going to need to build to accommodate the 70 million additional citizens that will join our Nation by 2050.

The Fiscal Year 2016 Budget Request and the GROW AMERICA Act aim to tackle this challenge head on by modernizing the U.S. Transportation system through technology and process innovation. The bill also advances our shared priorities of protecting the safety of the traveling public while closing the Nation's infrastructure deficit.

Protecting the safety of the traveling public: In 2013, vehicle crashes killed approximately 32,000 Americans and injured more than 2.3 million, making motor vehicle crashes one of the leading causes of death in the U.S. Every life is precious, and one life lost on our roads is one too many. The GROW AMERICA Act addresses safety vulnerabilities across our transportation network, both through increased investment in safety programs, and through policy changes that strengthen oversight and increase accountability. It includes:

- *Allows Criminal Prosecution for Unscrupulous Carriers.* The GROW AMERICA Act will take stronger steps to prevent unscrupulous motor carriers from skirting Federal Motor Carrier Safety Administration (FMCSA) enforcement actions by allowing for criminal prosecution of a person who knowingly and willfully violates an imminent hazard out-of-service order issued to prevent the death or serious physical harm to the public.

- *Improving safety on railroads.* The proposal will assist commuter railroads implement positive train control (PTC) by providing $3 billion over six years, including $825 million in FY 2016. The proposal will also help reduce the impact and improve the safety of rail transportation in communities using $250 million in FY 2016 for rail line relocation projects, highway-rail grade crossing enhancement, and investments in short line railroad infrastructure.

- *Increasing the National Highway Traffic Safety Administration's capabilities by providing $6 billion over six years, including $908 million in FY 2016.* This will ensure that vehicles on the road meet the highest safety standards and that the agency has the personnel and tools to identify vehicle defects early and respond quickly. This includes a request in FY 2016 to hire 57 new people within the Office of Defects Investigation to meet the challenge of rapidly evolving technology within the average car.
- *Continuing focus on the Safe Transport of Energy Products.* The FY 2016 Budget makes approximately $34 million in targeted investments across the Department to continue and further our focus on the safe movement of energy products throughout our transportation system by supporting enhanced inspection levels, investigative efforts, research and data analysis, and testing in the highest risk areas.
- *Streamline and consolidate FMCSA's commercial motor vehicle safety grant programs.* The FY 2016 Budget will streamline and consolidate FMCSA's commercial motor vehicle safety grant program—a change that will reduce redundant grant application submissions, reviews, awards approvals, vouchering and oversight time, and thus increase dramatically efficiencies not only for FMCSA but for its State partners.

Closing the Nation's surface transportation deficit: The FY 2016 Budget Request and the GROW AMERICA Act propose important policy improvements and make critical investments to close this Nation's infrastructure deficit, including:

- *Strengthening policies and providing $317 billion, including $51.3 billion in FY 2016, to invest in our Nation's highway system:* The proposal will increase the amount of highway funds by an average of nearly 29 percent above FY 2015, emphasizing "Fix-it-First" policies and reforms that prioritize investments for much needed repairs and improvements to roads, with particular attention to investments in rural and tribal areas.
- *A dedicated grant program for projects that benefit the Nation's commerce:* The U.S. transportation system moves more than 52 million tons of freight worth nearly $46 billion each day, or almost 40 tons of freight per person per year, and freight tonnage is expected to increase 62 percent by 2040. The Budget proposes $18 billion over 6 years, including $1 billion in FY 2016, for a new multimodal freight program that will relieve specific bottlenecks in the system, strengthen America's exports and trade, and give freight stakeholders a meaningful seat at the table in selecting funded projects. The new initiative encourages better coordination of planning among the Federal Government, states, ports, and local communities to improve decision-making.
- *Strengthening policies and providing nearly $115 billion over six years, including $18.4 billion in FY 2016, for transit systems to expand transportation options:* The proposal increases average transit spending by nearly 76 percent above FY 2015 enacted levels, which will enable the expansion of new projects that improve connectivity, such as light rail, street cars, and bus rapid transit, in suburbs, fast-growing cities, small towns, and rural communities, while still maintaining existing transit systems. These transit investments will play a critical role in supporting communities around the country—for example, providing transportation options in rural communities that have growing numbers of seniors.
- *Strengthening policies and providing nearly $29 billion over six years, including $5 billion in FY 2016, for the Nation's intercity passenger and freight rail network:* Highways, transit, aviation, inland waterways, and ports all have dedicated trust funds. Rail does not have a dedicated source of Federal revenue. The GROW AMERICA Act will provide predictable, dedicated funding for rail, which will provide states, localities, and railroads with the certainty they need to effectively plan and implement their projects—primarily to improve and expand passenger rail service. This funding will allow our Nation to better address the growing backlog of state of good repair needs on our rail system and deliver the improvements required to accommodate growing passenger and freight rail demand.
- *Expanding access to markets and strengthening rural communities:* America's rural communities are the critical linkage in the Nation's multimodal transportation network. From manufacturing to farming, freight logistics to energy production and more, rural America is home to many of the Nation's most critical infrastructure assets including 444,000 bridges, 2.98 million miles of roadways, 30,500 miles of interstate highways. Specifically, the GROW AMERICA Act will

encourage safety on high-risk rural corridors, provide workforce development in rural areas, make badly needed freight investments, increase deployment of broadband use in rural areas, and improve the Federal Lands Transportation Program to achieve a strategic, high-use transportation system on roads that directly access Federal lands.

- *Expanding and strengthening of DOT credit programs to spur innovative financing and increase overall infrastructure investment:* The GROW AMERICA Act expands financing options under the Transportation Infrastructure Finance and Innovation Act (TIFIA), which leverages Federal dollars by facilitating private participation in transportation projects and encouraging innovative financing mechanisms that help advance projects more quickly. The Act will provide $6 billion over 6 years, which could result in $60 billion of TIFIA credit assistance, including direct loans and loan guarantees. In addition, the Act increases the accessibility of the Railroad Rehabilitation and Improvement Financing Program by reducing the cost of obtaining a loan for short line railroads and increases the availability of Private Activity Bonds by raising the existing $15 billion cap to $19 billion.

- *Strengthening domestic manufacturing:* The GROW AMERICA Act will strengthen existing "Buy America" requirements to ensure that taxpayer investments for public transportation translate into American jobs and opportunities for innovation. The Act allows for an orderly phase in by transit suppliers by raising the current sixty percent threshold to 100 percent over multiple years to bring the "Buy America" requirements for transit in line with the requirements in other modes.

Modernizing the U.S. Transportation System through technology and process innovation: Technological changes and innovation have the potential to transform vehicles and infrastructure, logistics, and delivery of transportation services to promote efficiency and safety. Federally inspired safety reforms, such as seat belt and drunk-driving laws, have saved thousands of American lives and avoided billions in property losses. Likewise, process innovation has the potential to improve the way that the government operates in the service of the American people. To that end, the FY 2016 Budget Request and the GROW AMERICA Act are focused on:

- *Encouraging innovative solutions through competition:* The Act more than doubles the size of the highly successfully Transportation Investment Generating Economic Recovery (TIGER) competitive grant program and cements it in authorizing statute, which will encourage states and localities to bring more innovative, cross-modal proposals to the table and give the Department more resources to see that the most meritorious projects ultimately are constructed. In addition, the Act would dedicate $6 billion over 6 years, including $1.25 billion in FY 2016, to establishing the Fixing and Accelerating Surface Transportation (FAST) program, designed to create incentives for State and local partners to adopt critical reforms in a variety of areas, including safety and peak traffic demand management. These kinds of Federally inspired safety reforms, such as seat belt and drunk-driving laws, have saved thousands of American lives and avoided billions in property losses.

- *Improving project delivery and the Federal permitting process:* The GROW AMERICA Act will help projects break ground faster by expanding on successful Administration efforts to modernize the permitting process while protecting communities and the environment. The Budget requests $4 million in FY 2016 to create an Interagency Infrastructure Permitting Improvement Center that will institutionalize capacity within DOT to improve interagency coordination and implement best practices, such as advancing concurrent, rather than sequential, project review, and using the online permitting dashboard to improve transparency and coordination and track project schedules. The Act will also increase flexibility for recipients to use Federal transportation funds to support environmental reviews, and help to integrate overlapping requirements and eliminate unnecessary duplication.

- *Supporting NextGen:* The FY 2016 Budget Request includes $956 million for to advance the modernization of our air traffic control system which will make aviation safer and more efficient. Although NextGen is a long-term and complex undertaking, we are already witnessing benefits from it—giving pilots and controllers more flexibility at certain airports, reducing wake-based separation standards at others, and reducing congestion in some busy metro areas. This budget will support stakeholder identified priorities as well as invest in core FAA information technology infrastructure necessary to deliver additional benefits.

At the end of 2013, policymakers came together on a bipartisan basis to partially reverse sequestration and to pay for higher discretionary funding levels with long-term reforms. We have seen the positive consequences of that bipartisan agreement on our ability to invest in areas ranging from research and manufacturing to strengthening our military. The President's Budget builds on this progress by reversing sequestration, paid for with a balanced mix of commonsense spending cuts and tax loophole closers, while also proposing additional deficit reduction that would put debt on a downward path as a share of the economy.

This Committee will play a key role in evaluating the provisions contained in our budget request and the GROW AMERICA Act, due to its jurisdiction on the Department's overall transportation policy as well as its emphasis on freight and safety. Thank you and I look forward to your questions.

The CHAIRMAN. Thank you, Mr. Secretary.

We have a number of members who are here who I think want to ask questions. We will use 5-minute rounds and try and get as much in as we can before we have to leave in about an hour and a half.

Secretary Foxx, yesterday Ranking Member Nelson and I sent a letter to the FAA regarding a troubling GAO report that described vulnerabilities in critical FAA information systems. We asked for a full accounting of the FAA's actions to implement GAO's recommendations and secure mission-critical systems.

Can we count on a quick reply from the FAA and your personal engagement as we address this issue and others in preparation for reauthorization of the FAA later this year?

Secretary FOXX. Mr. Chairman, yes. And I know that the FAA is actively addressing the recommendations in the GAO report, and I look forward to giving you as quick a response as possible, sir.

The CHAIRMAN. Thank you.

Secretary Pritzker, your testimony underscored that the administration's budget prioritizes promoting U.S. trade. And as you noted, exports have been a driving force for economic growth. We need to expand our ability to reach foreign markets if we are going to keep growing the number of export-related jobs. At the same time, you were recently quoted as saying that getting trade promotion legislation passed is a hard task because it, quote, takes a lot of explanation as to what it is. End quote.

Can you take this opportunity to explain the importance of passing TPA?

Secretary PRITZKER. Thank you, Senator. Yes. Trade promotion authority or trade promotion legislation is an opportunity for Congress to express itself as to what it wants to see in our trade agreements, as well as ultimately creating the right if agreements meet those standards to get an up or down vote from Congress. And I have spent a significant amount of time trying to support the idea of getting trade promotion legislation because I think it is extremely important that we expand our trade agreements around the world. It is a time when America needs to lead in terms of setting the standards for trade in the 21st century, and that is at risk.

The CHAIRMAN. As you may know, there has been some discussion of late around here of making it easier for Congress to turn off TPA when considering a trade agreement that the President submitted. And I am wondering if you share the concern that was voiced last week by Agricultural Secretary Vilsack that adding a new element of uncertainty to TPA procedures would make it hard-

er for the U.S. to get good outcomes in our negotiations with our foreign trading partners.

Secretary PRITZKER. Senator, I think it is very important that we give our U.S. Trade Representative as much backing and support as possible, and that means creating greater certainty so that as he is out negotiating these agreements, which are very difficult to do, as you can imagine, with 12 countries at the table. So I think it is very important that we get trade promotion legislation particularly at this time because getting, I think, the Trans-Pacific Partnership Agreement done really requires us to have trade promotion authority in place.

The CHAIRMAN. Again, without all the additional conditions that are being discussed and talked about up here.

Secretary PRITZKER. Yes.

The CHAIRMAN. Thank you.

And by the way, I would encourage you, Madam Secretary, as much as you can, and members of the administration to really weigh into this up here. It is going to be a big debate. We need to get it done.

Secretary PRITZKER. Senator, as I explained to Senator Cantwell just before we started, I think I was on the phone with eight or nine Members of Congress, both the Senate and the House, yesterday and I have been out around the country. I was all over the West Coast 2 weeks ago. I will be in Texas next week. This is a very high priority for me and my team to get done. I think it is extremely important for this country.

The CHAIRMAN. Good. I am glad to hear that, and I hope you will continue those efforts.

Secretary PRITZKER. Yes, I will.

The CHAIRMAN. I direct this to either or both of you. Our ports are an absolutely vital link in our nation's supply chain. The current labor issues on the West Coast, I think, have highlighted the major nationwide disruption of commerce, including for shippers in my home state of South Dakota, that can arise from such self-imposed problems in our transportation network.

The extent of the slowdown led many to ask if there is a better way to handle labor issues at our ports instead of relying on the National Labor Relations Act. Some have even suggested using the Railway Labor Act, which protects other vital transportation workers in the railroad and airline industries, by providing robust contract mediation procedures while also providing our Nation's supply chain with additional protections from unnecessary slowdowns and work stoppages.

Given the importance of ports and port workers to our nation's transportation network, do you think port workers should be covered by the Railway Labor Act like railroad and airline workers?

Secretary FOXX. Mr. Chairman, we have taken great pains as the administration, including having our colleague, Secretary Perez, engage directly with the parties on this question. My feeling about this—and I do not speak for Secretary Pritzker on this—is that we have to maintain a balance here between the interests of labor and the interests of the business community. And in this instance, we were able to avert a larger crisis by the engagement of the administration, and going forward, I am certain there will be a conversa-

tion about the long-term impacts of this, but I do not believe at this point that I can say that I would support those types of changes.

Secretary PRITZKER. Senator, there is great cost to our country with the slowdown in the ports. I was out in San Francisco with Secretary Perez for part of the week that he was out there. And I also spoke with the CEOs of many of the companies involved in running the ports, as well as with Mayor Garcetti. And a slowdown in our ports not only is an economic cost to the country, there is a real reputational issue at risk here as to whether our ports are reliable. It is extremely important that they are functioning.

The other thing that I learned that I think is of great interest and something that we ought to contemplate, now that this dispute is behind us, is the fact that most of the owners who are operating in our ports told me that our ports are 10 to 15 years behind global competitiveness and that in fact it is American innovation and American technology that is running most of the ports around the world. But our ports do not have the benefit of that.

And we need to really look into how we make sure that our ports are globally competitive because we are also working, on the other hand, as you said, to promote trade. I mean, exports are at record highs, $2.35 trillion last year. My Department works very hard to help small and medium-sized businesses take advantage of the global marketplace. But that means like your state and the folks in your state, we need our ports to be functioning, and it is extremely important that we do all that we can to keep the ports open and operating.

The CHAIRMAN. And by the way, that did not sneak up on us. That thing has been hanging around out there for nine months. So, yes, we have got to have a better way of making sure that we do not end up with the kind of logjam that we had here this last year.

Very quickly. Secretary Foxx, there are five, I think, Acting Administrators out of the nine modal administrations, including one at FMCSA, who will no longer be able to serve in that capacity by the end of the month. So we have only gotten one nomination for any of those positions, and that is at FTA. So we cannot even begin the confirmation process for the rest of these important agencies. And I just want to convey to you the importance of getting those up here. It seems like it is awfully important, and I think that the sooner we can get those leadership posts filled, the better off we are going to be.

Secretary FOXX. Yes.

The CHAIRMAN. Senator Cantwell?

Senator CANTWELL. Thank you, Mr. Chairman. I could probably have enough questions to go 5 minutes on just one of our Secretaries, let alone two. And I do not know whether we are going to get to a second round given today's scheduling event.

So I want to say a couple things. First of all, thank you for what I call "digital weather" efforts by the agency. I think this is critically important, critically, critically, critically important. We should not depend on the Europeans for the best data about what the effects of a storm are, and if we need supercomputing time and more digital analysis, let us get that. To me this is critically important.

Thank you both for your focus on freight and the movement of freight. The $18 billion over the next 6 years to implement what

I think is a new freight strategy for our country so we can be more competitive at our ports is critically important given the amount of consumer growth around the world, and being able to move our products effectively is going to be very important.

And, Secretary Pritzker, I would love to talk to you about the cuts in the salmon recovery fund because I am very anxious about what that is going to do to treaty rights at risk and our salmon recovery efforts.

I want to ask you a question about recapitalization of the rest of NOAA's fleet. There is some money in here, but we obviously want NOAA to recapitalize.

So I may not get to get a response to you on that. So I will submit those for the record.

And on spectrum allocation, now that we have gotten that done, what do we need to do to clear the clearing part so that we can actually get the allocations done. These are very important economic issues to the Pacific Northwest.

Secretary Foxx, I need to focus on something that is of utmost importance to the people of the Northwest, and that is the issue of our enormous increase in volume of oil trains and what we are doing on safety. This boils down, for me, to two issues: the thickness of the hulls and when we are going to phaseout the less safe cars.

Now, I think that you are moving through a rule process, if I am correct, but that rule process today leaves many options on the table, including a thickness that is not as good, not as durable. I know my colleague from West Virginia will probably have some interest in this, given what just happened then. Are we expected to see a final rule in May of this year? And what will be the phaseout time for these railcars to be moved over to the new standard? And will there be a definite commitment to the thickness that we need, at least this nine-sixteenths with a thermal jacket?

Secretary FOXX. First of all, Senator, I want to thank you for your leadership and focus on this effort. There have been a number of Members of Congress who have expressed concern, as well as Governors and local officials in parts of the country on this issue.

It is an issue that we take very seriously at the Department of the Transportation, and that is why we think that a comprehensive approach is important, an approach that takes into account prevention, mitigation, as well as emergency response. And that was reflected in the notice of proposed rulemaking that was issued last year.

We are in the process of working with the OMB and the Administration on moving that rule into a final rule. I would be getting ahead of myself and probably OMB by putting a tight deadline on it, but I can tell you that there is a high level of urgency on it. And the issues of tank cars and standards and things like that are being worked through. I would also add that we are working with our Canadian counterparts to ensure that there is a good level of harmony between the two rules.

Senator CANTWELL. Well, I explained to my staff that I thought you would be a talented public servant to be able to get around this particular question.

So I just want to be clear on the record. I will be introducing legislation to support a thicker hull and a quicker phase-out than what is currently proposed in this rule. We are not moving fast enough, and I think the uncertainty in the marketplace over the last decade has not kept pace with the volume of traffic that we are seeing now. So I look forward to seeing your rule, but we are going to come out for tougher standards than are currently—I see loopholes in this current policy. If one of the three options is adopted, basically we are going to have the same cars that are relevant to what we have on the tracks today, and that is unacceptable.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Cantwell. That is a really important issue and one that I think there is a lot of focus on. And I want to make sure, Mr. Secretary, too that—can we get your assurance that you will closely examine with an eye toward realistic implementation deadlines and also as you work through this process and making this transition possible, unintended consequences that could also create congestion and other safety issues?

Secretary FOXX. Yes, sir. That is definitely part of what we are looking through.

The CHAIRMAN. Senator Fischer?

STATEMENT OF HON. DEB FISCHER,
U.S. SENATOR FROM NEBRASKA

Senator FISCHER. Thank you, Mr. Chairman.

Madam Secretary, Mr. Secretary, thank you for being here today.

Secretary Foxx, I enjoyed our conversation yesterday. We touched on long-term funding for the Highway Trust Fund. We discussed a couple ideas there.

Senator FISCHER. With regards to repatriation, do you support that, and do you think it would be a long-term source of funding for the many needs that we have with our roads and bridges?

Secretary FOXX. Thank you for the question.

Repatriation, no. But business tax reform, yes. And let me explain the administration's approach here.

We believe that a comprehensive business tax reform approach is warranted. One part of our business tax approach would help pay for the GROW AMERICA Act that I described before. The way that works is that we would impose a one-time toll, so to speak, a 14 percent levy on existing overseas untaxed corporate earnings. They are estimated to be up to $2 trillion. That one-time levy would provide us with the resources necessary to pay for our entire bill. There are other components of the administration's approach that deal with future generated revenues overseas, but that is how we pay for our bill.

Now, the reason why that is not repatriation is because in the classic sense of the word, that is usually considered to be something like a holiday, a voluntary type of bringing back of proceeds. Our proposal would essentially clean the deck for all companies that have overseas earnings, allow them to bring them back or not bring them back, but there would be a one-time charge.

Senator FISCHER. So with that one-time charge, again we face the issue of how are we going to fund the trust fund going into the future. You and I both know that you have to have a steady source

of revenue in order to build infrastructure. It takes long-term planning. It is a long process. It takes years to go through regulations and environmental impact statements. So how would you suggest long-term we look at it? Are we going to step away from user fees that have been really the basis for funding for infrastructure, for highways and bridges in the past?

Secretary FOXX. It is a good question, and let me frame it this way. For the last several years, we have not been a completely user fee-dependent system. We have been actually moving money from different places to cover the shortfall of gas tax revenues. And we are at a point where we have had so many short-term measures—32 over the last six years—that at the state and local level, the planning process is basically grinding to a halt. So a 6-year bump of 50 percent stable funding and good new policy would actually put the system in a dramatically different place. We would actually start seeing planning happening again on big projects.

Longer-term I think you point out that there is a discussion that needs to happen in this country about what we do long-term, and we do not shrink from that. If there is a willingness to engage on those longer-term questions, even the President has said that we would be willing to listen to what Congress wants to work through there. But I think that we really need to understand that we are so far away from having had a 6-year bill—more than a decade since the last one—that getting a 6-year bill with stable funding that gives a 50 percent bump and good new policy would be a sea change from where we are today.

Senator FISCHER. I look forward to working with you on those issues. As you know, they are near and dear to my heart, and they should be a priority for this country as well.

Let us shift gears here a minute and talk about the FMCSA. As we look at the challenges that that agency is facing with regard to regulatory efforts with hours of service, rulemaking, the CSA program, I guess how do you look forward to seeing reform take place at the regulatory level?

Secretary FOXX. Well, first of all, trucking is one of the backbones of our country's commerce. There is no question about it. And I, in fact, have members of my family who drive trucks. So I am very interested in making sure the world is good for folks that are truck drivers.

On the other hand, the trucking industry is one where we still have a little more risk than we want to see in terms of safety, particularly when it comes to fatigue. So we have been asked and actually directed by Congress to do a study on the hours-of-service rule. We will undertake that study as well as we possibly can, using all of the available ways to stress test our work and to come back to Congress with what we find.

But overall, I think that as a country we have to continue supporting not only the industry by good infrastructure and by providing opportunities, but we also need to make sure that we are as safe as possible because, as I say, by 2045, we are going to see 60 percent more trucks on the road, and we want to make sure those trucks are moving safely.

Senator FISCHER. We had a Subcommittee hearing, as you know, on this, and I was fortunate to have one of our big trucking compa-

nies in Nebraska come. The gentleman who represented that company on the panel at the hearing I know has met with a number of Senators and is having these discussions at a stakeholder level. So I hope that you will take into consideration some of the ideas and the facts and the information that those companies are able to provide as well.

Secretary FOXX. Absolutely.

Senator FISCHER. OK. Thank you, sir.

The CHAIRMAN. Thank you, Senator Fischer.

I have in this order Senator Schatz, Moran, Wicker, Booker. Senator Schatz?

STATEMENT OF HON. BRIAN SCHATZ,
U.S. SENATOR FROM HAWAII

Senator SCHATZ. Thank you, Chairman Thune.

Secretary Pritzker, the U.S. tsunami program consists of three main activities: forecast, research, and preparedness. For the past 2 years, however, the Administration has proposed $6 million in cuts to the preparedness side, known as the National Tsunami Hazard Mitigation Program. I believe this program is extremely important to coastal states. And the Commerce Committee has agreed, and in fact, Senator Cantwell has led and Chairman Thune has supported with my participation our own version of legislation to authorize the tsunami program.

Do I have your commitment to work with the Committee to make sure that we have sufficient resources to run this program right?

Secretary PRITZKER. Senator Schatz, you have my commitment. The tsunami program is the highest priority for us to warn and advise the American public. And we think that we do have sufficient funding to do our warning and to make sure that we do community education. I am happy to have my team work with yours.

Senator SCHATZ. Thank you.

Last year, the Administration created the largest marine-protected area in the world by expanding the Pacific Remote Island Marine National Monument. And we worked with your Department and the White House on this. But I am concerned about financial resources to manage the monument resources. Because there is so much Pacific Ocean to take care of, we need resources.

So to that end, in Fiscal Year 2016, the Administration requested funding for a new NOAA vessel, which is good news, but the budget also cuts NOAA's sanctuaries in the NERRS program. Likewise, can we work together to make sure that this is sufficiently resourced and not just a paper monument?

Secretary PRITZKER. Absolutely. Happy to work with you, and I believe our office is already working with yours on additional requested information on that.

Senator SCHATZ. Thank you.

Secretary Foxx, I wrote to FAA Administrator Huerta twice about the possibility of issuing emergency rules for drones to address safety issues that have recently come up in the news. FAA finally got back to me months later with a letter that said the agency was working on it and it expected it to take about 16 months to finalize rules once the comment period closed.

My question is I am uncomfortable with taking 16 months before rules are issued. Are you comfortable with that timeframe or do you think it is necessary to entertain something before a year and a half from now to take care of these safety issues related to drones?

Secretary FOXX. Senator, I am never comfortable if you are uncomfortable.

[Laughter.]

Secretary FOXX. And so I will tell you that——

Senator SCHATZ. Well, I appreciate that, but to be clear, this is a question of a threat assessment not my political judgment.

Secretary FOXX. I understand.

And I should say that what the FAA is trying to accomplish is a comprehensive approach of which the small UAS rule is one piece, but it is only a single piece of the overall approach. We have the most complicated airspace in the entire world, and integrating these unmanned aircraft systems into a very complex airspace is a very challenging thing because you want to make sure you are doing it as safely as possible.

I would like to go back to the FAA and to see if we can turn around a better answer to you, and we will see what we can do.

Senator SCHATZ. Thank you.

And my final question—and it is really a thank you for announcing and working on safer people, safer streets. I think the agency has done really good work in improving safety and attempting to mitigate the growing number of fatalities among pedestrians and bicyclists. Certainly in the state of Hawaii, we have one of the, unfortunately, highest rates of pedestrian fatalities especially among the elderly. And so I am hoping that we as a committee on the authorizing side and then on the appropriations side can integrate these best practices to keep our seniors safe without spending any additional money.

Secretary FOXX. Thank you. I think it is a very important issue, sir, as you point out.

Senator SCHATZ. Thank you. Thank you, both.

The CHAIRMAN. Thank you, Senator Schatz.

Senator Moran?

STATEMENT OF HON. JERRY MORAN,
U.S. SENATOR FROM KANSAS

Senator MORAN. Chairman Thune, thank you very much for this hearing.

Secretaries, welcome.

Let me start with the Secretary of Transportation. Secretary, you would know that bridges in this country—one out of nine are structurally deficient. It is a serious problem in a state like mine, I would guess no different probably than 49 other states. But the City of Topeka, the County of Shawnee where Topeka, the capital city, is located brought to my attention within the last month or so a bridge called the Willard Bridge. And it connects two highways running to the north and south. At this point the bridge over the Kansas River is no longer structurally sound enough for school buses to ride over that bridge. It is a significant disruption of commerce and agriculture, not to mention public safety.

In days gone by, I would have been talking to you about MAP–21. That program, as I understand it, no longer exists.

My question to you is twofold. One, is there any opportunity within the Department of Transportation for help for a county that is struggling to afford the significant millions of dollars that it costs to replace this bridge? And I am hoping the answer to that question is yes. And then how does your proposal or the GROW AMERICA Act address bridges?

Secretary FOXX. Well, Senator, first of all, unfortunately, I am not proud to say that this is a problem that I have seen in many, many parts of the country. I was in Mississippi actually a few months ago, and the same problem. School buses were not allowed to pass over some of the bridges because of the deteriorated state of them, and it created longer travel times for school kids.

Regarding your question specifically, in our program we have a $70 billion budget, plus or minus, and about $40 billion of it goes directly to states by way of formula. The formula program is really the bread and butter of the road and bridge program. I think what other choices is the state DOT making.

Aside from that, we do have a program like TIGER that is a discretionary program that is highly competitive but we were able in Mississippi, for instance, to provide funding for three counties that join together to get 18 bridges done. That may be a potential source for this work.

Our GROW AMERICA Act puts a significant amount of money into critical repair of bridges, including what I believe is $29 billion over 6 years that are specifically focused on improving bridges in our system, one of four of which is in a state of deficient condition. That is how we would try to address the bridges specifically within our bill.

Senator MORAN. Mr. Secretary, thank you. I look forward to working with my colleagues and you at the Department of Transportation to see that we have a long-term transportation plan.

Let me ask both Secretaries. I want to raise a topic that has troubled me for a number of years, and it has to do with manufacturing, Madam Secretary, and it has to do with transportation, Mr. Secretary.

Wichita, Kansas is considered the air capital of the world. We manufacture general aviation aircraft. In fact, 40 percent of all general aviation aircraft are manufactured in Wichita. I would invite both of you. Secretary Foxx, your predecessor was in Wichita at one point in time to visit. I would encourage both of you, and if I can help make the arrangements for you to see a highly important manufacturing sector for our country's economy, I would love to do that.

My concern and a message that I would like for you to deliver to your boss, the President, too often the general aviation sector is highlighted as something that is just for the wealthy. The President and others within the administration have continually made the issue of accelerated depreciation a provision of our tax code for more than 25 years. This topic of how we are going to get to the wealthy—we manufacture airplanes. The ability to buy an airplane is so important. This is not an issue of wealth. This is an issue of 32,000 jobs in Kansas related to the manufacturing of planes. And

every time the President or others within the administration talk about trying to get to the wealthy by changing the tax code, it creates not only a psychological but an economic consequence in our state. And I would love for both of you to come see the manufacturing sector, and I would love for this topic to be a lot less rhetorical or political. I understand the point of being able to make a political—score a point. But this has consequences to the economy to lots of people who depend upon this industry for their livelihoods.

And I know that we are a place that manufactures airplanes. And so often the way that I am perceived as somebody trying to take care of that industry but I represent a very rural state. That is how we are able to keep a manufacturing business in a small town is access to getting customers' parts and supplies in and out of those small towns. And this is an important issue for a rural state like Kansas, but also one that manufactures planes.

Mr. Chairman, thank you very much. I appreciate Secretary Foxx nodding his head. I will see you in Kansas is what I take from that nod.

Secretary FOXX. See you in Kansas. Yes, sir.

The CHAIRMAN. Thank you, Senator Moran.

Senator Wicker?

STATEMENT OF HON. ROGER F. WICKER,
U.S. SENATOR FROM MISSISSIPPI

Senator WICKER. Yes. May the record reflect that Secretary Foxx nodded his head.

[Laughter.]

Senator WICKER. And, Secretary Foxx, let me just pick up on the remarks that Senator Moran made with regard to roads and bridges to the critical need for addressing these infrastructure deficiencies. And I am also interested in working with you to make Grow America a program that we can all be proud of.

Let me just say it is my understanding that later this morning more than 250 Chamber of Commerce executives will send to Congress a letter requesting action, number one, to fund the Nation's transportation system and, second, to empower local communities—I know as a former mayor, you were very interested in empowering local communities—with more authority over both Federal funding and decisionmaking.

And let me say that Senator Booker has had to leave, but last year I was pleased to coauthor with Senator Booker the Innovation in Surface Transportation Act, known as Wicker-Booker, to provide local governments of all sizes access and opportunity to participate in the Federal transportation program.

I can tell you, Mr. Secretary, that when county governments come to see me, when city officials come to see me, they are excited about this concept of a program to dedicate a portion of Federal funding, that formula money that goes to states—a portion of that to create a small pool of competitive grant funds to be awarded on a merit basis available to mayors, county officials, and local leaders.

These Chamber of Commerce executives who will release this letter today—they represent all 50 states, both large and small communities throughout this country.

So I would say to you and I would say to the members of this committee that I certainly hope you will work with us. I think the inclusion of this Innovation in Surface Transportation Act as an amendment to the GROW AMERICA concept will enhance the chances for enactment of this. It will cause a great deal of support at the local grassroots level for a program that could actually get some money there to address the needs such as the one that Senator Moran was discussing.

So do you have any comment about the Wicker-Booker proposal or something like it to dedicate a small portion of funds for local governments?

Secretary Foxx. It sounds very similar to a provision in the GROW AMERICA Act to provide more funding at the local level, and it is something that I think we should absolutely take a close look at, and I hope Congress will seriously consider it.

I think a critical component of it is raising the growth levels in the investment we are making in the overall system because otherwise if it becomes a food fight between the states and the local governments, I think it becomes a win-lose situation as opposed to a win-win which it should be.

Senator Wicker. I have to say that I agree with you on that. We have an infrastructure problem in this country, Mr. Secretary, and everybody in this room knows it. And it is going to take a larger pot of money to address those needs. So I hope to work with you on that, and I hope we will all 'fess up in Congress as adults that if you are going to build some infrastructure, you got to pay for it. We have to find a legitimate way to do so.

Let me just ask you briefly if you can tell us how we are coming on tire safety. As part of the 2007 Energy Independence and Security Act, the Department was to finalize a rule 2 years from now, 2017, to establish a tire fuel efficiency consumer information. Are you familiar with this requirement, and can you tell the Committee how we are doing on a timeline for action to complete this rulemaking?

Secretary Foxx. Yes, I am familiar with it, Senator, and we do have it in our plan of work and our goal is to get it accomplished by the year 2017.

Senator Wicker. Thank you very much. So we are on time on that.

Secretary Foxx. We are on time with that.

Senator Wicker. Let me just say this, Secretary Pritzker, I appreciate everything you have said about Trade Promotion Authority and the importance of trade agreements to create jobs in America and to expand our exports. I have to say this, though. There is a feeling among many people in this city that actually the administration is not speaking with one clear voice on this. We frankly hear determination and resolve from some parts of the administration, and we get signals from other parts of the administration that so many things need to be added that are absolutely unrealistic and cannot be passed by this Congress. There are people who doubt the administration seriousness of getting something done in this current term of Congress.

Now, I am willing to wait till 2017, if we have to, to get TPA done right, but I would hope that a strong signal could be sent

from this Obama administration that, indeed, we are serious about getting something done that actually works and that the President is going to put the full force of his administration behind this with members of his party to actually get it done. I would just toss that out for your information.

Secretary PRITZKER. Senator, I can assure you that the administration is unambiguously committed to Trade Promotion Authority and getting this done in this administration. We have a full court press on in this administration, time, energy, and it starts at the top. So we are happy to address any kind of confusion or appearance of lack of speaking with one voice because we do speak with one voice. Thank you.

Senator WICKER. I hope it works out that way. Thank you, Ma'am.

Secretary PRITZKER. You and me both.

The CHAIRMAN. Senator Blumenthal followed by Senator Manchin.

STATEMENT OF HON. RICHARD BLUMENTHAL, U.S. SENATOR FROM CONNECTICUT

Senator BLUMENTHAL. Thanks, Mr. Chairman.

I want to thank you both for your very dedicated work, and I appreciate the opportunity to work with both of you and your responsiveness, both of you and your teams, to the questions that many of us ask you day to day.

I have a whole bunch of questions for the Secretary of Transportation, and I am going to try to cover as many as possible. But if I miss some, I am going to submit a number in writing particularly concerning the study that MAP–21 required on weights and sizes of trucks and the limits on fines that can be imposed in cases like the failure to provide information by GM where I have submitted legislation. The President has and you have as well. But I think to bring them together is important.

Let me focus for the moment on the Federal Highway Administration and the guardrail end terminals. The Federal Highway Administration disbursed about $40 billion to states for projects to build, improve, and maintain the nation's highways and bridges, including steel guardrails, signposts, and highway guardrail end terminals. As you know now, problems were found as early as 2012, but the Federal Highway Administration did nothing, in fact, continues to provide inadequate action even after October 2014 when a Federal jury in Texas returned a $525 million verdict against the manufacturer of these devices.

Senator Schumer and I wrote to the head of that agency in January. We received a response yesterday that I consider still to be lacking. I do not want to be too harsh, but it is inadequate. And therefore, a group of us are writing today to the GAO to ask for an investigation of the structure of oversight and scrutiny protecting safety on our roads. There are thousands of guardrail devices on our roads today, including in Connecticut, that are simply unsafe, and the testing being done by the Federal Highway Administration is inadequate.

In our letter, we detail why we consider this GAO investigation necessary to be done, but I would like a commitment from you, Mr.

Secretary, that you will work with us on eliminating the all-too-cozy relationship, frankly, that exists right now between the Federal Highway Administration and this manufacturer and others who may be involved in imperiling safety on the roads.

Secretary FOXX. Senator, I appreciate your focus on this issue and many other safety issues, and I want our Department to always be asking as hard questions or harder questions than even those who are watching us.

Let me say this. Number one, we are not done. The testing that has been done to this point is still being researched and reviewed, and if we find that it is insufficient, we have the goal of taking another step to do some of our own research if we need to. So I would not take what has happened to this point as being a final answer in terms of where the agency is.

Senator BLUMENTHAL. I know the testing is underway, but part of our criticism is that the guardrails that have been used for testing are unrepresentative of the ones actually out there on our roads and highways, and the methodology used for testing has been inadequate. So I hope that you will take a close look at some of these issues.

Secretary FOXX. Sure.

I would also point out one other thing here, which is that what has not been as carefully reported on this is that the standards that you are referencing are standards that are established by AASHTO, and the Department's certification process is actually a matter of basically a practical convenience to the states. If a product meets the AASHTO standard, the Department has had a practice of certifying those products for other states so the states do not have to do 50 different tests. But that is something that I think, as you and I look at this issue going forward, is something that we also should be looking at.

Senator BLUMENTHAL. Thank you.

And let me just mention in closing that after the tragic accident/crash in Valhalla causing six deaths—still under investigation—Senator Schumer and I have submitted the Highway Rail Grade Crossing Safety Act of 2015. As you well know, these collisions on tracks at rail grade crossings happen actually once every 3 hours, believe it or not, 2,000 every year across the country, causing more than 700 injuries and more than 230 deaths. These are not just accidents waiting to happen. They are accidents happening throughout the country. And may I have your commitment that you will work with us on this legislation?

I want to say I respect your personal commitment to safety and reliability. I should have said that at the very beginning. And I really appreciate your cooperation and your focus on these issues.

Secretary FOXX. Always happy to help, sir.

Senator BLUMENTHAL. Thank you.

The CHAIRMAN. Thank you, Senator Blumenthal.

Senators Manchin, Markey, and Udall up next.

STATEMENT OF HON. JOE MANCHIN,
U.S. SENATOR FROM WEST VIRGINIA

Senator MANCHIN. Thank you, Mr. Chairman.

Thanks to both of you all for being here.

And Ms. Pritzker, if I may ask you concerning the TPA. The Obama administration has operated trade agreements without a TPA since they have been in office. Why is it imperative to have a TPA just to pass TPP? Why can we not go under the same review that we have had—input that we have had before?

Secretary PRITZKER. Senator, I think TPA is critical for a number of reasons. First of all——

Senator MANCHIN. It was not critical for the other trade agreements. We have never had a TPA.

Secretary PRITZKER. I think at this time TPA is really important to, one, bring the parties together so that there is a clarity as to what is important to Congress to be in the trade agreements. And second, it is extremely important to actually getting TPP over the finish line because there are governments around the world that are looking to us and wondering if we can actually pass these agreements, and they are unwilling to put forward their most troublesome, for them domestically in their own political environment, reforms.

Senator MANCHIN. Very quickly, let me because I only have so much time.

Secretary PRITZKER. Sure.

Senator MANCHIN. We were able to do other trade agreements without a TPA. All of a sudden, if we do not have a TPA, we cannot even do a TPP. That does not make sense.

Secretary PRITZKER. Well, I think that we are also trying to do an agreement here that is a regional agreement that involves 12 countries. It is extremely complicated, and——

Senator MANCHIN. We should not be involved or have any input. That is why you need a TPA.

Secretary PRITZKER. No. The opportunity in TPA is to express what are the important standards that are in our trade agreements. That is an important function that TPA provides.

Senator MANCHIN. Maybe we can talk more on this.

Secretary PRITZKER. I would be happy to talk to you.

Senator MANCHIN. I would love to have you up there.

Secretary PRITZKER. I would love that.

Senator MANCHIN. And, Secretary Foxx, how are you?

Let me just say that in West Virginia we just had a horrific train accident, and it could have been absolutely devastating to a community. If it happened a mile down the track, it would have wiped out a whole town. And now there are predictions, I think, of 10 more derailments because of all the transportation on the rails with crude. And with that I think Senator Cantwell asked you about the new rules on the new cars. We have been looking into that braking system, a little bit of everything, and we are hoping that that can come to fruition pretty soon.

But anyway, infrastructure. I do not think we need to speak about how important infrastructure is. I got to throw something at you.

The Keystone Pipeline. For those of us—it is one of the few things we have been able to pass bipartisan. And we are very much committed to that, those of us who believe very strongly that it is a safer way to transport. The product is going to be produced, as

we know. If we put that into a truly all-encompassing infrastructure bill, what do you think our chances are?

Secretary FOXX. Well, Senator, let me start by saying that the thoughts of our Department have been with the folks in West Virginia who have——

Senator MANCHIN. We dodged a bullet.

Secretary FOXX.—suffered as a result of the train derailment there. And you have my commitment, as I said earlier to Senator Cantwell, that I will push as hard and as fast and as well to get us a comprehensive approach to the safe movement of energy products.

Senator MANCHIN. Let me throw the infrastructure right now. What is your recommendation for funding the Highway Trust Fund?

Secretary FOXX. Pro-growth business tax reform. We need something big.

Senator MANCHIN. So you are talking about pro-growth business tax being planned, but then a certain amount of targeted revenue for infrastructure?

Secretary FOXX. Yes, sir.

Senator MANCHIN. So the gasoline tax is not one that——

Secretary FOXX. It will still spin off about $238 billion, but we need more money in the system or else it is going to fall apart.

Senator MANCHIN. And then finally on the new rulemaking, in 2004 I believe on hair sampling in lieu of your urinalysis test——

Secretary FOXX. I am sorry. Can you repeat?

Senator MANCHIN. You started in 2004 a standard for a hair test to allow employees to use hair drug tests in place of urinalysis tests. It has been going on for more than 10 years. There is no clarity. So it might be something I am throwing at you new because it is a concern to certain segments in my state. What test? They know they have to have a urinalysis test. Sometimes they are made to comply with both. They want to know which one the Federal Government is going to back and what they have to adhere to.

Secretary FOXX. Can I send you something on the record——

Senator MANCHIN. If you could on that, I would appreciate it.

[The information requested follows:]

Secretary FOXX. DOT is required by the Omnibus Transportation Employee Testing Act of 1991 to limit transportation employee drug testing to Department of Health and Human Services (HHS) scientific protocols at HHS-certified laboratories. Currently, those HHS laboratory protocols authorize only the testing of urine specimens. In 2004, HHS issued a Notice in the *Federal Register* that proposed to certify laboratories for hair, sweat, and oral fluid (aka, alternative testing methodologies) drug testing of Federal employees. Due to scientific issues weighing against these methodologies, HHS withdrew that Notice.

Since the withdrawal of the 2004 Notice, HHS, working with its Drug Testing Advisory Board, has developed a proposal that would allow oral fluid testing as an alternative to urinalysis testing. That proposal is currently under Executive Review. Once that review is completed, the public will also have an opportunity to review and provide comment. In addition, HHS, through its Drug Testing Advisory Board, continues to consider whether hair testing may also be a viable alternative to urinalysis testing, as there remain concerns about the science, integrity, and forensic defensibility of hair testing. Thus, to date, the only method of drug testing that is approved for use by HHS, and thus, by DOT, is urinalysis. We continue to work with HHS and our industry stakeholders to address and resolve these issues related to oral fluid and hair testing so that a viable alternative to urinalysis may be adopted.

DOT has no legal basis to authorize alternative testing methodologies in the transportation industries. DOT-regulated employers must conduct urine testing currently, and there is no Federal requirement for a DOT-regulated company to conduct a hair test. As mentioned above, HHS is about to engage in rulemaking regarding oral fluid testing as an alternate methodology. In addition, HHS has recently indicated a williness to look at hair testing through the HHS Federal Drug Testing Advisory Board.

Senator MANCHIN. There is one other one I had real quick, if I may, on the Contract Tower Program. The Contract Tower Program basically has been very effective and very safe. We have three towers in West Virginia that are being targeted to close. And I was wondering how much funding does the President propose to continue for operations of the Contract Tower Program in 2016.

Secretary FOXX. Our proposal would continue the program.

Senator MANCHIN. So you all are committed to the Contract Tower. You all see the safety records versus the Federal——

Secretary FOXX. We continue the program. But let me say this too, that we also believe that sequestration should be reversed and that we should not be pushed into a corner as we were a few years ago to having to make some tough choices about some of these important programs.

Senator MANCHIN. Sequestration would be reversed if we got a budget, and if we get a budget, then we will be able to do infrastructure and take care of sequestration and have a country that can operate.

Secretary FOXX. Absolutely. Yes, sir. I am with you.

Senator MANCHIN. Thank you.

The CHAIRMAN. Thank you, Senator Manchin.

And by the way, I think, unless I am wrong, since the time I have been here, all the trade agreements have been negotiated under TPA procedures, including Panama, Colombia, and South Korea.

Senator MANCHIN. You might be able to clarify that. I just know that we did not have a TPA—we have not had a TPA under this administration specifically.

The CHAIRMAN. Correct.

Senator MANCHIN. We were involved. We were able to participate as Congress. This one here will take us out of that participation.

The CHAIRMAN. Yes. The last TPA expired in 2007. All the agreements that we have enacted since that time were subject to that agreement and, when they went to the Congress, covered under TPA procedures. So it has been used.

I think the problem, obviously, with bringing them up here without an agreement like that is we open it up to amendment on the floor of the House and the Senate, and that has always been the concern, that it weakens our negotiators hands going into those agreements if they think that they are going to be subject to 535 Members of Congress amending when they get here.

Senator MANCHIN. I am open to learning as much as I possibly can about it, but I can tell that we might have just a little bit maybe of——

The CHAIRMAN. I think the Senator from West Virginia is going to be very passionate on the issue, I can tell.

Senator Markey is up next, then Senator Udall.

**STATEMENT OF HON. EDWARD MARKEY,
U.S. SENATOR FROM MASSACHUSETTS**

Senator MARKEY. Thank you, Mr. Chairman.

Secretary Pritzker, on Friday the White House and the Department of Commerce released draft privacy legislation. The proposal rightly focuses attention on the need to strengthen the privacy rights of Americans. But I think that we are going to have to have a discussion about how strong those rules are in order to ensure that there are adequate privacy protections on the books.

So that is why tomorrow Senator Blumenthal and Senator Whitehouse and I are going to introduce legislation that will allow consumers to access and correct personal information that is held by data brokers. The bill provides consumers with the right to stop data brokers from using, sharing, or selling their personal information for marketing purposes without the permission of the individual.

So I would like you, if you could, to talk about three issues. The first is whether or not consumers should have a right to access personal information that is held by data brokers. Two, whether consumers should have a right to correct personal information that may be wrong. And three, whether or not consumers should have the right to say no to monetizing their personal information for advertising or marketing purposes.

Secretary PRITZKER. Well, Senator, first of all, I look forward to reading the legislation that you and Senator Blumenthal and others are proposing. And your work on privacy is something that is something I have great admiration for.

In terms of consumer access to information, I think it is a good idea. I think your ability to correct is very important. It is applicable in other businesses that I have been in. I think the right to monetize is one you want to figure out exactly what are the rules of the road.

What we did in the consumer legislation that we put out about a week ago is really to put out something that is meant to be for discussion. It is a draft with the idea we need to address consumer privacy in this country, and we have not done so adequately. And it is an opportunity for the private sector, for government, for civil society, and other interested parties to come together to comment so that we can get something accomplished.

Senator MARKEY. Well, I would like to work with you. Senator Blumenthal, Senator Whitehouse, I think many members want to talk about how we can provide more privacy for Americans in this incredible era of intrusiveness with every device that every child, every adult in America now has and putting on information that they would have no idea would ever be used.

Secretary PRITZKER. Senator, this is a very important issue, and we would be happy to work with you and Senator Blumenthal and Senator Whitehouse and others.

Senator MARKEY. Madam Secretary, over the last 8 months, the United States' gasoline prices have decreased by 45 percent. And this gas price slide is acting like a massive stimulus for middle class families and small businesses.

For 40 years, the United States has had a statutory ban on exporting oil produced in the United States in order to protect con-

sumers and our national security. Last year, the Commerce Department ruled that oil companies could export a type of crude oil known as condensate.

Before the Commerce Department issued its private ruling on condensate or completed the industry-wide guidance that it issued in December which Federal agencies would then implement, did the Commerce Department consider the impacts of these decisions on U.S. consumers or prices, meaning by the exportation of this oil, was there a calculus put together as to how much that would then put pressure on raising prices rather than lowering them?

Secretary PRITZKER. Well, Senator, first of all, what we did last year we do not view as a change in policy. What we did was try to clarify what has been the policy to help explain to exporters of petroleum products how they could comply. And that is what led us to publish guidelines. We took into account how to make it clearer as to what is a petroleum product versus crude oil.

Senator MARKEY. Well, you know, we still import 5 million barrels of oil a day in the United States. We are the largest importer of any country in the world. We surpass China or anyone else bringing in oil. To be exporting crude oil at this time does not make much sense to me.

So my next question would be, are you considering further expanding any other additional exports of condensate or other crude oil that could affect that balance between exports and imports in the United States?

Secretary PRITZKER. Senator, at this time, we have no plans for a change of policy, and we are following the law of the land, which is crude oil is not exportable. Petroleum products are. And what we tried to do is simply clarify what the difference was in a day and age where technology has changed dramatically over the last 5 years.

Senator MARKEY. And as you know, I disagree with that interpretation. I think condensate falls squarely within the crude oil family.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Markey.

Senator Udall, then Senator Gardner.

STATEMENT OF HON. TOM UDALL,
U.S. SENATOR FROM NEW MEXICO

Senator UDALL. Thank you, Chairman Thune.

And thank you both, Secretary Foxx and Secretary Pritzker, for being here and for the hard work you do for our country.

Secretary Foxx, I enjoyed having you in New Mexico recently and visiting about infrastructure, and several of my questions today are going to follow up on some of the things we talked about then.

Capitalizing on the growth of freight rail infrastructure in New Mexico is an issue I have been working on for some time. Recently Union Pacific opened a $400 million Union Pacific transloading facility at the Santa Teresa port of entry. And BNSF has broken ground on a $5 million transloading facility in Belen, south of Albuquerque. These private investments are helping connect New Mexico's businesses with the world and creating a transportation hub in my home state.

The Department recognized this opportunity and recently awarded a $400,000 TIGER grant to develop a strategic transportation plan for Santa Teresa. And I support the President's request for $7.5 billion over 6 years to more than double the size of the TIGER grant program because I think investments like this are critical.

A couple of questions around this. What other resources in the President's request can help local communities capitalize on rail growth? Are there other sources of funding or support that you believe can help local communities who are experiencing growth update their infrastructure? And how can growing communities get help in the short term?

Secretary FOXX. So in terms of your question on freight growth, the President's proposal contains a $29.4 billion allocation to the National Freight Plan. Senator Cantwell has been just an incredible voice on pushing for a National Freight Plan. It is important to get that plan funded so that the local projects can happen. Our proposal would put a very substantial amount of money in place.

Now, how that would work is states, local communities, even groups of states could apply to the Department for that money. It would be awarded on a competitive basis. But the idea is to get scale out of investments that are specifically designed to connect us to the 21st century economy.

In terms of what can be done in the short term, we do have another round of TIGER that will be announced shortly. Sometime in the spring, there will be a notice of funding availability for that program. It is a $500 million program this year. As you point out, we would like to see that program much bigger because we can get a lot more done and get many more good projects happening around the country.

Senator UDALL. Great. Thank you.

As usual, Senator Cantwell is always out in front on an important issue like this.

Secretary Pritzker, I supported legislation championed by Senator Blunt and Senator Brown to establish a network for manufacturing innovation. Today the University of New Mexico is part of a consortium that is a finalist for one of the manufacturing institutes focused on advanced photonics. Could you expand on your testimony about how the Commerce Department intends to help coordinate activities between the various new national network of advanced manufacturing institutes?

Secretary PRITZKER. Well, Senator, we are very excited about the fact that the Revitalize American Manufacturing bill passed toward the end of last year. The bill calls for NIST, the National Institute of Standards and Technology, to act as the network provider, if you will. And so in our budget, we call for $10 million to provide the glue between the various institutes, in other words, if you think that we will probably, by the end of this calendar year, have roughly nine institutes up and operating I believe, the point being there is an opportunity for them to learn from one another and we would run that effort.

The second proposal in our budget is for two institutes to be created by the Department of Commerce, and those would be the result of a competition where the private sector would determine the technology that would be the focus of those institutes. The previous

institutes—the technologies have been determined by either the Department of Energy or the Department of Defense. And we think that is an important differentiation that some of our manufacturing institutes ought to have.

Senator UDALL. Thank you both for your testimony.

I have a question also on the Economic Development Administration that I will submit for the record. There is some really important work you are doing in Albuquerque. But I have run out of time.

Secretary PRITZKER. Thank you.

Senator UDALL. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Udall.

Senator Gardner, then Senator Sullivan and Senator Peters.

STATEMENT OF HON. CORY GARDNER,
U.S. SENATOR FROM COLORADO

Senator GARDNER. Thank you, Mr. Chairman

And thank you to the witnesses, the Secretaries, for being here today. Secretary Foxx, thank you, and Secretary Pritzker, thank you very much for being here. I particularly thank you for your outreach efforts to the newly elected Members of the Senate, both the Republicans and Democrats. Thank you for the opportunity to meet with you and discuss issues that are important to our state. So I appreciate the efforts that you have made.

I wanted to follow up on some of the comments that Chairman Thune had made regarding the West Coast port situation. Secretary Pritzker, the West Coast port slowdown had a tremendous effect on our economy. It is reported $2.1 billion a day. Particularly in Colorado, it depended on West Coast ports imports and exports and even including some ski equipment that was caught up in issues over the World Ski Championships in Vail.

I wanted to just ask you this. The East Coast and West Coast ports will be up for renegotiation when?

Secretary PRITZKER. I do not know the exact—the West Coast ports is just being resolved now, and so it would be 5 years from now would be the next contract expiration.

Senator GARDNER. And so you are looking at the possibility of both East Coast and West Coast port renegotiations happening at the same time.

What actions are you taking to ensure that this kind of slowdown/shutdown does not happen again?

Secretary PRITZKER. The ports do not actually fall under Department of Commerce. The engagement that I have had now is talking with some of the port owners about what I learned during this process about trying to bring the ports into the 21st century in terms of their technology. But in terms of the labor negotiations, we are not directly involved in those negotiations, but happy to be of help if we can be.

Senator GARDNER. Would you be willing to put together a report from the Department of Commerce that showed the cumulative economic impacts of congestion at the West Coast ports, including lost economic activities, wages, and jobs?

Secretary PRITZKER. I would be happy to work with my team. It may require other parts of the government also to really give you a fulsome picture.

Senator GARDNER. That would be fantastic. Thank you, Secretary.

Secretary Foxx, I wanted to talk a little bit more about highway reauthorization, the National Freight Program in particular. In northern Colorado, I–25, Interstate 25, we have seen over a 425 percent increase in population in the last 20 years. There is a tremendous increase in traffic, as well as freight. And I wanted to talk about the regional coordination that you are working on.

What kinds of efforts are you doing regionally to help coordinate the movement of freight across this country?

Secretary FOXX. Through our TIGER program, for instance, we were given some planning dollars last year which enabled us to do projects like Senator Udall was talking about where a community has a need to actually vision how these pieces tie together and to create a plan that can be executed later.

I frankly think that one of the big dangers we are facing because of the 32 short-term measures in the last six years is that the planning process is really grinding to a halt. That is the seed corn for our transportation system. If we are not planning, we are not getting things done.

The last thing I would say is that I think that it cannot be understated that the need for a long-term bill would help just open things up and get us back into an action mode again. I am a Secretary, not a magician. I cannot make stuff happen without the resources to do it.

Senator GARDNER. And we also, in MAP–21, talked about projects of regional and national significance. And so at some point, I wanted to follow up with you on what the ultimate outcome of designation of a national significant highway is particularly when it comes to freight.

But I wanted to go on to a question—I am running out of time here—dealing with a particular issue in Colorado. At Aims Community College, we have a control tower training program. It has been about 20 years that they have been working through the Collegiate Training Initiative, several universities and community colleges nationwide working on this program.

Last year, the FAA advised that they would no longer accept the recommendations of or give preference to graduates of the Collegiate Training Initiative program. The FAA has, instead, opted to employ a general public announcement seeking to recruit U.S. citizens with no aviation or no air traffic control education or experience to fulfill future personnel requirements at air traffic control facilities. Moreover, CTI graduates that already have an AT-SAT or Air Traffic Standard Aptitude Test score will be require to retake the exam at a cost of about $500 per test paid for by the U.S. taxpayer.

I was wondering if you could explain why this decision was made, what metrics or decision points were used when coming to this conclusion, and why the partnership should end, and why this decision will make our skies any safer than they previously were.

Secretary FOXX. So I also would like to provide a more complete answer for the record on this.

[The information referred to follows:]

The FAA continues to recruit qualified individuals for air traffic control specialist positions and will conduct a two track announcement process for Calendar Year 2015.

The first track vacancy announcement was advertised in January 2015, targeted applicants who have at least 52 weeks of certified air traffic control experience in either a civilian or military air traffic control facility.

- Applicants for this round of hiring will not take the biographical assessment or the Air Traffic Standardized Aptitude Test (AT–SAT).
- Instead, they must furnish documentation of their experience and previous air traffic certifications in order to be considered. Those selected applicants will fill immediate needs at various air traffic facilities.

The second track announcement was advertised in March 2015 for all U.S. citizens and will target candidates without ATCS experience.

- These candidates must meet age and minimum qualification requirements, and will be required to take the biographical assessment and the At–SAT.
- Additional announcements will be conducted as needed to fulfill FAA hiring needs.

CTI graduates with 52 weeks of certified air traffic controller experience were eligible to apply under the experienced track announcement. CTI graduates without 52 weeks of certified air traffic controller experience were eligible to apply under the general experience track announcement.

Secretary FOXX. But the upshot of it is that what the FAA is attempting to do here is to create a diagnostic at the very beginning of the input process so that we know that the pool of folks that come into the air traffic system have the basic competencies that are needed. This is not a substantive knowledge test. It is simply a test of whether how someone handles pressure, for instance, because there are very highly pressurized situations that air traffic controllers deal with. From there, the FAA would bring the pool together and then go through a subjective part of the process and then bring them into a training process. And it takes fully 2 years within the FAA to train people up.

Our experience, based on last year, was that folks that went through the training programs that you are describing actually did pretty well. Now, not 100 percent for sure, but in terms relative to the rest of the population, they actually did very well.

Senator GARDNER. We will follow up more with that.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Gardner.

If we move quickly, we have got Senator Sullivan, Senator Peters, and Senator Klobuchar, and we have no more than about 12 minutes to do this. So Senator Sullivan.

STATEMENT OF HON. DAN SULLIVAN,
U.S. SENATOR FROM ALASKA

Senator SULLIVAN. Thank you, Mr. Chairman.

And I want to thank Secretary Foxx, Secretary Pritzker for your testimony, for your service to our country.

I want to echo Senator Gardner on the outreach that you have made with regard to some of the freshmen Senators on the Committee here.

You know, Secretary Pritzker, one of the things—when you look at our country and our economy, we have tremendous areas of strength, whether it is our universities, whether it is our high-tech sector, whether it is this great new area where we are becoming the world's energy superpower again. And yet, one of the big failures I think of this administration is when you look at where we are on economic growth, broad-based economic growth if you compare it to previous decades, whether Reagan era, whether Clinton era, whether first term of the Bush administration where we were growing 3 and a half, 4, 4 and a half, 5 percent GDP growth.

Right now, one of the things that we see we are growing at 1, 1 and a half, 2 percent consistently. And you know, one of the things that I am most troubled by in Washington, that is being called the "new normal." This is what we should now expect, 2 percent GDP growth for this country. I think that would be a disaster if we start looking at that as the new normal.

I know we could go on. Just very quickly, you have a lot of experience in the private sector. Why are we growing so slowly? I think it is going to impact so many things in our country. How can we get back to traditional levels of American growth, 4 percent, 4 and a half, 5 percent GDP growth?

Secretary PRITZKER. Well, Senator, we at the Department of Commerce have been working to—we are never satisfied with the growth in America, and our job is to try and help America grow faster, whether that is expanding the opportunity for our companies to sell our goods not just in the United States, but around the world. So we have a national export initiative we are working on. I think the National Network of Manufacturing Innovation is extremely important. We need to stay on the cutting edge of innovation. Fully a third of our growth and our job growth since 2009 has come from innovation and innovative sectors——

Senator SULLIVAN. But do you agree that 2 percent GDP growth is unacceptable for the United States?

Secretary PRITZKER. Senator, I would agree that whatever our growth is, it needs to be more, and that is my job is to guide our Department to try and enhance that.

Senator SULLIVAN. Secretary Foxx, one of the things that I think has been a problem in terms of growth is the over-regulation of our economy. And in terms of the delivery of highway projects, it is now on average 14 years from start to finish. Environmental reviews for major transportation projects have increased to 8 years on average, just to review them, from 3 years, 3 and a half years ago in 2000. EIS, Environmental Impact Statements, have begun at, you know, 22–30 pages to now on average over 1,000 pages. The EPA is coming out with a new reg, the water of the U.S. I think it will be a disaster. I am certainly going to fight that reg. I do not think they have the authority to do it.

Do you agree that these numbers are unacceptable, 8 years to permit a bridge in America?

Secretary FOXX. Senator, I am from local government, so I am naturally impatient. I want to see projects happen as soon as they can possibly happen.

The first title of last year's GROW AMERICA Act was a series of project delivery reforms that we think can be done without jeopardizing the environment and accelerating projects.

Senator SULLIVAN. I do not think anyone wants to jeopardize the environment, but 8 years to permit a bridge in America—I do not think anyone wants that, Democrats, Republicans.

I would welcome your commitment. We are going to work on legislation, based on some of the things that you are proposing, to make that permitting system more efficient, timely, and certain so we can get Americans back to work. I would welcome the opportunity to work with your agency on that.

Secretary Pritzker, I want to turn to fisheries. As you know, that is a hugely important industry for Alaska. We are the superpower of America's fisheries. We harvest well over 50 percent of America's fisheries. I was a little disappointed to see that your testimony only gave one sentence to fisheries.

Just two questions. How are you looking to work with the state of Alaska and other fishing communities to enhance our opportunities? And more specifically, there have been concerns in Kodiak about the closure of the National Weather Service station there. That is a hugely important asset. You know, we have very tough weather out there in Kodiak. And we want to work with you on enhancing our opportunities in fisheries, but shutting down stations like that is not a good sign. And I would like your thoughts on how we can work with you on ensuring great opportunities in that big export element of our economy.

Secretary PRITZKER. Senator, both the fisheries and the Weather Service are an important part of what we do. And I was up in Alaska and did actually meet with the Weather Service there. I am not familiar with the Kodiak situation. I would have to look into that particularly. But our goal at the Weather Service is to run the Weather Service more effectively and efficiently which sometimes requires consolidation of some efforts because of technology. It is easier to run different parts of our organization with more regional technology centers. I do not know if that is the situation in Kodiak. So I have to look into it.

In terms of the fisheries, I am well aware of how important the fisheries are not just to Alaska but to all of our coastal communities. And we are working closely. NOAA is very focused on fish stock assessment and making sure that we are working with our local stakeholders to understand the quality of that stock assessment. That is one of the reasons that it is very important that we ultimately begin the renewal of our fleet because we need to be able not only to do a stock assessment but also charting and mapping and things like that that are also very important to our fishermen, as well as all that use our navigable waterways.

So this is an ongoing partnership, and the way we think about our relationship with our fishermen is it is a partnership and one that we take very seriously around our coastlines.

Thank you.

The CHAIRMAN. Thank you, Senator Sullivan.

Senator Peters?

STATEMENT OF HON. GARY PETERS,
U.S. SENATOR FROM MICHIGAN

Senator PETERS. Thank you, Mr. Chairman.

And it is great to have two great Secretaries here. Thank you for your service to our country. I appreciate your testimony here today.

Secretary Pritzker, I want to actually pick up on something that Senator Udall mentioned, which is the Network for Manufacturing Innovation, something that I am very passionate about coming from Michigan, the Detroit area.

I am happy to say that in January, the American Lightweight Materials Manufacturing Innovation Institute opened its doors in Detroit—we are very excited about that—which is part of the broader network around the country. But this institute has got a focus on lightweight materials, a research lab for the production for materials like aluminum, magnesium, titanium, advanced high-strength steel alloys. The center will also train workers who will use these new processes in factories and maintenance facilities across the country.

And I want to take an opportunity to express publicly my support for these institutes to keep moving forward. But as you know, the President has requested an additional $1.9 billion in funding to reach the goal of ultimately creating about 45 of these institutes.

Why do we need to be doing 45 institutes? What sort of things are we expecting? Certainly we are expecting big things out of Detroit, but if you could talk as to the importance of this funding to the future competitiveness of this country.

Secretary PRITZKER. Senator, first of all, I share your passion for these institutes.

The reason that the President is aggressively pursuing this is for several reasons.

First of all, we did a benchmarking study to look at how many different technologies there are that are viable that we ought to be pursuing. I think there were over 100.

Second is the President set a goal for 45 institutes over a 10-year period, and we have, I think, five that are announced and several more on the way. But we have a long way to go.

And if you look at our competitive situation globally, if you take a country like Germany whose economy is about a quarter the size of ours, they have 60 such institutes. And the thing you know from having seen the institute in Detroit—and I have gone to visit the one in Chicago—is they are unique places that would not happen without the Federal catalyst.

And so the President is pushing this at this time because he recognizes that so much of our economic future depends upon our continued innovation, and manufacturing is at the root of our innovation. Fully 30 percent of the world's patents come from the United States and 70-plus percent of those roughly are from manufacturing. And so it is an extremely important part of our economy, and we need to invest. And that is why the President is pushing so hard.

Senator PETERS. Well, I appreciate those comments.

I also want to say I am also a big proponent of the Manufacturing Extension Program as well that you head up which, over the last 2 decades, has helped provide advice and support particularly

for the small and medium-sized manufacturers where you have got an awful lot of that innovation and job creation.

Just recently it was announced that NIST awarded over $4 million to the Michigan Manufacturing Technology Center. And I was certainly encouraged by NIST's decision to reopen that process, to recompete some of these centers to bring more centers online. This is certainly going to allow more innovation to new manufacturers in Michigan, as well as across the country, to get into this space, which I think is very important.

So if you could address a little bit about the recompetition process and also just generally why it is so important we continue to fund these manufacturing extension programs.

Secretary PRITZKER. Well, the Manufacturing Extension Partnerships are vital to small-and medium-sized manufacturers because it is an opportunity for these manufacturers to get access to world-class processes and technologies. And otherwise, they would not be able to afford to do so.

And frankly, you know, I have been 27 years in the private sector, and if you told me the Federal Government was going to play this kind of critical role with small and medium-sized manufacturers, I would have seriously questioned it until I saw it myself. I have actually met with manufacturers. I met with the MEP providers. And I really got to see hands-on the kind of difference they can make for companies that are employing 50, 100, 300 people. They can make an extraordinary difference.

The reason for the recompetition is we had not done so in over a decade. So this is about keeping people fresh and sharp. Also, one of the things that we learned is the funding match was 1 to 2, and that was precluding some small manufacturers from participating. So we changed the funding to be a 1 to 1 match based upon the feedback that we had gotten from customers, and that has been very well received. And we think, therefore, we can help more small businesses.

Senator PETERS. Well, I appreciate your efforts and look forward to supporting you in your efforts. Thank you.

Secretary PRITZKER. Thank you, Senator Peters.

The CHAIRMAN. Thank you, Senator Peters.

Senator Klobuchar was going to be next. She is going to submit her questions for the record in the interest of time since we have the Prime Minister's speech coming up.

Senators Booker, Johnson, and Ayotte are also here and will submit questions for the record.

I am going to let Senator Daines take us out.

But I want to thank you, Madam Secretary, Mr. Secretary, for being here, for answering questions.

The hearing record will remain open for 2 weeks, during which time Senators are asked to submit questions for the record. Upon receipt, the witnesses are requested to submit their written answers to the Committee as soon as possible. And, Secretary Foxx, since you did not get your testimony up here on time, maybe you can get your questions up here in a really timely way—the responses to the questions.

We are going to let Senator Daines take us out, and then we will close out the hearing.

Thank you all very much.

STATEMENT OF HON. STEVE DAINES,
U.S. SENATOR FROM MONTANA

Senator DAINES. Thank you, Mr. Chairman.

Secretary Pritzker, I am grateful that we have 27 years of private sector experience for the Secretary of Commerce with your resume. That is a good thing.

In your testimony, you mentioned the President's budget prioritizes creating good American jobs, spurring high-tech manufacturing innovation, and that the Fiscal Year 2016 budget request demonstrates the administration's continued commitment to broadband telecommunications as a driver of economic development, job creation, and technological innovation.

I completely agree. And I can tell you in my hometown of Bozeman, Montana, we created 1,000 good, high paying tech jobs in a cloud computing company that we started up, and we could create even more. And it is thanks to the Internet, and it was thanks to this laboratory of economic freedom that the Internet provides. It is unconstrained innovation.

However, I think many of us were concerned when we heard that the Obama administration, the FCC, decided to step in and take over Internet regulatory control. And so it is really reconciling justifying how we can spur high-tech job creation and innovation while turning a blind eye to what is happening with the FCC that I believe will negate this effort. I have had e-mails from respected, well-known CIOs in our country playing right in the middle of cloud computing, some of whom are almost despondent over what was announced last week with the FCC.

How do you reconcile the words of the budget versus I think the reality of what the FCC is planning to do?

Secretary PRITZKER. Senator Daines, you know, the Administration is committed to broadband access for the entire country, and so this is something that we take very seriously. The President's position and the FCC's work on net neutrality is something that they take the lead on. I do think that the policy of supporting no blocking, no throttling, no paid prioritization, and increased transparency—I think those are important. Exactly how one gets there, that is up to the FCC to discuss with them.

What we at the National Telecommunications and Information Agency—what we are focused on, though, also is your question about how do we get broadband to as many communities as possible. And we did have BTOP grants out of earlier legislation where we laid 113,000 miles of broadband networks and accessed 25,000 schools and libraries, et cetera. Today we do not have that kind of grant money, but what we are doing is using some of the talent that we developed in doing that to work with communities on local broadband——

Senator DAINES. My concern—you know, certainly broadband access is important especially for rural states like Montana. I am just concerned that the FCC stepping in to regulate something that it does not understand fully and number two, cannot keep up with the rapid change in the Internet and so forth—perhaps good intentions. But I am very, very concerned about the consequences.

Secretary PRITZKER. I understand.

Senator DAINES. Secretary Foxx, there are five major operating agencies in the Department of Transportation, including the Pipeline and Hazardous Materials Safety Administration, that are currently led by acting administrators. And to my knowledge, for four of those five, it does not appear that the White House has nominated a replacement.

In Montana, energy infrastructure is an important issue. In fact, the border crossing location for the Keystone XL Pipeline is in Montana. How are we supposed to be proactive and working with these agencies when they are without appropriate leadership?

Secretary FOXX. Well, first of all, there is an awful lot of work underway to move forward on some of these roles, and that is information that I will have to let the White House move forward with at an appropriate time. But I do believe there is some imminent work on those.

We have good leaders in place, even if they are acting. The expectation is that there is no drop-off in our ability to focus.

Senator DAINES. What is the barrier there? Just I am curious. Again, I spent, probably similar to Secretary Pritzker, 28 years in the private sector. What is the barrier to filling these roles?

Secretary FOXX. We do want to make sure we get the right fit for these jobs, and it is more than just trying to find somebody off the street. It is trying to make sure we have good people that are being placed in these roles, and I do believe both with the folks that we have in acting roles, as well as those that may or may not be moving through the process right now, that we will keep our standards very high.

Senator DAINES. On the Pipeline and Hazardous Materials Safety Administration, any sense of when you think you might have the position filled?

Secretary FOXX. I am not going to get ahead of the White House on that, sir.

Senator DAINES. All right. Thank you for the questions.

Senator CANTWELL [presiding]. Well, I want to thank both our Secretaries.

And this hearing is adjourned.

[Whereupon, at 10:40 a.m., the hearing was adjourned.]

A P P E N D I X

Oversight and Investigation

Question 1. In the annual financial statements audit for Fiscal Year (FY) 2014, external auditors identified some significant deficiencies, including information technology access, configuration management, and segregation of duties, controls, and accounting for Economic Development Administration (EDA) accrued grants. What specific actions have you taken to ensure that the Department addresses these significant deficiencies properly and swiftly?

Answer. The Department of Commerce (Department) takes its fiduciary responsibilities to this Nation and its taxpayers very seriously. Even before the external auditors issued the final report, the Department had already started developing and implementing corrective actions. The Office of Financial Management (OFM) reviews each bureau's corrective action plans, making sure those actions properly and promptly addresses each deficiency. The plans are then sent to the Office of Inspector General for their official acceptance of the plans. The OFM then monitors the bureau's progress towards implementing the corrective action on a monthly basis, or more frequently if required, and randomly tests a sample of the completed actions to ensure that they are indeed complete. Additionally, the external auditors will retest areas found to be deficient as a means of validating the effectiveness of the corrective actions.

Rest assured that the highest levels of management are committed to ensuring the accuracy and integrity of the Department's financial statements.

Question 2. The Department of Commerce Office of Inspector General (OIG) has repeatedly identified significant flaws in security measures at the Department. Will you commit to working with the OIG and this Committee to address these outstanding deficiencies?

Answer. Cybersecurity is a very high priority for the Administration and the Department. I personally review our Department's progress on cybersecurity with my senior team monthly. The Department's Strategic Plan calls for an improvement in the Department's cybersecurity enterprise architecture, and the Department's Fiscal Year 2016 budget request supports activities that will bolster cybersecurity at the Department. We are currently in the process of deploying a Department-wide system for continuous monitoring of several key security controls, which will provide operational cybersecurity capability throughout the Department. Further, we have overhauled our cybersecurity risk management framework and have significantly enhanced policies relating to cybersecurity, including increasing authority of bureau Chief Information Officers over security for systems they don't directly manage and mandating professional certifications for IT professionals in certain security-related roles. As we continue to pursue opportunities to improve our security posture, we fully commit to working with OIG and this Committee to address security issues.

Question 3. In his written testimony at a February 25, 2015 hearing before the House Appropriations Committee, Subcommittee on Commerce, Justice, Science, and Related Agencies, Inspector General Todd J. Zinser mentioned a number of recent issues concerning OIG access and independence. Will you commit to providing the OIG with complete and timely access to all Department information and materials?

Answer. I take compliance and oversight very seriously, and deeply appreciate the critical role Inspector General offices play in improving management and preventing waste and abuse in the government. I am fully committed to working cooperatively with the Department's Inspector General on his oversight work and, as the Inspector General Act requires, providing full and open access to information the Inspector General needs to do his job.

Question 4. The OIG has identified "Providing Stronger Controls over Finances, Contracts, and Grants" as an area of concern for the upcoming year. What steps is

the Department taking to eliminate sole-source contracting when there is inadequate justification for it and to bolster recordkeeping to ensure transparency and accountability?

Answer. The Department considers competition to be the cornerstone of an effective business strategy and promotes its use to the maximum extent practicable. The Deputy Senior Procurement Executive is designated as the Department Competition Advocate responsible for promoting full and open competition as well as challenging barriers to the acquisition of commercial items and full and open competition. In addition, each of the Department's Operating Units with authority to operate a contracting office has a designated Competition Advocate responsible for promoting competition at the Operating Unit level.

In Fiscal Year 2014, the Department demonstrated a continued commitment by achieving competition on 77 percent of its available competition base dollars. This is in part a result of several actions taken to achieve full and open competition in contracting operations, such as:

- Required review of sole source justifications for proposed actions up to $650,000 by the Operating Unit Competition Advocate and by the Department's Competition Advocate for actions over $650,000;
- Partnered with stakeholders in Industry Day events and pre-proposal conferences to increase emphasis on market research and competition;
- Briefed program directors and staff on the benefits of competition;
- Provided training to acquisition and program staff on effective market research and maximizing competition;
- Conducted acquisition reviews to evaluate the acquisition strategy of proposed contracts and promote the use of competition;
- Increased emphasis on improved acquisition planning and increased competition at all working levels;
- Established competition achievement goals and track performance on a monthly basis through the Department's Acquisition Council. The competition achievement metrics are also available real-time on the Secretarial Dashboard.

Question 5. How will you go about implementing a culture of accountability at the Department?

Answer. The Department takes its fiduciary responsibilities to this Nation and its taxpayers very seriously and maintains a culture of accountability to ensure that we meet these fiduciary responsibilities. The Department's culture of accountability cascades from the top leadership of the Department to individual employees. Our culture of accountability starts at the top of the agency with the Executive Management Team (EMT) led by the Secretary and composed of the heads of the Department's bureaus. This group ensures that the Department is closely monitoring its program and policy commitments and that bureaus are collaborating to optimize return on investment in the Department's programs.

The oversight provided by the EMT is supplemented by the same group sitting once a month as a review group to examine progress on specific Department Strategic Goals. Further, the Deputy Secretary meets monthly with the Goal Leads individually and as a group to discuss how plans and strategies should be evolving based on current developments.

One level down from the EMT is the Departmental Management Council (DMC). The DMC is led by the Deputy Secretary and composed of the Associate Director, Chief Operating Officer or equivalent career senior executive from each of the Department's bureaus, who are responsible for the day-to-day bureau operations and have an understanding of the management and budget resources that support bureau activities. The DMC focuses on increasing the efficiency and quality of mission support processes.

At a functional level, the Department has councils that provide oversight and accountability for the various functions, including the Chief Financial Officers Council, Chief Information Officers Council, Acquisitions Council, Grants Council, Enterprise Risk Management Council, the Performance Excellence Council and Human Resource Council. These councils review multi-bureau performance data related to their functional areas to facilitate preemptive action if processes depart from standards and/or targets. Risk management is supported by written policies and procedures that are facilitated by dedicated staff professionals.

Accountability for follow-up on Inspector General and Government Accountability Office findings is supported by a Department-wide tracking system used to monitor that timely action is taken on recommendations. At the functional level there are councils and groups responsible for ensuring accountability such as the internal con-

trols Senior Assessment Team, which monitors corrective actions for internal and external financial management findings.

At the employee level, accountability is written into individual performance plans; for instance, employees responsible for the safeguarding of property have critical elements in their performance plans that address these duties. This accountability structure is mirrored at the bureau level.

Federal Records Act

The Federal Records Act (FRA) requires Federal employees to preserve all records, including e-mails, documenting official government business. The National Archives and Records Administration (NARA) further clarified this requirement in 1995 by adopting regulations specifically requiring the preservation of official e-mails created on non-official accounts. The cornerstone of transparency, this clear and unambiguous requirement ensures that complete and accurate documentation of the business of Federal departments and agencies is available for congressional inquiries, Freedom of Information Act (FOIA) requests, litigation, and historical research. Given reports about deficiencies in FRA compliance at several departments and agencies, please answer the following questions:

Question 6. Do you use an official government e-mail account for official business?

Answer. Yes. Pursuant to Department policy, the Secretary uses an official government e-mail account for official business.

Question 7. Do you or any other senior Department officials use an alternate, alias, or other official account (apart from your primary official account) for official business? If so, is the Department's Chief FOIA Officer aware of this practice? Have you ever used a non-official e-mail account for official business? If yes, please explain your purpose and justification for this practice.

Answer. As previously noted, the Secretary uses an official government e-mail account to conduct official business. As a general matter, senior Department officials use a single official e-mail account for official business. Because of the volume of e-mails she receives, the Secretary, with the knowledge of the Department's FOIA Officer, maintains both an official e-mail account published on the Department's website and administered by the Executive Secretariat for inquiries from the general public, as well as two additional official e-mail accounts for other official communications.

For the same reason, the Office of the Deputy Secretary, the Office of the General Counsel, and certain other Department bureaus and operating units maintain official accounts managed by administrative staff for inquiries from the general public, and these accounts are distinct from the official Department e-mail accounts that the associated senior officials use for their day-to-day communications.

In addition, for security reasons, certain senior officials traveling overseas may use mobile devices configured with travel accounts that are deliberately segregated from their primary e-mail accounts. Finally, certain senior officials maintain secondary official e-mail accounts that were created when their primary official accounts reached their storage capacity. Department officials' primary and alternate official e-mail accounts are equally subject to FOIA.

Question 8. Are you aware of any other Department or Administration officials who use or have used non-official e-mail accounts for official business?

Answer. As a matter of practice and consistent with Department policy, the Secretary and other Department officials use official government e-mail accounts to conduct official business. In answering this and other questions, we consulted with the Offices of the Chief Information Officers for the Department and its bureaus, generally addressing the time-frame from the Secretary's swearing-in through present. Based on this inquiry, we believe any use of non-official e-mail by Department officials, including during emergencies or otherwise unusual circumstances, is minimal—and we are unaware of any widespread, ongoing use of non-official e-mail by officials to conduct official business.

Separately, for a limited time following their September 2012 appointment, certain non-federal board members of the First Responder Network Authority ("FirstNet")—who were full-time employees of private and public-sector entities or otherwise engaged in non-federal activities, had limited access to Federal communications devices, and worked only intermittently on FirstNet business—sent some communications from their non-federal e-mail accounts. Personnel at the National Telecommunications and Information Administration, within which FirstNet is housed, as a matter of practice copied those board members' official government accounts when corresponding with them during this limited period of time. At present, board members generally communicate using official Federal e-mail accounts, consistent with the practices described in the paragraph above.

Question 9. What steps have you taken to ensure the preservation of all Federal records, including e-mails, at the Department in accordance with the FRA? Has the Department adopted the Capstone approach to managing e-mail, outlined in the September 14, 2014 memorandum to the heads of Federal departments and agencies from the Office of Management and Budget and NARA? Have any Department employees using non-official e-mail accounts to conduct official business forwarded the e-mails to their official accounts within 20 days as required by law?

Answer. Various Department policies require the preservation of Federal records, including e-mails, in accordance with the FRA and with NARA-approved general records schedules. The Department also maintains a comprehensive access and use policy prohibiting the use of personal e-mail for official business. The Department publishes these policies on its intranet and conducts periodic records training for employees.

Like other Federal agencies, the Department is working to implement recent Office of Management and Budget electronic records directives that agencies electronically manage e-mail records by December 31, 2016—and electronically manage all records by December 31, 2019. In connection with these directives, the Department is working to implement a Capstone approach to e-mail records management.

Question 10. What policies and procedures does the Department have in place to ensure that all employees comply with their FRA obligations? When was the most recent FRA training session offered to Department employees, including Senate-confirmed individuals?

Answer. As previously noted, the Department maintains various policies that require the preservation of Federal records. They include comprehensive, Department-wide policies setting forth employees' obligations to preserve records, as well as an access and use policy prohibiting the use of personal e-mail for official business. The Department publishes these policies on its intranet and conducts periodic records training for employees; for example, training on the access and use policy was conducted in early April 2015.

The Department's records training is handled at the bureau and operating unit level, with additional briefing on recordkeeping obligations occurring periodically at the Department Management Council level. Senate-confirmed employees receive records training on an individualized basis. Going forward, the Department intends to move toward a virtual and uniform records training based on the Federal Government-wide, NARA-sanctioned model that the Federal Records Officer Network is developing.

Question 11. Is any senior Department employee aware of any unlawful or accidental removal, alteration, or destruction of electronic Federal records in the Department's custody or control, including e-mails? If so, has the Department reported these incidents to NARA? Please provide details of any such incidents, including the dates, number and type of records, and custodians involved, as well as any reports, including dates, made to NARA.

Answer. Based on the consultation described in response to question three, we are unaware of the unlawful or accidental removal, alteration, or destruction of electronic Federal records in the Department's custody or control.

Question 12. Are you or any Department official aware of any Department employee's use of a private or independent e-mail server to conduct official business? If yes, who approved its use? What was the rationale or justification for its use?

Answer. Based on the consultation described in response to question three, the Department is not aware of any Department employee's use of a private or independent e-mail server to conduct official business. As noted, Department policy requires employees to use official e-mail accounts to conduct official business.

Question 13. Has the Department received any inquiries from employees about the permissibility of using a private or independent e-mail server to conduct official business? If yes, who made the inquiry and what was the response?

Answer. Based on the same consultation described above, the Department is likewise unaware of any inquiries from employees regarding the permissibility of using a private or independent e-mail server to conduct official business.

Bureau of Economic Analysis

Question 14. BEA Relocation to Suitland Federal Center: The President's budget seeks a $14 million increase in FY 2016 for the Bureau of Economic Analysis (BEA), the agency best known for producing the Nation's quarterly gross domestic product (GDP) numbers. Among the requests for additional funding for this agency is $4.3 million for relocating the agency to the Suitland Federal Center. Will this relocation result in long term savings for the taxpayer?

Answer. Yes, we project the accumulated renovation and rent savings over a ten year period to be greater than $65 million. The Bureau of Economic Analysis (BEA) is currently under a short-term lease extension at 1441 L Street NW, Washington, D.C. that expires in June, 2016. As part of establishing a new long-term lease, the General Services Administration (GSA) looked at options to (1) build out and relocate to a new facility or (2) reconfigure its current facility to a smaller footprint. The GSA estimated these costs at approximately $16 million. BEA requested $8 million in FY 2015 to partially pay for this one-time required build-out, and planned to request the remaining $8 million in FY 2016. The Department, in conjunction with the Office of Management and Budget (OMB) and the General Services Administration (GSA), has decided to move BEA to Suitland, MD and co-locate them with the Census Bureau. Operationally, this makes sense. The Census Bureau provides 66 percent of the data that BEA uses to generate GDP. We know that our customers want, and will benefit from, data that is more timely and in greater detail regarding region and industry. Bringing these two operating units closer together will help us better deliver our important mission through greater collaboration. Financially, this relocation will result in long term tax savings. BEA will reduce the one time renovation costs by approximately $8 million and its rent will be cut by $2.5 million a year. Additionally, Census annual rent will be reduced by $3.5 million based on the rent paid by BEA.

Question 15. BEA Energy Satellite Account: As previously noted, the President's budget requests a $14 million increase in FY 2016 for the BEA. Among the requests for additional funding for the BEA is $2 million to develop what's referred to as an "Energy Satellite Account" that will focus on national and regional energy production in the U.S., the use of energy goods and services by consumers and businesses in the U.S., and energy prices, among other things. Doesn't this initiative duplicate what the Energy Information Administration is already doing? How is this proposed expenditure not a duplication of the efforts of the Energy Information Administration?

Answer. No, it does not duplicate existing efforts at the Energy Information Administration (EIA); it complements and builds upon those efforts. Energy statistics produced by the EIA are not intended to provide the full macroeconomic picture for the sector, such as the sector's contribution to U.S. economic growth, productivity, and jobs and wages. Moreover, the EIA data do not provide for the ability to compare and contrast important sectors in the economy—for example, the energy sector's economic performance in relation to the manufacturing sector or to the financial sector. EIA's very detailed energy data is important for understanding specific changes in energy production and consumption, such as changes in barrels of crude or refined petroleum, or spot prices for oil. These detailed energy data are important for forecasting certain things like future energy consumption, production, or world oil prices.

In contrast, BEA's proposed energy satellite account will pull together estimates on the economic performance of the energy sector and its supply chain, including the energy sector's contribution to the change in Gross Domestic Product (GDP). The satellite account will bring together existing and new sources of data into a coherent estimation framework and presentation, consistent with GDP, that will shed new light on the performance of the sector—from oil and gas extraction, to specialized manufacturing that provides the capital equipment necessary to produce energy, to refining, to the delivery of energy goods and services to businesses and people.

Question 16. Proposal for a BEA Broadband Satellite Account: With the Federal Communications Commission recently voting to encumber the Internet with Depression-era Title II regulation, I'm concerned that that, over time, we will observe a noticeable diminishment of investment by Internet service providers to improve upon and innovate within their networks. I recognize there is disagreement on this issue. That is why I think it's particularly important for the BEA to measure the impact of broadband investment on GDP over the next several years. Would you support establishing a broadband satellite account at BEA to measure the impact of broadband investment on GDP?

Answer. We would be happy to explore this idea with you, and also provide a brief description of the currently available information from BEA that may be helpful.

BEA's fixed asset accounts provide information on capital investment for the "broadcasting and telecommunications" industry, which includes broadband activity. The fixed asset accounts provide estimates of capital investment, net stock of assets, depreciation, and average ages of the stock of assets for types of equipment, structures, and intellectual property assets of the broadcasting and telecommunications industry. These estimates can be used to track changes in investment over time for this industry.

Question 1. The world is going wireless, which is leading to incredible benefits for our economy and consumers. I plan to reintroduce the Wireless Innovation Act this Congress and work to pass it, but in the meantime, can you tell me what you are doing to ensure this valuable public resource is being put to its best and most efficient use on behalf of the taxpayer?

Answer. The Department and the National Telecommunications and Information Administration (NTIA) continue to play a leading role towards meeting the President's directive to identify 500 megahertz of new spectrum for wireless broadband use by 2020. The recent AWS–3 auction of spectrum that was freed up through the joint efforts of NTIA, the Federal agencies and the Federal Communications Commission (FCC) is an important milestone in the Administration's efforts to meet this goal. The success of the AWS–3 auction, which raised more than $40 billion, was made possible in part by an unprecedented level of collaboration between NTIA, affected Federal agencies, wireless industry representatives, the FCC, and Congress.

As part of the Administration's efforts to make more spectrum available for wireless broadband, the Department has been working to identify other Federal bands that could be designated for commercial use. We are collaborating with the FCC on making 100 megahertz of spectrum available for small cell mobile broadband use in the 3.5 GHz band on a shared basis with military radar systems. Meanwhile we also are evaluating the feasibility of increased sharing for unlicensed devices in the 5 GHz band while protecting incumbent Federal Government systems. NTIA is also working with Federal agencies to quantify their use of 960 megahertz of spectrum, spanning several key bands. The results of this quantification assessment are one factor that will be used to prioritize bands for more detailed study focused on expanding shared access. We are also beginning a dialogue with Federal agencies on best approaches to begin enabling expanded bi-directional Federal access to non-federal bands.

We are also working to improve the efficient management of Federal spectrum through increased transparency of Federal operations, collaboration with industry, and incentives for Federal users to update their systems to improve sharing spectrum with the private sector.

Question 2. The Commerce Department has a long history in the identification and reallocation of under-utilized Federal spectrum. In fact, the Commerce Department's report pursuant to the Omnibus Budget Reconciliation Act of 1993 led to the reallocation of spectrum occupied by Federal agencies that facilitated the migration of mobile services in the United States from 1G to 2G. Do you believe that the Commerce Department should continue to play a central role in the evaluation of what under-utilized Federal spectrum can be reallocated for commercial use?

Answer. Yes. As described above, the Department plays an integral role in working with Federal agencies to maximize spectrum efficiency. NTIA is working towards meeting the President's directive to identify 500 megahertz of new spectrum for wireless broadband use by 2020. The recent AWS–3 auction of spectrum that was freed up through the joint efforts of NTIA, the Federal agencies and the FCC is an important milestone in the Administration's efforts to meet this goal. The success of the AWS–3 auction, which raised more than $40 billion, was made possible in part by an unprecedented level of collaboration between NTIA, affected Federal agencies, wireless industry representatives, the FCC, and Congress.

The auction also represents a paradigm shift in our approach to making spectrum available for commercial wireless providers. In many instances, the bands that were auctioned will require the clearing of incumbent Federal users from these bands; while in other instances, non-federal entrants will be required to share spectrum with incumbent Federal agencies indefinitely. As NTIA continues to review spectrum bands for reallocation, spectrum sharing is becoming the new reality. Out of necessity where it is cost prohibitive, takes too long to relocate incumbent users, or where spectrum offering comparable operational capability is not available to ensure continuity of critical Federal Government functions, we must move beyond the traditional approach of clearing Federal users from spectrum in order to auction it to the private sector for its exclusive use.

We continue to work to identify other Federal bands that could be designated for commercial use. In the near term, we are evaluating the feasibility of increased sharing for unlicensed devices in the 5 GHz band. We have also worked with the FCC and Federal agencies to enable innovative spectrum sharing approaches in the 3.5 GHz band, and just recently the FCC adopted new rules for the 3.5 GHz band creating a three-tiered sharing scheme that authorizes advanced spectrum sharing among commercial and Federal operators. Looking ahead, NTIA is also working

with Federal agencies to quantify their use of 960 megahertz of spectrum, spanning several key bands.

We are also working to improve the efficient management of Federal spectrum by increasing transparency of Federal operations, collaboration with industry, and incentives for Federal users to update their systems to improve sharing spectrum with the private sector.

Question 3. The AWS–3 auction demonstrated that there is strong commercial demand for spectrum. What efforts will the Commerce Department take to evaluate whether there are other Federal bands that are being under-utilized and can be reallocated for commercial mobile use?

Answer. Identifying additional spectrum to keep up with unprecedented demand for both Federal and non-federal uses is a top priority for NTIA, which manages Federal spectrum usage. NTIA is collaborating with the FCC on making 100 megahertz of spectrum available for shared small cell use in the 3.5 GHz band currently used primarily for military radar systems. The 3.5 GHz band is well suited to exploring the next generation of shared spectrum technologies, driving greater productivity and efficiency in spectrum use and could be an important pivot point toward a new sharing paradigm. Recently, the FCC adopted new rules for the 3.5 GHz band creating a three-tiered sharing scheme that authorizes advanced spectrum sharing among commercial and Federal operators. We are also evaluating the feasibility of increased sharing with unlicensed devices in the 5 GHz band. NTIA is also working with Federal agencies to quantify their use of 960 megahertz of spectrum, spanning several key bands.

NTIA recognizes that spectrum is the lifeblood of the mobile broadband revolution. We are committed to ensuring the industry has the bandwidth it needs to continue to innovate and thrive. But we face an important balancing act since Federal agencies also rely on this precious and finite resource to perform all sorts of mission-critical functions—from communicating with weather satellites (National Oceanic and Atmospheric Administration) to navigating passenger planes (Federal Aviation Administration) to operating weapons systems (Defense Department).

To achieve the President's goal of identifying 500 MHz of spectrum for commercial use by 2020, we need to move beyond the traditional approach of clearing government-held spectrum of Federal users in order to auction it off to the private sector for exclusive use. Too often, relocating incumbent operations is too costly, too time-consuming and too disruptive to Federal missions. The future lies in sharing spectrum—across government agencies and commercial services, and across time, geography and other dimensions.

To support these efforts, NTIA is seeking to increase transparency into existing Federal spectrum use. Last year, NTIA unveiled *Spectrum.gov,* a new online tool that provides band-by-band descriptions of Federal spectrum uses between 225 MHz and 5 GHz, including a summary of frequency assignments authorized by NTIA. We will continue to improve that tool to make it more easily searchable and user-friendly, and to provide as much helpful data as we can without disclosing sensitive information.

If spectrum sharing is to become reality, though, we need to build trust on multiple levels. First, we need to build trust in dynamic sharing technology, including spectrum databases and smart radios that can track which frequencies are available for use. Our new Center for Advanced Communications in Boulder, a partnership with the National Institute of Standards and Technology (NIST), will conduct vital research and testing to drive development of dynamic sharing technology.

Second, we must build trust between the public and private sectors so that we can partner to identify more sharing opportunities and collaborate to make sharing work. With the help of our Commerce Spectrum Management Advisory Committee, NTIA will increase industry engagement to enhance this trust moving forward.

Finally, we need to build trust in policies and processes to ensure that everyone—public and private sector alike—plays by the rules. Our proposed model city initiative, a collaboration with the FCC which will serve as a test bed to evaluate spectrum-sharing technology in a real-world environment, will provide a good opportunity to develop these policies and processes.

The Department shares your commitment to maximizing the efficiency of Federal spectrum use and is working at all levels to ensure that we achieve this outcome.

Question 4. On March 13, 2015, Florida, Alabama, Louisiana, Mississippi and Texas announced a state-based Gulf red snapper management agreement that would transfer authority away from the Gulf of Mexico Fishery Management Council. What are the Department's views of this agreement and management structure?

Answer. The Department supports regional management in concept as a way to resolve the current challenges created by inconsistent state jurisdictions and regula-

tions, stabilize management of the recreational sector, and better manage the expectations of for-hire fishermen and private anglers.

It is difficult to judge the merits of the states' red snapper management agreement because it lacks sufficient detail regarding what we believe to be the hallmark elements of a successful regional management strategy. These include: fair and equitable allocations among all of the states and user groups; sound, science-based decision-making that accounts for all sources of fishing mortality; coordinated data collection systems, which provide consistent, reliable data; and, catch accountability, including mechanisms to prevent and respond to quota overages.

The Department is concerned the states' agreement proposes to regionalize management of the commercial red snapper sector after an initial three year grace period. The individual fishing quota program implemented in 2007 addressed many long-standing challenges faced by the commercial sector by better aligning fleet capacity with the commercial catch limit, mitigating short fishing seasons, improving safety at sea, and increasing economic profitability. The Department believes strongly that any management program adopted for red snapper should recognize and continue those hard-earned achievements.

While the Department appreciates the states coming together on this difficult issue, the Department continues to believe the best way to develop an effective regional management strategy is through the regional fishery management council process. The Magnuson-Stevens Act established that process to ensure fishery management decisions are developed from the bottom up and are stakeholder-based, transparent, and consistent with all applicable law. Although sometimes cumbersome, it is a good process for working through the types of difficult decisions that regional management requires. Gulf of Mexico fishermen and fishing communities sacrificed a great deal to get here. It is critical that all involved remain engaged and work together to find a way forward in the cooperative spirit that the regional fishery management council process promotes.

The Gulf of Mexico Fishery Management Council continues to actively develop a regional management proposal and the Department will continue to support the state representatives on the Council in reaching agreement on a regional management strategy that works for all. Such a program could be finalized before the end of 2015 for implementation in the 2016 fishing season.

Question 5. Please provide details on how much the Department plans to spend for stock assessments and data collection for the red snapper fisheries in the Gulf of Mexico and South Atlantic Ocean.

Answer. The Southeast Fisheries Science Center expects to provide new assessments for both the South Atlantic and Gulf of Mexico red snapper stocks this year. However, the data collection that supports red snapper stock assessments is not conducted just for red snapper, but includes a broad range of species.

Our fish surveys are designed to sample all species that occur in a given habitat in a way that reflects their relative densities within that habitat. Trawl surveys collect data on shrimp and juvenile fish of the several species that inhabit muddy bottom habitat. Our video trap surveys collect data on reef-associated species that include multiple snapper and grouper species plus amberjack and gray triggerfish.

Similarly, our sampling of catches from commercial and recreational vessels is not carried out by species. For example, commercial port samplers collect data from commercial vessels across the wide variety of species harvested.

As a result of this blending of data collection efforts, it is not possible to provide an estimate of how much is spent to assess any one species.

Question 6. NOAA recently announced a recovery plan for the elkhorn and staghorn corals and listed them as threatened under the Endangered Species Act. How will the designation impact research and development of U.S. coastline, waterways and ports?

Answer. The final recovery plan for elkhorn and staghorn corals provides a blueprint for recovering these species. It identifies recovery criteria, strategies and actions that are needed for recovery. It doesn't change any of the regulations governing the take of corals or modify any of the regulatory requirements of an Endangered Species Act (ESA) listing. In 2008, the National Marine Fisheries Service (NMFS) issued a protective regulation for these corals under section 4(d) of the ESA. That regulation did not prohibit take associated with scientific research provided other necessary permits were issued to the researcher (such as those from the State of Florida or the National Marine Sanctuary). The recovery plan will not affect research activities in terms of permit requirements, but we do hope that it will spur additional research on these species as identified in the recovery plan. Likewise, the recovery plan will not affect development of the U.S. coastline, waterways or ports.

Question 7. In your testimony, you state that the President's NOAA budget calls for $2.4 billion to fund the next generation of weather satellites "to reduce the risk of a potential gap in weather data in 2017 and beyond." The current satellite, Suomi NPP, is estimated to reach the end of its lifespan in 2016. For Floridians, this potential gap could mean delayed weather reporting or even worse, loss of data during the afternoon orbit, resulting in catastrophic circumstances. What are the Department's estimates for the actual life span of Suomi NPP?

Answer. The Suomi National Polar-orbiting Partnership (Suomi NPP) satellite is functioning well with observations and data availability meeting or exceeding expectations. The satellite is not showing any signs of degradation or anomalies indicating life limits. The satellite has a design life of five years; however current predictions indicate sufficient propellant for operations to the mid-2020s.

Question 8. How did the Department come to this estimate?

Answer. These lifetime probability estimates are updated annually. The 2014 Polar Constellation Weather Data Reliability Report provides a detailed explanation of the process of reliability modelling. The 2014 Suomi NPP satellite probability of success model is based on a specialized model to determine failure rates called "Military Handbook, Reliability Prediction of Electronic Equipment", MIL–HDBK–217. This model was applied at the system level (*e.g.,* spacecraft and instruments) and modelled degradation of system components.

The model output suggests that around the year 2020, the Probability of Success for the system components that are required to produce key data products to be below 60 percent with continued degradation until the satellite has to be de-orbited due to propellant depletion, which is currently predicted to be no later than 2026.

NOAA assumes a satellite will not be available if its predicted reliability is below 50–60 percent. These analyses are repeated annually as part of our continuous process to understand and manage our overall program risk.

Question 9. Does NOAA currently have a contingency plan should the monies not be appropriated? If so, what is that plan?

Answer. NOAA has submitted a balanced FY 2016 budget request to support NOAA's satellite portfolio, including sufficient funds to achieve a robust Joint Polar Satellite System (JPSS) system architecture that will continue operations of Suomi NPP, continue development of the JPSS–1 and JPSS–2 satellites, complete the block 2 upgrades for the JPSS ground system, and develop two additional satellites beyond JPSS–2 in the proposed Polar Follow On (PFO). NOAA's polar-orbiting weather satellites are aging and must be replaced in order to maintain weather forecast accuracy and reliability. Federal, state and local governments, U.S. citizens and businesses are reliant on timely and accurate weather forecasts to protect life, property and economic competitiveness. A loss of coverage by NOAA's polar satellites would severely degrade the National Weather Service's early detection and forecast prediction ability, setting them back years in terms of weather forecasting improvements. Diminishing this capability will negatively impact millions of people and cost U.S. business billions of dollars in revenue.

NOAA has developed an extensive mitigation plan to reduce the impact of a gap, in the event one occurs; however, mitigation activities cannot replace the performance of the JPSS system. If NOAA is not appropriated funds at the requested level for the JPSS program in FY 2016, NOAA's ability to operate the Suomi NPP satellite and maintain development of the JPSS–1 and JPSS–2 missions will be impacted—resulting in a gap in observations in the late 2020s in the afternoon polar-orbit.

If NOAA is not appropriated funds at the requested level for the PFO in FY 2016, the risk of a gap in polar observations following the launch of JPSS–2 will be increased. The follow on satellites, PFO/JPSS–3 and PFO/JPSS–4, ensure NOAA's ability to provide accurate and timely weather forecasts and warnings through 2038. Full funding of the request allows NOAA to achieve polar weather constellation robustness as early as FY 2023.

Question 10. Within the President's requested budget, how much do you estimate NOAA to expend on weather forecasting research? What, if any, projects are currently being studied, or are planned? How much do you estimate to expend on seal level research?

Answer.

NOAA Weather Forecasting Research

In FY 2016 NOAA requests a total of $102.7 million across the Office of Oceanic Research, the National Weather Service, and National Environmental Satellite, Data and Information Service for weather forecasting research and development. In fiscal 2016, weather forecasting research efforts are detailed as follows:

Office of Oceanic and Atmospheric Research (OAR)

OAR requests $78.6 million for weather forecasting research and development. Under its Weather and Air Chemistry Research sub-program, OAR will support:

- Research and development that provides the Nation with accurate and timely warnings and forecasts of high-impact weather events and their broader impact on issues of societal concern such as weather and air quality;
- Research that provides the scientific basis for informed management decisions about weather, water, and air quality; and
- An increase in the pace, scope, and efficiency of exploration and research through the development of new, innovative and emerging technologies.

National Weather Service (NWS)

NWS requests $22.1 million for weather forecasting research and development. The research efforts are focused on improving tsunami warnings, air quality forecasting, and science enhancement for Next Generation Aviation forecast services. Major development efforts include the development for the next generation global and hurricane weather prediction model, and demonstration of centralized water forecasting.

National Environmental Satellite, Data and Information Service (NESDIS)

NESDIS requests $2.0 million for weather forecasting research under its Joint Center for Satellite Data Assimilation and Satellite Altimetry Laboratory.

NOAA Sea Level Research

NOAA conducts sea level-related research through OAR's Climate Program Office and the National Ocean Service. OAR's Climate Program Office manages research to incorporate ice sheet dynamics, ocean-ice shelf and ocean-iceberg interactions, ice shelf cavity circulations and processes driving regional variations in sea level rise and inundation into NOAA's Earth System Models. Model development goals will include routine global ocean data assimilation capabilities linked to Global Ocean Observing System observations and innovative approaches to achieving high resolution in regions of interest including coasts, shelves and marginal seas, shelves, coasts and estuaries. OAR will spend approximately $4.7 million on sea level rise related research and development in FY 2016. This total includes high performance computing related to regional sea level rise work.

The National Ocean Service has operational water level programs that support sea level research and applied research programs that focus on sea level-related issues (such as risks and vulnerabilities related to changes in sea level, associated impacts to the coastal built and natural environment, and the development of tools, resources, and methodologies to inform adaptation and planning decisions), but no programs specific to sea level research.

Question 11. The Trade Promotion Authority (TPA) is imperative to passing meaningful trade agreements that will in turn expand our exports and create jobs in America. Realizing there are some in the President's party who are serving as roadblocks in the Administration's efforts to garner an up or down vote on this critical measure, it is my hope the Senate can resolve the discord. What is the Department currently doing to ease the concerns of members opposed to TPA?

Answer. Congress has enacted Trade Promotion Authority laws to guide both Democratic and Republican Administrations in pursuing trade agreements that eliminate barriers in foreign markets, establish rules to stop unfair trade, and thereby create and support jobs in the United States. That is why, at the President's direction, there is a whole-of-Administration effort to have conversations about trade all over the country and make sure the American people have the full facts about the benefits of our trade agreements.

Senior officials from the Department have played a key role in delivering this message, meeting with businesses and workers to make clear that trade agreements help open new markets and level the playing field for our goods and services; advance American values and strengthen the competitiveness of U.S. companies; and reinforce the United States as a global leader setting fair rules of the road for a next generation of U.S. jobs and economic growth. The Department, through its trained professionals in U.S. Export Assistance Centers and the implementation of the National Export Initiative/NEXT strategy, is also pursuing a number of initiatives specifically designed to better help our businesses know about and take advantage of opportunities available under our trade agreements. Successes associated with helping U.S. firms enter new markets, grow their bottom lines, and develop local workforces reinforce the value of trade agreements for all stakeholders.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. KELLY AYOTTE TO
HON. PENNY PRITZKER

Question. As you know, the New England Groundfish Fishery has faced significant hardship in recent years. Fishing is a historic and honorable trade that has been in many New Hampshire families for generations and sustains the livelihood of fishing communities across New England. The fishery in my home state of New Hampshire has been forced to near extinction.

Recently, I have heard concerns from fishermen regarding NOAA's At-Sea-Monitoring Program. NOAA officials have told fishermen in New Hampshire that due to budget constraints, in this fishing year, fishermen will be forced to pay for part or all of the monitoring costs. Has NOAA budgeted the correct amount of funding to cover the required observer under its At-Sea-Monitoring Program?

Answer. Amendment 16 for New England Groundfish that established the sector program envisioned that the industry would pay for at-sea monitors after an initial transition period. In the interim, the Administration requested and Congress appropriated observer funds including at-sea monitors in four specific budget lines and the Department has been funding this program. However, in response to a ruling of the U.S. Court of Appeals, NMFS has worked with the New England and Mid-Atlantic Fishery Management Councils to adopt and approve a revised Standardized Bycatch Reporting Methodology Omnibus Amendment, which will greatly limit our discretion in funding the at sea monitoring program.

Our proposed rule implementing this Amendment would require observer funds from these specific budget lines to be used first to meet the requirements of the Standardized Bycatch Reporting Methodology for the purposes of monitoring bycatch before allocating such resources for additional observer needs including at-sea monitors in the New England ground fishery.

Because we anticipate that appropriated observer funds will be insufficient to meet the requirements of the Standardized Bycatch Reporting Methodology, we do not anticipate having sufficient funds to continue to cover all of the at-sea costs associated with the At-Sea Monitoring Program for the entire 2015 fishing year. Therefore, the fishing industry would be required to pay for at-sea monitoring coverage beginning partway through the 2015 fishing year, which begins on May 1, 2015, and ends on April 30, 2016.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. JERRY MORAN TO
HON. PENNY PRITZKER

Question 1. How has Regional Innovation Program housed at the Economic Development Administration helped regional economies?

Answer. The Economic Development Administration (EDA) is committed to fostering connected, innovation-centric economic sectors which support commercialization and entrepreneurship as described in the America COMPETES Reauthorization Act of 2010. Working with regions across the country to develop regional innovation strategies, including regional innovation clusters, is also a goal of the DOC's FY 2014–2018 Strategic Plan and a keystone of the Secretary's commitment to building globally competitive regions.

As part of this strategy, the Regional Innovation Strategies Program (RIS Program) supports capacity-building activities that include: (1) Proof of Concept Centers and Commercialization Centers as well as scaling of existing commercialization programs and centers; (2) feasibility studies for the creation and expansion of facilities such as science and research parks; and (3) supporting opportunities to close the funding gap for early-stage companies. To that end, EDA's existing and highly successful i6 Challenge is being joined by Cluster Grants for Seed Capital Funds, and Science and Research Park Development Grants to create the RIS Program.

According to preliminary studies of the i6 program conducted by the University of North Carolina and SRI International, evidence from the client/participant survey of i6 grantees indicates that over 90 percent of respondents attributed direct positive impacts on their capacity to the services or support that they received through the i6 program; most reported results across multiple categories, advancing technology and developing network contacts being the most significant.

Examples of short-term and long-term impacts included increased innovation and entrepreneurship capacity and knowledge, increased competitiveness, growth and expansion, and new opportunities. The preliminary findings also indicate that the impacts can occur at both the firm/organizational level and at the regional level.

For example, the Digital Sandbox KC in Kansas City, Missouri, offers a central connection point for large businesses, emerging enterprises, and entrepreneurs to evaluate and develop new products and services. Established in 2012, this facility

is a hub for proof-of-concept work, mentorship, technical assistance, and early-stage investments and new jobs. By mid-2014, the Digital Sandbox had assisted local entrepreneurs with more than 200 business concepts, resulting in funding for 37 proof-of-concept projects. Furthermore, 26 of these grew into businesses that received more than $10.2 million in follow-on funding, creating 154 jobs for the local Kansas City economy.

Question 2. What outcomes have you seen for those economies and grant recipients?

Answer. The Digital Sandbox KC is not alone in such success. Another example is the University of Virginia, which joined forces with Virginia Tech and SRI International in 2012 to create a statewide innovation network, the Virginia Innovation Partnership (VIP). VIP's goal is to accelerate innovation and economic growth by breaking down silos and establishing better connections among the state's research and entrepreneurial assets. By October 2014, this partnership resulted in 36 research projects receiving initial funding—12 of which grew into new businesses with over $3.5 million in follow-on funding—17 patents, two statewide venture conferences, and one very robust entrepreneurship mentor network.

Question 3. How do you measure success of these programs?

Answer. EDA, partnered with the University of North Carolina at Chapel Hill and SRI International to develop performance and outcome metrics for EDA-funded projects and to incorporate these metrics into a comprehensive and user-friendly evaluation system. The multi-year collaboration produced a logic model to guide future EDA initiatives and both partners offered a set of recommendations to enhance project/program evaluation. An improved EDA evaluation system will enable policymakers to better target their investments and to measure their potential impact on economic activity. The partners reviewed data sources and developed metrics to enhance the quality of information collected from EDA grantees. These metrics can measure economic development activities in new ways and allow policymakers to get a more complete picture of the impact of EDA-funded projects on a local or regional economy. A comprehensive evaluation of EDA-funded projects can lead to increased evidence-based decision making and allow EDA to lead the Federal economic development agenda by promoting and measuring innovation and competitiveness.

This framework was used as a baseline from which EDA, along with Department's Economics and Statistics Administration (ESA), created standard metrics for each respective program under the RIS Program. Each award recipient agrees to collect and report on the metrics relevant to that recipient's program. EDA collects and analyzes the reported metrics.

These outputs drive local economies forward via outcomes such as increases in jobs, improvements in human capital, and growth in investment into the community. These outcomes are measured by new jobs created, new skill development, venture capital invested, and other respective metrics.

Additionally, Section 27 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. § 3722) as amended by the Revitalize American Manufacturing and Innovation Act of 2014 (Title VII of 113 H.R. 83) [hereinafter RAMI] mandates an independent third-party evaluation of the RIS Program no later than three years after RAMI's enactment. (§ 3722(e) (1)) "The evaluation shall include—(A) whether the program is achieving its goals; (B) any recommendations for how the program may be improved; and (C) a recommendation as to whether the program should be continued or terminated." (§ 3722(e) (2)) The aforementioned outputs and outcomes that are measured throughout the program will be used as part of this evaluation. In order to allow programs using these consistent set of metrics to have time to generate measurable outcomes, it is anticipated this evaluation will be initiated toward the end of the mandated three year period stated above.

Question 4. I recently reintroduced the Startup Act. One portion of this legislation seeks to improve how Federal research is commercialize for the purpose of new businesses and job growth. What programs at the Department of Commerce assist companies and universities in commercializing Federal research?

Answer. Thank you for the opportunity to provide information related to the leading role of the Department in supporting innovation, such as the activities that relate to the Startup Act. The Department provides both a leadership role in coordinating these activities across agencies, as well as firsthand experience in operating Federal laboratories at the National Institute of Standards and Technology (NIST), the National Oceanic and Atmospheric Administration (NOAA), and the National Telecommunications and Information Administration (NTIA). In addition, the Department works with and promotes the commercialization of Federal research through partner organizations such as the Federal Laboratory Consortium (FLC) and efforts such as the Lab to Market Cross Agency Priority (CAP) goal, and

through the administration of grants through the Economic Development Administration (EDA).

The government-wide coordination of policy issues, including the regulatory authority for rules on how to deal with intellectual property resulting from government funded research are performed by NIST. In addition, NIST has specific responsibilities for coordinating public-private collaboration efforts by Federal laboratories and serving as the host agency for the Federal Laboratory Consortium for Technology Transfer.

EDA's Office of Innovation and Entrepreneurship leads the Department's Regional Innovation Strategies Program. The objective of this program is to make funding available for capacity-building activities that include Proof of Concept Centers and Commercialization Centers as well as scaling of existing commercialization programs and centers; feasibility studies for the creation and expansion of facilities such as science and research parks; and supporting opportunities to close the funding gap for early-stage companies. In September 2014, EDA announced three separate funding opportunities under this program, including: the i6 Challenge, Science and Research Park Development Grants, and Cluster Grants to support the development of Seed Capital Funds.

EDA announced $8 million in funding to 17 grantees of the 2014 i6 Challenge on March 30, 2015. The i6 Challenge, in its fourth iteration, is a leading national initiative designed to support the creation of centers for innovation and entrepreneurship that increase the commercialization of innovations, ideas, intellectual property and research into viable companies.

EDA's Office of Innovation and Entrepreneurship also runs the National Advisory Council on Innovation and Entrepreneurship (NACIE), an external advisory council which the Secretary of Commerce chairs. The current council was established in October of 2014 and is made up of 27 accomplished individuals from academia, industry, and non-profits. It is charged with advising the Department on various matters that include the commercialization of research and is currently considering various projects around this topic. The former NACIE, seated from 2010—2012, created a report titled "The Innovative and Entrepreneurial University: Higher Education, Innovation, and Entrepreneurship" that includes best practices in technology commercialization from universities. The current NACIE is working with the White House Lab-to-Market inter-agency working group to determine if there is an opportunity to do the same kind of report for commercialization of research from Federal labs.

In addition, both NIST and NOAA participate in the Small Business Innovation Research (SBIR) program, which provides funding grants for entrepreneurial research. These grants can be focused on the development of Federal technology as well as external technologies. NOAA plans to expand its SBIR program in 2015 to include at least one SBIR technology transfer subtopic, which will enable private sector firms to take a NOAA-developed technology from the lab to commercialization with the help of SBIR funds.

The Technology Partnerships Offices at NIST and NOAA focus on commercialization and the needs of small businesses, start-ups and entrepreneurs, and have implemented licensing options to aid these innovators and to lower the risk for other potential partners in obtaining and using their technologies. In addition to traditional commercialization licenses and licenses through the SBIR program, NIST and NOAA offer a no-cost, exploratory license to advance the development of their technologies for eventual commercialization. NIST also offers a low-cost one-year license for NIST technology not licensed within five years of the patent issue date, and a small business license agreement to help attract investors to develop early stage technologies.

When it comes to collaborations with the private sector, the Department is a leader across Federal laboratories and agencies, making extensive use of the authority to enter into Cooperative Research and Development Agreements or CRADAs. NIST alone accounts for approximately one third of the government's active CRADAs annually, while NOAA has been greatly expanding its use of this powerful tool in the last three years. NOAA has been gradually rebuilding its technology transfer program over the past three years and has now begun work to baseline the effectiveness of its CRADAs from the past decade.

The Department also has focused on technology outreach efforts to both industry and academia. For example, NIST is currently working with the Secretary of Technology for the state of Virginia to produce showcase events for the small business sector highlighting licensable NIST technologies. In 2014, NIST and NOAA conducted a joint technology showcase on the campus of their Boulder, Colorado, laboratories, which was marketed to local industry and academic groups. NOAA is also working closely with the technology transfer offices at its Cooperative Institutes to

ensure jointly developed technologies are most effectively moved to commercialization.

Through the Lab to Market effort, NIST is also coordinating with a number of university groups, including the Council on Government Relations, the Association of University Technology Managers, and the Association of American Universities, to solicit feedback on current grant and partnership procedures. Under the Lab to Market and Open Data initiatives, NOAA is working to make more of its data publicly available through a strategic engagement with private sector partners. NOAA is also exploring establishing an Entrepreneur-in-Residence program at one or more of its labs in the United States. The United States Patent and Trademark Office (USPTO) is also evaluating patent entity status for inventions that develop from a university-government research partnership.

Question 5. Has there been any research on the effectiveness of these commercialization programs?

Answer. Yes, NIST and other Federal agencies have historically conducted economic analysis research on the effectiveness of technology transfer. One of the five strategic areas of the Lab to Market effort is metrics. NIST coordinated the development of improved tech transfer metrics, which were first required to be reported by agencies in their FY13 Federal Tech Transfer Reports. NIST has been collecting data from each research agency and will release an interagency summary report to the President and Congress this summer. NIST is also expanding metrics analysis to include not only reports of (substantial) numbers of Federal technology transactions such as licenses executed and patents filed, but also the long term economic impact analysis of these transactions through published literature. Internally, NIST is developing a list of start-ups and NIST-assisted young technology companies, and will gather data to track supported companies over time in order to develop metrics that gauge the effectiveness of NIST's support of these companies.

Question 6. Are there other strategies that can help improve how Federal research makes its way to the marketplace?

Answer. There are many potential strategies to improve how Federal research leads to economic growth. The Department's leadership in the Lab to Market initiative includes a focus on open data for Federal intellectual property and Federal research facilities. We are considering the various components of this strategy, including human factors, public-private collaborations, improved access to Federal technologies and facilities, and working with state and local economic development organizations. New tools, such as the Federal Laboratory Consortium for Technology Transfer (FLC) Business tool and Available Technologies tool, have simplified the ability of potential partners to search across the Federal labs. The Department and other agencies regularly work with state and local economic development groups to hold Federal technology showcases, place Entrepreneurs in Residence within tech transfer offices to evaluate Federal technologies, and facilitate partnerships with businesses and universities. Additionally, as noted above, the Department has reactivated NACIE to make recommendations in using Federal technologies to advance the economy, develop the U.S. workforce, and encourage entrepreneurship. The USPTO also has a host of initiatives to improve the patent experience for inventors and patent quality to protect both inventors and the public. The NIST Manufacturing Extension Partnership Program actively assists the transition of technologies from our Federal labs to U.S. manufacturers. The Department continues to explore many alternatives to bring together all of our assets to focus on growth.

Federal I.T. Reform

Question 7. Describe the role of your department's Chief Information Officer (CIO) in the development and oversight of the IT budget for your department. How is the CIO involved in the decision to make an IT investment, determine its scope, oversee its contract, and oversee continued operation and maintenance?

Answer. The Department's Chief Information Officer (CIO) participates directly in the budget development via three related processes. All major Information Technology (IT) initiatives that are proposed for the agency budget request to the President are first reviewed and approved by the Commerce IT Review Board (CITRB) which is chaired by the CIO. The CITRB rates the investments on a 1 to 5 scale across five major assessment areas: Program/Project Management, Shared Services, IT and Cyber Security, Approach and Subject Matter Expertise, and overall Health and Wellness. This assessment allows the board to identify areas of concern relating to specific aspects of the IT investment. If the areas of concern are not addressed and the overall rating stays low, it is highly unlikely that this investment will get approval to be included in the Department's budget request to the Office of Management and Budget (OMB). In addition, the CIO participates in the Deputy Secretary's review of the agency budget request each year and incorporates his/her

thoughts concerning such investment proposals. Besides the annual budget process, the CIO is the chair and/or participating member of the CITRB, the Acquisition Review Board (ARB), and the Milestone Review Board all of which review major investments. A major IT acquisition ($25M +) requires the Department's CIO to issue IT investment authority in order for the acquisition to proceed. Once a major IT initiative is under development or in operations, it is monitored monthly by the CIO. During the operation and maintenance phase, the CIO will continue to review and monitor investments via the CITRB and/or convene a Tiger Team if targeted investigation or analysis is required.

Question 8. Describe the existing authorities, organizational structure, and reporting relationship of the Chief Information Officer. Note and explain any variance from that prescribed in the newly-enacted Federal Information Technology and Acquisition Reform Act of 2014 (FITARA, PL 113–291) for the above.

Answer. In addition to the statutory responsibilities through the Clinger-Cohen Act and related laws, the Department of Commerce has implemented a set of CIO responsibilities that are fully responsive to OMB Memorandum M–11–29, *Chief Information Officer Authorities*. These responsibilities are conferred on the CIO through the Acting Secretary's June 21, 2012, Memorandum *Department IT Portfolio Management Strategy*. These responsibilities focus on the areas of Governance, Commodity IT, Program Management, and Information Security. We believe that these responsibilities are in line with those prescribed by FITARA, and we will await guidance from OMB in regards to any implementation requirements.

Question 9. What formal or informal mechanisms exist in your department to ensure coordination and alignment within the CXO community (*i.e.,* the Chief Information Officer, the Chief Acquisition Officer, the Chief Finance Officer, the Chief Human Capital Officer, and so on)?

Answer. The Department's CXO's meet informally and formally on a regular basis to discuss issues, concerns and immediate and urgent initiatives. Each CXO manages a Council to discuss and address their specific constituent needs and requirements. Each Council includes cross-member CXO participation on a routine basis either as a standing member or by briefing specific subject matter issues and concerns. For example, the CIO routinely briefs the Chief Financial Officer (CFO) Council during the Department's budget formulation process. Additionally, the CIO is a standing member on the CFO Council, the ARB and the Acquisition Council just to name a few. Additionally, the CITRB, chaired by the CIO and co-chaired by the CFO, includes membership of the Chief Acquisition Officer, Budget Director, Department's Risk Management Officer, Commerce Bureau CIOs, etc. Therefore, there are many opportunities across department councils, working groups and review boards for departmental CXOs to discuss issues and concerns and provide timely and critical feedback and updates.

Question 10. According to the Office of Personnel Management, 46 percent of the more than 80,000 Federal IT workers are 50 years of age or older, and more than 10 percent are 60 or older. Just four percent of the Federal IT workforce is under 30 years of age. Does your department have such demographic imbalances? How is it addressing them?

Answer. The Department's IT Workforce numbers are similar to overall Federal IT Workforce demographics—50 percent are 50 years of age or older, 11 percent are 60 or older and only 3 percent of our IT workforce is 30 years of age or younger.

Age	DOC IT Workforce	Federal IT Workforce
30 and below	3%	4%
>=50	50%	46%
>=60	11%	10%

For current and future vacancies, the Office of the Chief Information Officer is developing a recruitment strategy to attract IT workers that includes partnering with the Department's Office of Human Resources Management to utilize existing hiring programs to recruit current college students and recent graduates in entry level positions.

Question 11. How much of the department's budget goes to Demonstration, Modernization, and Enhancement of IT systems as opposed to supporting existing and ongoing programs and infrastructure? How has this changed in the last five years?

Answer. Of the Department's current IT funding, 35 percent is for Development, Modernization and Enhancement (DME) as defined by OMB. In 2010, the Department's percentage IT funding allocated to DME was 48 percent. However, this was heavily skewed by the almost $1 billion spent for the 2010 Decennial Census. Ex-

cluding this anomaly, the percent of DME funding for the department would have been approximately 23 percent.

Question 12. What are the 10 highest priority IT investment projects that are under development in your department? Of these, which ones are being developed using an "agile" or incremental approach, such as delivering working functionality in smaller increments and completing initial deployment to end-users in short, six-month time frames?

Answer. The Commerce mission is supported by many strategic and critical IT investments ranging from weather prediction and reporting systems, enumeration and economic reporting/tracking systems, to patent and trademark systems, all supporting a critical mission to the citizens of the United States. The ten highest priority IT investments under development across the Department include:

- DOC—Business Application Solutions (BAS)
- DOC—Enterprise Security Operations Center (ESOC)
- DOC—Commerce BusinessUSA
- NOAA—Weather Wire Service (NWWS)
- NOAA—NCEP Advanced Weather Interactive Processing System—Agile
- Census—2020 Decennial
- Census—Enterprise Data Collection and Processing (CEDCaP) program
- USPTO—Trademark Next Generation (TM NG)
- NIST—Website Redesign and Realignment
- ITA—Salesforce Customer Relationship Management (CRM)

Question 13. To ensure that steady state investments continue to meet agency needs, OMB has a longstanding policy for agencies to annually review, evaluate, and report on their legacy IT infrastructure through Operational Assessments. What Operational Assessments have you conducted and what were the results?

Answer. The Department employs several interconnected processes for monitoring legacy IT infrastructure. Per official Department policy, all operational investments including IT infrastructure are required to conduct annual operational analyses. In addition, the Department's IT infrastructure investments are required to come before the Department's CITRB every year to discuss their current and proposed strategy and performance. In addition to yearly reviews, all IT infrastructure systems are required to send in progress reports and updated performance metrics to the OCIO monthly, in order to get even more timely information and greater transparency on the performance of IT infrastructure operations.

Question 14. What are the 10 oldest IT systems or infrastructures in your department? How old are they? Would it be cost-effective to replace them with newer IT investments?

Answer. The oldest IT systems currently used across the Department include:

Bureau	IT System/Infrastructure	System Age (Yrs.)	Cost Effective Replacement Possible?
NIST	e-Travel Manager System (ETS)	6.5	Yes
NIST	Grant Management Information System (GMIS)	14	Yes
DOC	Commerce Business System (CBS)	11	Yes
NOAA	Automated Surface Observing System (ASOS)	10+	Yes
NOAA	National Weather Telecommunications Gateway (NWSTG)	10+	Yes
NOAA	Advanced Weather Processing System (AWIPS)	8+	Yes
Census	Decennial 2010	5+	Yes
NTIA	Frequency Management Records System (FMRS)	25+	Yes
NTIA	Spectrum 21 (SXXI)	15	Yes
NTIA	FreqNet Portal	15	Yes
ITA	Lotus Notes	15+	Yes

Bureau	IT System/Infrastructure	System Age (Yrs.)	Cost Effective Replacement Possible?
ITA	Oracle Content Management System (CMS)	15+	Yes

Question 15. How does your department's IT governance process allow for your department to terminate or "off ramp" IT investments that are critically over budget, over schedule, or failing to meet performance goals? Similarly, how does your department's IT governance process allow for your department to replace or "on-ramp" new solutions after terminating a failing IT investment?

Answer. The CITRB reviews IT projects, programs, and portfolios on a routine basis. The CITRB acts as a board of directors that advises the Secretary and Deputy Secretary on critical IT matters. Projects that are consistently rated "red" on the OMB IT Dashboard are reviewed by the Board.

Depending on the severity of issues, problems or escalating risk impacting the project, the CITRB may recommend termination, or halting of the project.

In addition to termination or halting the project, the CITRB ensures that proposed investments contribute to the Secretary's strategic vision and mission requirements, employ sound IT investment program management methodologies, comply with Departmental systems architectures, employ sound security measures, and provide the highest return on the investment or acceptable project risk. The CITRB provides for coordinated risk management, review, and advice to the Secretary and Deputy Secretary regarding IT investments. This advice includes recommendations for approval or disapproval of funding for new or base investments as well as recommendations for continuation or termination of projects under development at key milestones or when they fail to meet performance, cost, or schedule criteria. The Board also recommends approval or disapproval of requests for IT investment authority. Disapproval means they are not approved to enter into a contract to proceed to the next phase—this decision may result in overall termination or halting the investment until certain key actions have been completed.

Question 16. What IT projects has your department decommissioned in the last year? What are your department's plans to decommission IT projects this year?
Answer.

Decommissioned Projects		
Bureau	IT Projects/Systems	Comments
BEA	1000+ Legacy Programs/ Applications	Incorporated into centralized databases
Census	IBM Lotus Domino web-based e-mail and calendar system	Migration to cloud-based solution
ITA	Microsoft Exchange Infrastructure	Migration to cloud-based solution

Projects Planned For 2015 Decommissioning		
Bureau	IT Projects/Systems	Comments
ITA	On-premise SharePoint	Migration to cloud-based solution
ITA	On-premise data center servers	Migration to cloud-based solution
ITA	ITA Government Network	Transition to network as a service

Question 17. The newly-enacted Federal Information Technology and Acquisition Reform Act of 2014 (FITARA, PL 113–291) directs CIOs to conduct annual reviews of their department's IT portfolio. Please describe your department's efforts to identify and reduce wasteful, low-value or duplicative information technology (IT) investments as part of these portfolio reviews.

Answer. In order to monitor and promote optimal investment strategies and project management practices, the Office of the CIO charters the CITRB. Typically, the CITRB reviews two to three investments every month to review their performance and strategy. Following each review, comments and questions are sent to the managers and sponsors of that investment. This has led to many efforts within Commerce operating units and across the Department to consolidate similar efforts and contracts. For example, the Department is currently in the process of moving to a single cloud e-mail system and towards a single financial and business management system. On a local level the number of networks, help desks and data centers

throughout the Department continue to be steadily reduced. In parallel, and to facilitate such streamlining and consolidation, the Department has provided contract vehicles available to all operating units.

Question 18. In 2011, the Office of Management and Budget (OMB) issued a "Cloud First" policy that required agency Chief Information Officers to implement a cloud-based service whenever there was a secure, reliable, and cost-effective option. How many of the department's IT investments are cloud-based services (Infrastructure as a Service, Platform as a Service, Software as a Service, etc.)? What percentage of the department's overall IT investments are cloud-based services? How has this changed since 2011?

Answer. The Department implemented OMB's "Cloud First" policy and includes this as a requirement during annual Budget Formulation reviews. All new IT investments are required to investigate and if possible leverage cloud strategies and technologies during alternative analysis processes. Below is a consolidate list of cloud solutions across the Department:

Bureau	IT Service Name	Cloud Service Provider Name	Type of Service (Infrastructure, Software, Platform, Etc.)
BEA	Office 365	Microsoft	Platform
BEA	SharePoint	Microsoft	Software
BEA	Help Desk Ticketing Application	TBD	Software
NIST	Cloud Computing Services	Amazon	Infrastructure
NIST	IT Service Management	ServiceNow	Software
NIST	Cloud E-mail and Collaboration	Microsoft	Platform
NIST	Enterprise Mobile Device Management	MaaS 360	Platform
NTIA	E-mail		Platform
NTIA	Infrastructure Services	Various providers	Infrastructure
NOAA	IT Infrastructure	Various providers	Infrastructure
Census	Akamai Content Delivery	Akamai	Infrastructure
Census	GovDelivery E-mail and Blogging Services	GovDelivery	Software
Census	Microsoft Office 365	Microsoft	Software
Census	Cloud Testing For Centurion/Community TIGER/Real-Time Non-ID	Noblis	Infrastructure
Census	Salesforce.com Integrated Partner Contact Database	Salesforce	Software
Census	SunFlower (Property Mgt)	SunFlower	Software
Census	Adobe Site Catalyst	Adobe	Software
Census	MaaS 360 Mobile Device Management (MDM)	Fiberlink	Software
ITA	SalesForce.com	Sales Force	Software
ITA	E-mail, Collaboration, VTC, and Storage	Microsoft	Platform
ITA	Infrastructure	Amazon	Infrastructure
ITA	IT Service Management	ServiceNow	Software

Question 19. Provide short summaries of three recent IT program successes—projects that were delivered on time, within budget, and delivered the promised functionality and benefits to the end user. How does your department define "success" in IT program management? What "best practices" have emerged and been adopted from these recent IT program successes? What have proven to be the most significant barriers encountered to more common or frequent IT program successes?

Answer. The Department defines an IT program/project as successful when, in addition to delivering within cost, schedule and budget, the program/project delivers the planned and measureable levels of benefit and addresses the specific requirements as originally defined, while staying in alignment with the mission and goals of the Department. Program/project success is being able to effectively integrate the various components of the program, at every level to ensure the people, process, and technology function successfully together. Barriers within Commerce include the ability to aggressively work across the organization on shared initiatives given the diverse mission areas and the federated culture. Program/project management teams must ensure that they conduct integration activities to ensure that the elements of the program are compatible and function together to satisfy business needs, while meeting cost and schedule constraints, and optimizing effectiveness. Several successful projects implemented across the Department include:

- BEA Data Flow Improvement Project

  Within the Bureau of Economics and Analysis (BEA), the bureau implemented a project to enable more efficient data flows of the huge amounts of data processed and analyzed. BEA enhanced its centralized IT framework by achieving cross-program consensus on a design, developing, and releasing a BEA data hub which standardizes secure transmission of data across BEA's four major program areas.

- NIST PIV Enablement Project

  The National Institute of Standards and Technology (NIST) implemented the PIV Enablement Project which was implemented to meet OMB, Department of Homeland Security, and the Department's policies requiring the use of HSPD–12 credentials (PIV cards) for network access. The project successfully enabled more than 90 percent of NIST Information System users to use their assigned PIV cards to authenticate to PIV enabled information systems as the normal mode of authentication with Windows computers. The project improved IT security by providing the capability to require two-factor authentication using the PIV card.

- Census Enterprise Systems Development Lifecycle Initiative

  In 2014, the Census Bureau implemented the Enterprise Systems Development Lifecycle (eSDLC) initiative. The eSDLC leveraged best practices and processes from internal stakeholders, Federal agencies, and private industry to develop a full set of processes and templates. Having all IT projects follow the eSDLC has increased the control of schedule, costs, and risks.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. BILL NELSON TO HON. PENNY PRITZKER

Question 1. The recent AWS–3 spectrum auction was a success in part because of the work done by the National Telecommunications and Information Administration to oversee the collaborative efforts the government users and the private sector to develop an effective transition plan. That plan preserved essential Federal spectrum operations, while opening up additional commercial spectrum opportunities. Do you think the AWS–3 auction set a model for future efforts to make additional Federal spectrum available for commercial use?

Answer. Yes. Drawing more than $40 billion in net bids for 65 megahertz of spectrum, the AWS–3 auction was clearly a ringing financial success, but it also is an important milestone in the Obama Administration's efforts to meet the President's goal of making available 500 megahertz of spectrum for wireless broadband by 2020.

The auction proceeds will help fund the Nation's first nationwide public safety broadband network being established by the First Responder Network Authority (FirstNet), as well as pay for deficit reduction, relocation costs Federal agencies will incur to vacate or share bands for commercial use and other priorities.

The success of the auction was made possible in part by an unprecedented level of collaboration between the National Telecommunications and Information Administration (NTIA), affected Federal agencies, wireless industry representatives, the Federal Communications Commission (FCC), and Congress.

The auction also represents a paradigm shift in our approach to making spectrum available for commercial wireless providers. In many instances, the bands that were auctioned will require the clearing of incumbent Federal users from these bands; while in other instances, non-federal entrants will be required to share spectrum with incumbent Federal agencies indefinitely. As NTIA continues to review spectrum bands for reallocation, spectrum sharing is becoming the new reality. Out of

necessity, where it is cost prohibitive, takes too long to relocate incumbent users, or where spectrum offering comparable operational capability is not available to ensure continuity of critical Federal Government functions, we must move beyond the traditional approach of clearing Federal users from spectrum in order to auction it to the private sector for its exclusive use.

As part of the Administration's efforts to make more spectrum available for wireless broadband, NTIA has been working to identify Federal bands that could be repurposed for commercial use. In our March 2012 report, NTIA concluded that while it was possible to clear all Federal users from the 1755–1780 MHz band as a step in making this spectrum available for commercial use, it would take far too much time and money to relocate all the Federal systems operating in the band and, instead, proposed sharing as an option. This view was echoed by the President's Council of Advisors on Science and Technology in a groundbreaking report released later that year, which made recommendations on how to realize the full potential of government-held spectrum by facilitating spectrum sharing.

NTIA was assisted in its work on the AWS–3 bands by the Commerce Spectrum Management Advisory Committee (CSMAC), a diverse group of private sector spectrum experts who advise NTIA. CSMAC, in collaboration with the Federal agencies, did groundbreaking work to explore viable spectrum sharing arrangements between Federal agencies and private industry in both the 1695–1710 MHz and 1755–1780 MHz bands, which are two of the three bands that were part of the AWS–3 auction.

NTIA also worked with Federal agencies to develop transition plans that include detailed actions they will take to either share or relocate from the affected frequencies in the AWS–3 bands. Information from these transition plans, along with more granular information on how Department of Defense systems may impact certain bands and locations over time, provided an unprecedented level of detail to better inform potential bidders.

The AWS–3 auction represents an important pivot point as we embrace spectrum sharing as part of a new approach to increased spectrum access for both public and private sector users while continuing to support critical Federal operations. With a sustained level of cooperation between Federal agencies and industry, this approach will produce benefits for both.

Question 2. How can Congress help facilitate this sort of cooperative dialog between Federal Government spectrum users and commercial users?

Answer. Congress played an important role in the successful AWS–3 auction in several respects. It passed the Middle Class Tax Relief and Job Creation Act of 2012 that authorized the auction of AWS–3 spectrum and updated the way in which Federal users receive compensation for relocation and sharing. Congress also worked closely with NTIA, the FCC, and Federal agencies to ensure timely and efficient transition planning in preparation for the auction. This leadership helped all parties work as collaboratively as possible towards a successful outcome that expanded broadband opportunities and reduced the deficit. As a result, NTIA is building on the lessons learned from these AWS–3 efforts to establish a repeatable and sustainable collaboration framework between NTIA, FCC, Federal agencies, industry, and Congress to maximize the value and use of this important resource.

We welcome efforts to look at additional reforms that would further expedite and expand these collaborative efforts and maximize the benefits of spectrum access for both government and commercial users. One area for consideration is enhancing the flexibility to utilize the Spectrum Relocation Fund (SRF) for up-front studies and research and development (R&D) activities that are not specifically tied to an eligible frequency band. These enhancements would be in addition to the existing statutory requirements the SRF fulfills. The FY 2016 President's Budget included a proposal to increase flexibility in the use of the SRF and highlighted that targeted investments can return more than they cost in the form of enhanced auction value or sharing arrangements. We welcome continued dialogue on all innovative ideas to improve upon the already successful collaboration between Federal and commercial entities.

Question 3. I regard the threat of cyberattacks to be one of the greatest dangers to the American public. It has been a year since NIST released its highly acclaimed Framework, but more needs to be done in order to adequately address this national security priority. The Administration's budget as proposed a $7 million increase for NIST's cybersecurity program. Can you tell the Committee what NIST will do with this increased funding?

Answer. Cybersecurity is indeed one of the greatest challenges facing the American public and the American economy. The National Institute of Standards and Technology (NIST) Cybersecurity Framework called for in the President's Executive Order 13636 on "Improving Critical Infrastructure Cybersecurity" is one tool that

can help industry across all sectors to better understand their cybersecurity postures in order to target areas for improvement. We continue to be informed about examples of industry adopting the Framework. For example, Apple has reported that it is incorporating the framework as part of its broader security protocols across its corporate networks. U.S. Bank and Pacific Gas and Electric have indicated their commitment to use the Framework. AIG is starting to incorporate the Framework into its business processes when underwriting cyber insurance for large, medium, and small businesses. As part of our ongoing cybersecurity efforts, NIST will continue to conduct extensive outreach to businesses to help raise awareness of the Framework and its use.

But, as you are aware, NIST is also engaged in cybersecurity efforts that extend beyond the Framework, and the additional funds requested in FY 2016 will help expand and strengthen these efforts. NIST's FY 2016 budget requests a $7 million increase for its cybersecurity program. This request will strengthen NIST's independent cryptography and privacy-enhancing capabilities. We want to ensure that we can continue to provide strong and independently verified cryptography solutions and to begin work on building the quantum resistant public-key architectures and systems that will take 15+ years to fully develop and deploy. With the requested funding, we plan to expand the NIST cryptographic team to strengthen our capacity to identify, design, develop and standardize effective crypto algorithms, modes, key-management and protocols. We will identify and analyze quantum resistant security technologies and develop and promulgate standards, guidelines, tests, and measurements to support a post quantum security market. The very specialized nature of cryptography significantly limits the availability of skilled technical experts. In the past, we looked to expertise available outside of NIST, including at the National Security Agency, to complement the limited expertise that we had within NIST. With expanded in-house skills and capabilities we anticipate not being solely reliant on these external resources. We also anticipate greater cooperation with the private sector and specifically increased access to top academic talent in this space. This funding will also help NIST in developing and providing tools for privacy risk management. NIST will provide the fundamental tools that can lead to the development of privacy guidelines that reflect Fair Information Practices Principles.

Question 4. Can you inform us what the rest of the Commerce Department is doing on cybersecurity?

Answer. The Department of Commerce (Department) is committed to enhancing cybersecurity across U.S. industry, with all of the relevant bureaus contributing consistent with their mission. Since 2010, the Department has worked on these issues through the Department-wide Internet Policy Task Force (IPTF), which leverages the expertise of the entire Department to address key Internet policy challenges, including cybersecurity. The IPTF incorporates views across many bureaus, including those responsible for domestic and international information and communications technology policy, international trade, cybersecurity standards and best practices, intellectual property, business advocacy and export control. A few examples of recent engagements with industry are set out below.

In March 2015, the IPTF issued a request for comment (RFC) seeking public input on potential topics addressing key cybersecurity issues facing the digital economy that could be best addressed by a consensus-based multistakeholder process. The National Telecommunications and Information Administration (NTIA) will lead this initiative by facilitating stakeholder dialogues aimed at making concrete progress on important cybersecurity issues. The RFC asked for input on which topics would be most conducive to discussion by a wide range of stakeholders, including Internet service providers, software developers, security vendors, equipment manufacturers, mobile application developers, cloud and content providers, vulnerability researchers, civil liberties advocates, digital infrastructure owners, digital economy experts, and others.

The United States Patent and Trademark Office (USPTO) has held several forums to support the industry on issues intersecting cybersecurity and intellectual property. Last November, the USPTO hosted its first Cybersecurity Partnership meeting to discuss topics relevant to their stakeholders. These topics included providing guidance for those seeking patent protection in the cybersecurity and network security sector; cybersecurity patent initiatives; key computer security patent application statistics; and updated examination guidelines. Also, in February, the USPTO worked with the Silicon Valley Leadership Group to host one of several events held in conjunction with the White House Summit on Cybersecurity and Consumer Protection at Stanford University. The event featured a roundtable discussion with Michael Daniel, Special Assistant to the President and Cybersecurity Coordinator, along with experts from the NIST and leaders from the venture capital and startup communities. In addition, the USPTO is an active participant in other cybersecurity

events including the most recent NIST Cybersecurity Framework Workshop, and in April, the USPTO will participate in a roundtable discussion at this year's RSA conference. Finally, to help keep patent examiners abreast of new developments in cyber technology, the USPTO has been expanding technical training opportunities by inviting scientists and engineers to provide relevant training to their examiners on cybersecurity standards and emerging technology via their Patent Examiner Technical Training Program.

The International Trade Administration (ITA) addresses international cybersecurity issues related to trade, seeking in particular to open foreign markets to U.S. goods and services. With additional FTE, the Office of Digital Services Industries (ODSI) anticipates playing a more substantive role ensuring that foreign governments' cybersecurity policies and regulations are necessary to achieve a legitimate public policy goal, non-discriminatory, and not disguised restrictions on trade. In addition, an increase in resources in ITA would allow ODSI the opportunity to better promote the exports of U.S. cybersecurity products and services through its worldwide network of offices. Given the importance of cybersecurity to the digital economy, Deputy Secretary of Commerce Bruce H. Andrews and Assistant Secretary for Industry and Analysis Marcus D. Jadotte will lead a Cyber Security Business Development Mission to Romania and Poland May 11–15, 2015. The mission will introduce U.S. cybersecurity and critical infrastructure protection firms to key players in Central and Eastern Europe's information and communications sector and assist them in finding business partners and identifying export opportunities. In addition, Deputy Secretary Andrews and Assistant Secretary Jadotte will engage with government representatives in the region to discuss the importance of cybersecurity, promote implementation the NIST framework, and highlight U.S. expertise in the field.

Question 5. One of the largest investments in the budget request is to initiate the Polar-orbiting satellite follow-on mission. This includes the next two large polar-orbiting satellites and a new small satellite or "nanosatellite." It is clear that NOAA is planning ahead to avoid the cost overruns, schedule delays, and potential data gaps that have plagued our satellite programs in the past. Can you speak about how this investment will ensure robust weather forecasting?

Answer. The President's FY 2016 Budget request includes $380 million for Polar Follow On (PFO) activities designed to achieve afternoon polar-orbit weather constellation robustness as early as FY 2023. PFO implements a long-term strategy to build a robust architecture that ensures the National Oceanic and Atmospheric Administration's (NOAA) ability to provide accurate and timely weather forecasts and warnings through 2038.

There are three activities funded within PFO:

- initiate development of PFO/JPSS–3 to meet a launch readiness date (LRD) in the second quarter of FY 2024, and PFO/JPSS–4 development to meet a LRD in the third quarter of FY 2026.

- provide the option to accelerate PFO/JPSS–3 as a contingency mission with critical sounders Advanced Technology Microwave Sounder (ATMS) and Cross-track Infrared Sounder (CrIS) only.

- invest in development of an advanced technology Earth Observing Nanosatellite-Microwave (EON–MW).

Authorizing PFO in FY 2016 will allow NOAA to take advantage of the ongoing JPSS–2 instrument and spacecraft bus development to reduce schedule, risk and life cycle costs for the follow on missions and implement a simultaneous instrument block buy for PFO/JPSS–3 and PFO/JPSS–4 instruments for the most efficient acquisition strategy and production cadence.

Initiate development of PFO/JPSS–3 and PFO/JPSS–4

PFO will extend NOAA's polar satellite system to ensure continuity of the data necessary for input to NOAA's numerical weather prediction models that support the development of accurate and timely weather forecasts and warnings. PFO will maintain continuity of polar observations beyond JPSS–2.

The JPSS Program of Record supports development of JPSS–1 and JPSS–2. PFO supports development of two additional polar satellites identical in capability to the JPSS–2 satellite, PFO/JPSS–3 and PFO/JPSS–4. The full PFO/JPSS–3 and –4 missions are comprised of ATMS, CrIS, Visible Infrared Imaging Radiometer Suite (VIIRS), and the Ozone Mapping Profiler Suite-Nadir (OMPS-Nadir).

Option for an ATMS and CrIS only mission

As part of the robust architecture for NOAA's afternoon polar-orbiting satellite system, the PFO includes a contingency capability in the event of a mid-term (early

2020s) loss of polar-orbiting observations. This contingency mission would include only ATMS and CrIS instruments, and, if exercised, would replace the full JPSS–3 mission. If the contingency is not exercised, the full JPSS–3 mission (ATMS, CrIS, VIIRS, OMPS-Nadir) would continue as planned.

Investment in EON–MW

As a further gap mitigation capability to address the possibility of a near term (prior to 2020) loss of polar-orbiting observations, PFO supports an investment to develop an advanced technology, EON–MW. While not a replacement, EON–MW will approximate some of the atmospheric profiling capabilities of the ATMS instrument and would provide a usable subset of comparable quality data in the event of a launch or instrument failure on JPSS–1. The ATMS instrument that flies on the JPSS series satellites collects microwave temperatures and moisture data to produce atmospheric profiles; these data have been identified as one of the most important inputs to National Weather Service numerical weather prediction models that produce weather forecasts three days and beyond.

Question 6. NOAA maintains a fleet of ships and aircraft that are essential platforms for executing its missions. I actually went up in one of the P3 Orion Hurricane Hunter aircraft. And NOAA ships are like the satellites of our oceans in terms of their contribution to the NOAA mission. But the fleet is aging. What is the plan to recapitalize the NOAA fleet?

Answer. NOAA is requesting $147.0 million in the FY 2016 President's Budget for the construction of a new Ocean Survey Vessel (OSV). This request is based on a robust Requirements Validation Assessment and analysis process. NOAA also continues to work closely with the NOAA Fleet Advisory Committee, a group of external experts from other Federal agencies involved with the management of at-sea assets. Committee membership includes representation from the U.S. Navy, U.S. Coast Guard, National Science Foundation, Bureau of Ocean Energy Management, Environmental Protection Agency, and University-National Oceanographic Laboratory Systems.

Per the Federal Oceanographic Fleet Status Report, released May 2013 by the National Ocean Council, the Federal oceanographic fleet will experience a 50 percent decline in the number of active vessels by 2026 without further modernization. Without an investment, the NOAA fleet will decline by 50 percent from 16 to eight active ships between FY 2016 and FY 2028.

Question 7. I'm glad to see that the budget proposes to leverage cost savings by investing in construction of a new Ocean Survey Vessel this year. As you know, during the *Deepwater Horizon* oil spill, the NOAA vessels were critical to monitoring where the oil was going and what the impact was to the fish and wildlife. Given our extensive coastline, it would be great to have a NOAA ship based in Florida. Can you talk about the potential uses for a new NOAA vessel?

Answer. The homeport and specific missions for the requested Ocean Survey Vessel (OSV) have not yet been determined. However, the OSV will be a multi-mission capable vessel serving NOAA's primary mission areas throughout the U.S. Exclusive Economic Zone such as surveying marine mammal populations; collecting samples and observations to support ecosystem-based management activities; conducting oceanographic and climate research; mapping the ocean floor to update nautical charts; and servicing National Weather Service's buoys.

Question 8. 2015 will be a big year for the RESTORE Council—five years after the *Deepwater Horizon* oil rig exploded—and three years after we passed the RESTORE Act by an overwhelming bipartisan majority. Maybe Judge Barbier will rule on the civil fines that BP will have to pay. But the Council has funds to invest in restoring the Gulf of Mexico from the settlement with Transocean—another responsible party.

We established a voting structure that vested significant power in the Chair of the RESTORE Council. It is very important that the delicate balance of each of the streams of Gulf restoration funding be preserved. As Chair of the Council, how are you providing leadership to ensure that these Federal Clean Water Act fines are used in the way that we intended?

Answer. I appreciate that the RESTORE Act is the result of a delicate, bipartisan compromise. As Chair of the Gulf Coast Ecosystem Restoration Council (Council), I am committed to implementing the Act as passed by Congress. While the Council has taken an integrated approach to Gulf restoration—recognizing that ecosystem restoration is inextricably linked to economic growth and development—we recognize that each component under the Council's purview has a unique set of eligible uses and criteria for funding.

As Council Chair, Commerce is working with the Gulf Coast States and other entities to help ensure a coordinated and collaborative approach to restoration that will advance common goals, avoid duplication, and maximize the benefits to the Gulf Coast region.

For the Council-Selected Restoration Component, the RESTORE Act directs the Council to use the best available science and give highest priority to projects or programs that meet one or more of the restoration priorities enumerated in the Act. Under Commerce's leadership, the Council has implemented a project selection and vetting process that incorporates an independent peer review evaluation to ensure projects are grounded in best available science, provides for coordination at a project level with other restoration efforts, and gives the highest priority to projects that meet one or more of the evaluation criteria enumerated in the law. Additionally, for the Oil Spill Impact Component, staying true to the way that the law was written, the Council is developing a draft regulation for notice and public comment.

The Council recognizes this unique and unprecedented opportunity to implement a coordinated Gulf Coast region-wide restoration effort in a way that restores and protects the Gulf Coast environment, reinvigorates local economies, and creates jobs in the Gulf region. Our goal and commitment is not simply to address the damage caused by the spill—it is to enhance the long-term environmental health and economic prosperity of the Gulf Coast region for generations.

Question 9. Can you provide an updated timeline as to when we can expect to see the first funded priorities list from the Council allocation?

Answer. The Council is currently evaluating submissions for potential funding under the Council-Selected Restoration Component. Over the past two years, the Council has adopted an Initial Comprehensive Plan, adopted a science-based project evaluation process, released project submission guidelines, engaged the public in project selection, and state and Federal members have submitted project proposals.

In November 2014, the Council received a total of 50 submissions totaling almost $800 million from its members for consideration in the first round of Council funding. Over the past four months, the proposals have been evaluated against requirements established in the RESTORE Act as well as for: (1) best available science; (2) environmental compliance readiness; and (3) whether they meet the commitments in the Comprehensive Plan. The Council has made the results of these evaluations publicly available through the Council's website. The Council is in the process of reviewing these evaluations and selecting projects and programs to be included in a draft funded priorities list.

The Council expects to publish a draft funded priorities list later this year for public comment. After consideration of all comments, the Council will incorporate changes, as appropriate, and anticipates releasing a final funded priorities list by the end of the calendar year.

Question 10. Florida has the most saltwater anglers; the most International Game Fish records; and the second largest commercial fishery in the Nation. Fishery resources form a pillar of our economy. But we don't invest enough in the science to understand our fisheries. I appreciate that the Administration has proposed a $5 million increase in fishery stock assessments, data collection, and surveys—and funding to construct a new Ocean Survey Vessel. Can you describe what it would take to adequately characterize and monitor the status of domestic fish stocks?

Answer. The Administration has four requests that work together to provide strong science-based fisheries management and advance potential for more efficient monitoring practices. It includes a $2.8 million increase for Data Collection and Surveys for expanding annual stock assessments, a total of $10.6 million increase in Fisheries and Ecosystem Science Programs and Services for eco-system-based solutions for fisheries management ($5.0 million) and electronic monitoring and reporting ($5.6 million), and $1.5 million in Fisheries Management Programs and Services to support the regulatory integration of electronic technologies.

The $2.8 million increase for expanding annual stock assessments is specifically directed towards implementing NOAA's next generation stock assessment framework and filling critical gaps identified during recent program reviews and evaluations. Stock assessments provide the scientific information needed to determine stock status for sustainable management of fisheries. Key focal areas for NOAA's stock assessment program include coordinated efforts to monitor fishery catch and bycatch; improved capacity to conduct surveys that collect data on trends in fish stock abundance, habitat, and other ecosystem data; and implementation of a new approach to prioritizing stock assessments and establishing stock-specific assessment goals.

To characterize and monitor fish stocks, all assessments require information on total fishery catch and bycatch. This is achieved through coordinated programs for

commercial catch monitoring, recreational catch monitoring, and at-sea observer programs; all with increasing use of electronic monitoring tools. (See below for a discussion of the budget request for additional electronic monitoring tools.) For most domestic fish stocks, total catch monitoring is adequate for assessment purposes, with notable exceptions for stocks in the Caribbean and western Pacific, and for stocks with a high percentage of the total catch coming from either recreational fishing, or from discarded bycatch. In addition to its use in a stock assessment, catch monitoring is also critical for monitoring sector specific catch against Annual Catch Limits.

The second most valuable data source for assessments is surveys to monitor trends in abundance. Fortunately, surveys rarely need to be stock-specific so a small set of surveys in a region can provide coverage for many fished stocks. These surveys need to be re-visited at a regular pace, generally annually, in order to maintain the monitoring of stock trends amidst natural and fishery-caused fluctuations. Regional differences in surveys are due to historical investments, availability of suitable survey vessels, the nature of the fish in that region, and the nature of the habitats these fish live in; one size does not fit all.

Finally, NMFS has developed a new stock assessment prioritization process, which describes an approach to setting stock-specific assessment goals and prioritizing assessment efforts to achieve those goals. NMFS is testing the implementation of this prioritization process in FY 2015 and expects full implementation to begin in FY 2016 across all regions. The prioritization process recognizes that not all stocks need annual assessments and that not all stocks warrant assessments that require extensive data sets. Some managed stocks provide little value to the fishery, or are not currently being fished close to biological limits, or show little sign of natural fluctuations in status and hence have little need for intensive, frequent assessments. On the other hand, high profile stocks for which there is significant recreational or commercial fishery interest in obtaining maximum value, such as red snapper, scallops, cod, walleye pollock and many others do warrant large investments and frequent assessment updates. The prioritization process will allow us to develop a portfolio of assessments that makes the best use of available data and assessment capacity. Also, it will provide insights into the remaining challenges that limit NOAA from providing better and more stock assessments such as gaps in data, workforce, and infrastructure, including survey ships.

Separately, the $5.0 million increase is the NMFS component of the cross-line office initiative with NOAA's National Ocean Service (NOS) to support ecosystem-based solutions for fisheries management and focuses on increasing support for habitat science. This request seeks to strengthen the science needed to understand the ecological connections between the inshore habitats and the offshore fisheries that are managed by NMFS and that support many coastal communities. Many stocks depend on these inshore habitats at some point in their life histories; however, they are vulnerable to habitat degradation and loss. Thus, the request has broad relevance to fisheries management, including relevance to stock assessments.

The request of $5.6 million in Fisheries and Ecosystem Science Programs and Services for electronic monitoring and reporting, as well as the request of $1.5 million in Fisheries Management Programs and Services to support the regulatory integration of electronic technologies, are designed to support the development and implementation of electronic monitoring and reporting technologies across the country. These electronic solutions will improve the timeliness, quality, integration, and accessibility of fishery-dependent data for fishery managers, stock assessment scientists, the fishing industry, and other key stakeholders. The goal is to deliver cost-effective and sustainable electronic data collection solutions that enhance monitoring of catch and bycatch in U.S. fisheries. Progress to date has been limited due to insufficient funding to address shortcomings identified in the pilot studies and to support implementation of electronic monitoring (EM) and electronic reporting (ER) programs beyond the pilot stage for both catch share and non-catch share fisheries.

Understanding the ecosystem and environmental setting in which fisheries occur is increasingly recognized as a necessary component of an adequate monitoring and assessment program. While fish assessments zero in on the status of each stock, ecosystem assessments help explain why past stock changes occurred and help forecast future changes. They also identify cumulative impacts of fishing that may be missed by individual fish assessments. Together, the four requested increases will move NOAA toward improved stock assessment services.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. AMY KLOBUCHAR TO
HON. PENNY PRITZKER

Question 1. The President's Budget requests $115 million for the Bureau of Industry Security (BIS) in order to successfully transition the export licensing responsibilities from the State Department to the Commerce Department. I support these reforms to our export control system that will make it easier for businesses to get their goods to markets while also providing the necessary enforcements to make sure sensitive products don't make it into the wrong hands. Can you give an example of how the transition of more items from the State Department's Munitions List to the Commerce Control List has helped U.S. exporters?

Answer. Before answering your questions, a correction is necessary. The Bureau of Industry and Security (BIS) is not seeking $115 million to transition items to its licensing responsibility from the Department of State. Most of the $115 million is to fund the minimum necessary basic operations of BIS. This includes the addition of funding to BIS' base for fewer than 20 licensing officers to process the new items (at a cost of less than $6 million), plus additional enforcement-related resources to handle enforcement of the new items and related activities. A fully funded BIS is able to process licenses and implement other authorizations for items for which it is now responsible, under regulations that impose far less regulatory burden than those of the State Department. For this relatively small investment, BIS has processed (as of February 2015) a total of 11,686 additional license applications for items worth $19.2 billion. Nearly $2 billion of exports have been shipped to close friends and allies under license exceptions or situations where no license is required at all. The volume of license applications to the Department of State has decreased by more than 60 percent.

As evidenced by this data, the primary benefit is that the BIS system has a significant number of license exceptions that allow for exports of controlled items to specific countries without the need to seek a license from the U.S. Government. In particular, License Exception Strategic Trade Authorization (STA) was created as part of the reform effort to allow for exports, to NATO and other close allies, of less sensitive military items, primarily parts and components, and many commercial items with potential military uses without the need for a specific license so long as certain conditions are met. Exceptions like these, which exist in Commerce regulations but not those of State, enhance our national security by allowing greater interoperability with close allies. They allow for quicker supply to allies of items in the military supply chain and greater opportunities for joint development and production with allied governments and companies in allied countries.

In addition, controls under BIS's Export Administration Regulations (EAR) reduce the incentives that State's International Traffic in Arms Regulations (ITAR) create for non-US companies to "design out" or avoid U.S.-origin content. An ITAR item is always subject to U.S. law no matter how insignificant it is and even if it represents only a tiny percentage of a foreign-made end product. This requirement creates incentives for non-U.S. companies to avoid even small amounts of U.S.-origin items or related services to avoid regulatory entanglements with U.S. law. It thus creates incentives to purchase non-U.S. origin items even if the U.S.-origin item is better in terms of performance or value. By contrast, the EAR do not control a foreign-made end item so long as it has less than a de minimis amount (*i.e.,* less than 25 percent) of U.S.-origin content so long as a country subject to an embargo is not involved. Thus, coverage by the EAR instead of the ITAR reduces the incentives for non-U.S. companies to avoid U.S.-origin content.

In addition, the authorizations issued by BIS are less complicated than those issued by the Department of State. BIS does not have regulatory burdens regarding the temporary import of items, the brokering of items, the provision of defense services, or the mere act of producing items overseas. Under the BIS regulations, one does not need to separately register with the U.S. Government or pay to register. Moreover, BIS does not charge fees to apply for a license; indeed, such fees are prohibited by statute. And, under the BIS system, one can apply for a license before having a purchase order or similar document in hand. This is not permitted under the State system. This allows exporters to know well before a potential export sale that they have the necessary authorization. The BIS approach also greatly reduces the total number of authorizations required for situations where the end use, end user, destination, and items are the same as in previous licenses.

Question 2. The Commerce Department provides crucial up-to-date information about the social and economic needs of communities. However, most people aren't aware that business leaders heavily rely on this for demographic and socioeconomic data, using it as a tool for market evaluation and consumer segmentation. As the leading Senate Democrat on the Joint Economic Committee, I know just how impor-

tant this data is to informing our policies. I have a few questions about important statistical programs in your Department and ways you can promote a data-driven economy. Would you be willing to work with me on creating a national data set on the importance of our outdoor economy in terms of jobs, retail, tourism, etc?

Answer. The Department would be happy to work with you to explore potential options related to the development of a new satellite account focused on the impact of the outdoor economy. Currently, our Bureau of Economic Analysis is engaged in on-going conversations, led by the Council on Environmental Quality, on the feasibility and key issues regarding this very topic. We would be pleased to keep you apprised of these discussions, and as these conversations progress, we would welcome further dialogue with you.

Question 3. Current statistics measuring service exports from the U.S. are estimated to be understated by as much as 4–5 percent. Would you be willing to work with me on streamlining the data used by Federal agencies to improve the measurement of service exports?

Answer. The Department, and specifically the Economics & Statistics Administration (ESA), which encompasses the Census Bureau and Bureau of Economic Analysis (BEA), is committed to the highest levels of statistical accuracy, operational efficiency, and data privacy. Given the importance of trade in services to our economy (currently about 30 percent of all of our exports and an area where the United States enjoys a trade surplus), and the role it plays in understanding the impact of trade legislation past, present and future, we need the best information possible on our trade in services.

To that end, we strongly support improving our statistical products through better access to data currently collected by the Federal Government, including administrative records that are unavailable to the Federal statistical agencies charged with measuring our Nation's economy. With respect to BEA's measures of trade, we share your concerns that quantifiable undercounts occur as a direct result of this inability to share and synchronize Federal data. This affects not only trade data, but also other vital economic indicators like Gross Domestic Product (GDP). Improvements to these important measurements are being limited by outdated restrictions in 26 U.S.C. 6103(j) of the tax code, which governs access to Federal tax data by the statistical agencies.

26 U.S.C. 6103(j) provides Census full access to Federal tax data while BEA is permitted access only to corporate tax data. For BEA, that has meant important data on sole proprietorships and partnerships, now the preponderance of business formations, is unavailable, leading to unresolvable discrepancies such as the trade in services example referenced in your question.

In 2002, Congress passed the "Confidential Information Protection and Statistical Efficiency Act" (CIPSEA), which aimed to resolve this issue, but fell short of the needed adjustments to the tax code. CIPSEA authorized Census, the Bureau of Labor Statistics and BEA to share business information for statistical purposes, while imposing severe criminal and civil penalties for misuse of data. Unfortunately, CIPSEA did not amend section 26 U.S.C. 6103(j) to actually permit this data sharing to occur. We welcome the opportunity to work with you and your staff to amend a small, yet significant, provision in the tax code preventing decision makers in the public and private sectors from having better information to make better decisions.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. RICHARD BLUMENTHAL TO HON. PENNY PRITZKER

Issue: Forensic Science and Undue Prosecutorial Influence

Question 1. In 2013, the Department of Justice (DOJ) and National Institute of Standards and Technology (NIST) established the National Commission on Forensic Science for the purpose of enhancing the practice and reliability of forensic science. In January, the only Federal judge on the Commission, Judge Jed S. Rakoff, resigned from the Commission temporarily to protest the decision from the DOJ cochair on the Commission that pre-trial forensic discovery is beyond the scope of the Commission's work. In his resignation letter, he accused the DOJ of placing "strategic advantage [for prosecutors] over a search for the truth." Forensic science plays a critical role in both the conviction of criminals and the exoneration of the innocent and it is paramount that law enforcement and prosecutors are not able to exercise undue influence. What more can NIST do to make it sure it serves as an effective check and balance on such undue influence through its role on the Commission?

Answer. It is important to keep in mind that under the original charter of the National Commission on Forensic Science this group is a Federal Advisory Committee to the Department of Justice (DOJ) and thus provides recommendations and

advice to the Attorney General. Under the DOJ-National Institute of Standards and Technology (NIST) Memorandum of Understanding that initially formed the Commission, responsibilities for co-chairing the Commission were provided to both DOJ and NIST because it was recognized that DOJ and NIST could bring complementary strengths to the Commission. Forensic science involves the intersection between science and the law and is a profession that attempts to apply scientific measurements in a legal setting to address issues brought before a court of law. NIST enjoys the respect of the community for its ability to strengthen the measurement science underlying evaluation of forensic evidence. NIST has played an active role in co-chairing the Commission with DOJ and jointly selecting balanced membership to represent a wide range of stakeholders. NIST is committed to continuing to work with DOJ to enable the Commission to provide scientifically sound advice to the Attorney General.

Question 2. How can you make sure that NIST retains its unbiased oversight in setting forensic science best practices and standards?

Answer. The development of both measurement and documentary standards, and the provision of the scientific underpinnings to support the development of voluntary consensus standards are core to our mission. It has been so since the establishment of the National Bureau of Standards (the predecessor of NIST) in 1901 . . . and will continue to be.

NIST will maintain its leadership and independence with respect to the development and/critical evaluation of measurement methods, standards and best measurement practices to facilitate a greater level of transparency, rigor, and confidence in the forensic evidence used in the U.S. criminal justice system.

Issue: Support for Fishery Science Centers

Question 3. NOAA's FY16 budget request highlights aquaculture as one of the agency's priorities, citing its economic impact and potential to increase consumption of domestic shellfish. NOAA's budget states that "Of the total amount of seafood consumed in the United States, more than 90 percent (by value) is imported from foreign countries—and about half of that is produced by aquaculture. Creating an environment for a safe and environmentally sustainable aquaculture industry in the U.S.—and the jobs it creates—is important to this Administration and Department."

NOAA's justification for increased aquaculture funding also goes on to emphasize the benefits of having a coordinated system to provide critical mapping, habitat and water quality research, and best practices to "maximize the sustainability and productivity of fisheries and marine ecosystems."

At the center of such a coordinated research effort are NOAA's Fisheries Science Centers, like the Northeast Fisheries Science Center in Milford, CT. These research facilities are instrumental in improving conditions for shellfish farming and for providing essential information to shellfishermen. The strength of the industry and NOAA's goal to increase aquaculture production rely on science centers like the Milford Lab. How big of a priority is aquaculture for the Administration?

Answer. Developing sustainable marine aquaculture is a central part of the National Oceanic and Atmospheric Administration's (NOAA) mission and is crucial to both global food security and ocean sustainability. It is clear that marine aquaculture can and should play a larger role in United States fisheries and that NOAA has a central role to play. The increasing importance of aquaculture as an Administration priority is highlighted in the White House's fact sheet issued during the "Our Ocean" conference (June 2014) in which President Obama called for bolstering domestic shellfish production and implementing a National Strategic Plan for Federal Aquaculture Research among a short list of new actions to Protect and Preserve the Ocean.

NOAA has already taken substantial steps to foster marine aquaculture development. For example, NOAA issued an Aquaculture Policy in 2011, which helped launch the National Shellfish Initiative which, in turn, spawned a successful shellfish initiative in Washington State. Now other states, including Connecticut, are following the lead and are at various stages of developing similar programs. Last year, NOAA Fisheries released a proposed rule to implement the first ever regional fishery management plan for environmentally sound and economically sustainable aquaculture (in the Gulf of Mexico); and helped to secure permits for the first ever commercial offshore aquaculture operations (one off of California, two off of Massachusetts). In these and other ways, NOAA is working to develop and streamline regulatory systems to increase access for aquaculture operations.

NOAA's efforts have contributed to U.S. marine aquaculture growing at 8 percent annually over the past few years. While this is encouraging progress, production levels are still very low relative to aquaculture's potential. The industry struggles to establish and maintain a foothold, in part because of regulatory uncertainty. And

as a consequence, advanced technology, feed, equipment, and other investments are exported to producers around the world. NOAA's goal is to start using more of this U.S.-developed technology and expertise to help pave the way for a more robust industry in the U.S., and stop exporting jobs to other countries that are more aquaculture friendly. NOAA is facilitating increased production in U.S. waters and increased public awareness of its importance to the U.S. sustainable seafood portfolio.

Question 4. What role does your department see the NOAA science centers, like Milford, playing in the growth of the aquaculture industry?

Answer. Science is essential to supporting aquaculture expansion in an intelligent and sustainable manner, and NOAA supports U.S. aquaculture development in part through world class research. It is clear from past experience both at home and abroad that poorly sited or managed marine aquaculture operations can have negative impacts to the marine environment. But with sound scientific advice and science-based tools, it is possible to avoid such potential impacts and allow for the industry to grow in environmentally and economically sustainable ways.

NOAA's aquaculture science portfolio comprises complementary and coordinated efforts in three NOAA line offices. Together these efforts are critical to achieving the Administration's goal of supporting sustainable marine aquaculture. NOAA Fisheries focuses on developing science-based "tools for rules" to help inform permitting and other regulatory decisions, as well as working with industry partners on a range of topics such as hatchery techniques and disease management. The NOAA National Ocean Service develops coastal planning and management tools and services. The Sea Grant program at NOAA Oceanic and Atmospheric Research provides grants to external partners for industry development, as well as technology transfer and extension. These efforts and those of other Federal agencies (*e.g.,* the U.S. Department of Agriculture) are coordinated under the 2014 Strategic Plan for Federal Aquaculture Research, published with NOAA's assistance and leadership by the White House's Office of Science and Technology Policy.

Two laboratories house the bulk of NOAA Fisheries' aquaculture science portfolio—the Northeast Fisheries Science Center's Milford, CT lab; and the Northwest Fisheries Science Center's Manchester, WA lab. Milford has traditionally been a shellfish aquaculture lab (*e.g.,* siting tools, disease management, and ecosystem services) and Manchester has been a finfish aquaculture lab (*e.g.,* feeds development, finfish hatchery and growout methods). However, there is growing coordination and collaboration in certain areas such as some aspects of feeds research.

NOAA's science, regulatory, and outreach activities have made a substantial and measureable impact on the sustainable development of marine aquaculture and related jobs, especially in the northeast. From Virginia to New England, aquaculture has grown significantly over the past several years, with booming production of shellfish leading the way. Aquaculture in the northeast has grown to be the third most valuable fishery in the region, behind only lobster and scallops and roughly three times the value of the groundfish fishery. All indications are that, with continued support, there will be additional growth, providing more domestic seafood and jobs.

Question 5. What efforts are being made to provide more resources for these critical research facilities?

Answer. The President's 2016 Budget request includes a $4.5 million increase for marine aquaculture. This increase includes $2.5 million at NOAA Oceanic and Atmospheric Research's National Sea Grant Office for competitive grants and aquaculture extension, and $2.0 million at NOAA Fisheries for both research and regulatory activities that support sustainable aquaculture development. The NOAA Fisheries funds would be allocated annually based on an internal competition, and NOAA Fisheries science centers, including the Milford Lab, would compete for these funds. In past competitions, over 90 percent of similar funds were directed toward NOAA Fisheries science center projects.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. EDWARD MARKEY TO HON. PENNY PRITZKER

Question 1. Before the Commerce Department issued its private rulings on condensate exports or completed the industry-wide Frequently Asked Question guidance that it issued in December, did the Department consult with or meet with any Federal agencies with technical expertise in energy production or quasi-governmental organizations such as the National Academy of Engineering? If yes, please provide a complete list of the Federal agencies or quasi-governmental organizations that the Commerce Department met with or consulted prior to taking these actions, the dates of such meetings and the organizations present at each meeting.

Answer. The Department of Commerce's Bureau of Industry and Security (BIS) meets or consults with a range of government stakeholders on issues related to controls on the export of crude oil and seeks out technical expertise when appropriate.

Question 2. Prior to taking either of these actions—the private rulings on condensate exports or issuing industry-wide guidance in December—did the Commerce Department meet with or consult any energy companies or other non-governmental entities? If yes, please provide a complete list of all companies or non-governmental organizations that the Commerce Department met with or consulted prior to taking these actions, the dates of such meetings and the organizations present at each meeting.

Answer. BIS routinely meets with the public, including companies and trade associations, to answer questions about the Export Administration Regulations' (EAR) licensing requirements and policies. BIS has met with numerous companies to answer questions about the EAR's crude oil provisions generally, as well as companies with specific questions about the EAR's definition of crude oil and the status of potential and pending commodity classification requests.

Question 3. If there are any other entities not covered by questions one or two that were consulted or with whom Commerce Department staff met prior to taking either of these actions related to condensate exports, please provide a complete list of those entities and the dates that such meetings or consultations occurred.

Answer. As noted above, BIS meets with the public and other government stakeholders on matters relating to controls on the export of crude oil.

Question 4. Does the Commerce Department believe that companies are employing new techniques, technologies or processes to sufficiently process condensate to allow for export as described in section 4—entitled "What is required in order for liquid hydrocarbons to have been 'processed through a crude oil distillation tower'"—of the document entitled "FAQs—Crude Oil and Petroleum Products" issued by the Bureau of Industry and Security on December 30, 2014?

If so, please describe in full detail the new techniques, technologies or processes that are being employed by industry, when they began to be employed, and how they differ from past industry practices.

If the Department does not believe that the industry is employing new techniques, technologies or processes to process condensate, how does the Commerce Department justify the private rulings and industry-wide guidance issued last year and why did the Department choose to make those rulings and issue new guidance at that time despite no new techniques, technologies or processes being employed by the industry

Answer. Commodity classification requests typically contain technical information relevant to control criteria, which can include descriptions of techniques, technologies or processes. BIS determines the commodity classification of liquid hydrocarbons based on the EAR's definition of crude oil—liquid hydrocarbons that have not been processed through a crude oil distillation tower—taking into account the factors set forth in the December 2014 FAQs, and what is set forth in commodity classification requests filed with BIS. BIS does not have information on whether companies are employing "new" techniques, technologies, or processes.

Question 5. Did the Commerce Department consider and reject conducting a formal rulemaking before issuing private rulings to two companies to allow for the export of condensate in 2014 or before issuing the industry wide guidance in December?

Answer. BIS regularly considers whether revisions to its rules and regulations are warranted. In this instance, because BIS continues to apply its long-standing regulations when issuing commodity classifications, no formal rulemaking was necessary.

Question 6. Please provide the full definition that the Commerce Department is using for "condensate" or "lease condensate."

Answer. Although the EAR does not define "condensate" or "lease condensate," lease condensate is identified in the definition of crude oil in section 754.2(a) of the EAR as being crude oil. Under the EAR's definition of crude oil, once crude oil, including lease condensate has been processed through a crude oil distillation tower, it is a petroleum product and no longer crude oil.

Question 7. How much condensate, subject to the requirements outlined in the December 2014 BIS industry guidance entitled "FAQs—Crude Oil and Petroleum Products," is currently being exported from the United States? What are the maximum volumes of condensate that the Commerce Department believes could potentially be exported under the requirements outlined in the December 2014 BIS guidance?

Answer. BIS does not track the exports of condensate subject to the requirements outlined in the December 2014 BIS industry guidance.

Question 8. Does the Commerce Department believe that the industry-wide guidance issued by BIS in December 2014 entitled "FAQs—Crude Oil and Petroleum Products" could cover or be applied to other types of crude oil other than condensate? If not, why not? If so, which other types of crude oil could potentially be covered by this guidance? Please provide the Department's rationale.

Answer. As the EAR definition of crude oil applies to all crude oil, the December 2014 FAQs are not limited to condensate. As the FAQs note, "[I]n order for liquid hydrocarbons to be classified as petroleum products, there must be a material processing through a crude oil distillation tower. If there is no processing in the distillation tower, or the processing is *de minimis,* the liquid hydrocarbons will not qualify as petroleum products."

Question 9. Since the fall of 2012 when the Commerce Department declared the northeast ground fishery a disaster, we have been working with the department, Congressional appropriators and the affected states to provide some financial relief for our cod fishermen, their crew and the shoreside economy that depends on the fishing industry. A grant was made to Massachusetts last month to fund their state-designed support programs. I am grateful that that money is finally getting to captains, crewmen and their communities. But I am concerned that it took from Massachusetts submitting their proposal on October 24 2014 until February 5 for it to be approved by the Commerce department. Can you explain why it took this long and what additional resources you might need to speed up this process in the future?

Answer. Resource disaster grant applications require review and clearances at various levels to ensure that the requested funding complies with the requirements of the authorizing legislation. We strive to expedite our review in whatever way we can. Given the urgency of this funding, we ensured that the Massachusetts Division of Marine Fisheries was kept aware of progress in awarding the grant throughout this period.

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RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. CORY BOOKER TO HON. PENNY PRITZKER

Spectrum

Question. What is the Department doing to make available more radio spectrum to meet the Nation's rapidly-growing demand for commercial wireless broadband services?

Answer. The Department and the National Telecommunications and Information Administration (NTIA) continue to play a leading role towards meeting the President's directive to identify 500 megahertz of Federal and non-federal spectrum for wireless broadband use by 2020. The recent AWS–3 auction, resulting from the joint efforts of NTIA, Federal agencies and the Federal Communications Commission (FCC), is an important milestone in the Administration's efforts to meet this goal. The success of the AWS–3 auction, which drew more than $40 billion in net winning bids, was made possible in part by an unprecedented level of collaboration between NTIA, affected Federal agencies, wireless industry representatives, the FCC, and Congress.

As part of the Administration's efforts to make more spectrum available for wireless broadband, the Department has been working to identify other Federal bands that could be designated for commercial use. We are collaborating with the FCC on making 100 megahertz of spectrum available for small cell mobile broadband use in the 3.5 GHz band on a shared basis with military radar systems. Meanwhile we also are evaluating the feasibility of increased sharing for unlicensed devices in the 5 GHz band while protecting incumbent Federal Government systems. NTIA is also working with Federal agencies to quantify their use of nearly 960 megahertz of spectrum, spanning several key bands. The results of this quantification assessment are one factor that will be used to prioritize bands for more detailed study focused on expanding shared access. We are also beginning a dialogue with Federal agencies on best approaches to begin enabling expanded bi-directional Federal access to non-federal bands.

We are also working to improve the efficient management of Federal spectrum by increasing transparency of Federal operations, collaboration with industry, and incentives for Federal users to update their systems to improve sharing spectrum with the private sector.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. TOM UDALL TO
HON. PENNY PRITZKER

Question 1. Describe the role of your department's Chief Information Officer (CIO) in the development and oversight of the IT budget for your department. How is the CIO involved in the decision to make an IT investment, determine its scope, oversee its contract, and oversee continued operation and maintenance?

Answer. The Department's Chief Information Officer (CIO) participates directly in the budget development via three related processes. All major Information Technology (IT) initiatives that are proposed for the agency budget request to the President are first reviewed and approved by the Commerce IT Review Board (CITRB) which is chaired by the CIO. The CITRB rates the investments on a 1 to 5 scale across five major assessment areas: Program/Project Management, Shared Services, IT and Cyber Security, Approach and Subject Matter Expertise, and overall Health and Wellness. This assessment allows the board to identify areas of concern relating to specific aspects of the IT investment. If the areas of concern are not addressed and the overall rating stays low, it is highly unlikely that this investment will get approval to be included in the Department's budget request to the Office of Management and Budget (OMB). In addition, the CIO participates in the Deputy Secretary's review of the agency budget request each year and incorporates his/her thoughts concerning such investment proposals. Besides the annual budget process, the CIO is the chair and/or participating member of the CITRB, the Acquisition Review Board (ARB), and the Milestone Review Board all of which review major investments. A major IT acquisition ($25M +) requires the Department's CIO to issue IT investment authority in order for the acquisition to proceed. Once a major IT initiative is under development or in operations, it is monitored monthly by the CIO. During the operation and maintenance phase, the CIO will continue to review and monitor investments via the CITRB and/or convene a Tiger Team if targeted investigation or analysis is required.

Question 2. Describe the existing authorities, organizational structure, and reporting relationship of the Chief Information Officer. Note and explain any variance from that prescribed in the newly-enacted Federal Information Technology and Acquisition Reform Act of 2014 (FITARA, PL 113–291) for the above.

Answer. In addition to the statutory responsibilities through the Clinger-Cohen Act and related laws, the Department of Commerce has implemented a set of CIO responsibilities that are fully responsive to OMB Memorandum M–11–29, *Chief Information Officer Authorities.* These responsibilities are conferred on the CIO through the Acting Secretary's June 21, 2012, Memorandum *Department IT Portfolio Management Strategy.* These responsibilities focus on the areas of Governance, Commodity IT, Program Management, and Information Security. We believe that these responsibilities are in line with those prescribed by FITARA, and we will await guidance from OMB in regards to any implementation requirements.

Question 3. What formal or informal mechanisms exist in your department to ensure coordination and alignment within the CXO community (*i.e.,* the Chief Information Officer, the Chief Acquisition Officer, the Chief Finance Officer, the Chief Human Capital Officer, and so on)?

Answer. The Department's CXOs meet informally and formally on a regular basis to discuss issues, concerns and immediate and urgent initiatives. Each CXO manages a Council to discuss and address their specific constituent needs and requirements. Each Council includes cross-member CXO participation on a routine basis either as a standing member or by briefing specific subject matter issues and concerns. For example, the CIO routinely briefs the Chief Financial Officer (CFO) Council during the Department's budget formulation process. Additionally, the CIO is a standing member on the CFO Council, the ARB and the Acquisition Council just to name a few. Additionally, the CITRB, chaired by the CIO and co-chaired by the CFO, includes membership of the Chief Acquisition Officer, Budget Director, Department's Risk Management Officer, Commerce Bureau CIOs, etc. Therefore, there are many opportunities across department councils, working groups and review boards for departmental CXOs to discuss issues and concerns and provide timely and critical feedback and updates.

Question 4. According to the Office of Personnel Management, 46 percent of the more than 80,000 Federal IT workers are 50 years of age or older, and more than 10 percent are 60 or older. Just four percent of the Federal IT workforce is under 30 years of age. Does your department have such demographic imbalances? How is it addressing them?

Answer. The Department's IT Workforce numbers are similar to overall Federal IT Workforce demographics—50 percent are 50 years of age or older, 11 percent are 60 or older and only 3 percent of our IT workforce is 30 years of age or younger.

Age	DOC IT Workforce	Federal IT Workforce
30 and below	3%	4%
>=50	50%	46%
>=60	11%	10%

For current and future vacancies, the Office of the Chief Information Officer is developing a recruitment strategy to attract IT workers that includes partnering with the Department's Office of Human Resources Management to utilize existing hiring programs to recruit current college students and recent graduates in entry level positions.

Question 5. How much of the department's budget goes to Demonstration, Modernization, and Enhancement of IT systems as opposed to supporting existing and ongoing programs and infrastructure? How has this changed in the last five years?

Answer. Of the Department's current IT funding, 35 percent is for Development, Modernization and Enhancement (DME) as defined by OMB. In 2010, the Department's percentage IT funding allocated to DME was 48 percent. However, this was heavily skewed by the almost $1 billion spent for the 2010 Decennial Census. Excluding this anomaly, the percent of DME funding for the department would have been approximately 23 percent.

Question 6. What are the 10 highest priority IT investment projects that are under development in your department? Of these, which ones are being developed using an "agile" or incremental approach, such as delivering working functionality in smaller increments and completing initial deployment to end-users in short, six-month time frames?

Answer. The Commerce mission is supported by many strategic and critical IT investments ranging from weather prediction and reporting systems, enumeration and economic reporting/tracking systems, to patent and trademark systems, all supporting a critical mission to the citizens of the United States. The ten highest priority IT investments under development across the Department include:

- DOC—Business Application Solutions (BAS)
- DOC—Enterprise Security Operations Center (ESOC)
- DOC—Commerce BusinessUSA
- NOAA—Weather Wire Service (NWWS)
- NOAA—NCEP Advanced Weather Interactive Processing System—Agile
- Census—2020 Decennial
- Census—Enterprise Data Collection and Processing (CEDCaP) program
- USPTO—Trademark Next Generation (TM NG)
- NIST—Website Redesign and Realignment
- ITA—Salesforce Customer Relationship Management (CRM)

Question 7. To ensure that steady state investments continue to meet agency needs, OMB has a longstanding policy for agencies to annually review, evaluate, and report on their legacy IT infrastructure through Operational Assessments. What Operational Assessments have you conducted and what were the results?

Answer. The Department employs several interconnected processes for monitoring legacy IT infrastructure. Per official Department policy, all operational investments including IT infrastructure are required to conduct annual operational analyses. In addition, the Department's IT infrastructure investments are required to come before the Department's CITRB every year to discuss their current and proposed strategy and performance. In addition to yearly reviews, all IT infrastructure systems are required to send in progress reports and updated performance metrics to the OCIO monthly, in order to get even more timely information and greater transparency on the performance of IT infrastructure operations.

Question 8. What are the 10 oldest IT systems or infrastructures in your department? How old are they? Would it be cost-effective to replace them with newer IT investments?

Answer. The oldest IT systems currently used across the Department include:

Bureau	IT System/Infrastructure	System Age (Yrs.)	Cost Effective Replacement Possible?
NIST	e-Travel Manager System (ETS)	6.5	Yes
NIST	Grant Management Information System (GMIS)	14	Yes
DOC	Commerce Business System (CBS)	11	Yes
NOAA	Automated Surface Observing System (ASOS)	10+	Yes
NOAA	National Weather Telecommunications Gateway (NWSTG)	10+	Yes
NOAA	Advanced Weather Processing System (AWIPS)	8+	Yes
Census	Decennial 2010	5+	Yes
NTIA	Frequency Management Records System (FMRS)	25+	Yes
NTIA	Spectrum 21 (SXXI)	15	Yes
NTIA	FreqNet Portal	15	Yes
ITA	Lotus Notes	15+	Yes
ITA	Oracle Content Management System (CMS)	15+	Yes

Question 9. How does your department's IT governance process allow for your department to terminate or "off ramp" IT investments that are critically over budget, over schedule, or failing to meet performance goals? Similarly, how does your department's IT governance process allow for your department to replace or "on-ramp" new solutions after terminating a failing IT investment?

Answer. The CITRB reviews IT projects, programs, and portfolios on a routine basis. The CITRB acts as a board of directors that advises the Secretary and Deputy Secretary on critical IT matters. Projects that are consistently rated "red" on the OMB IT Dashboard are reviewed by the Board. Depending on the severity of issues, problems or escalating risk impacting the project, the CITRB may recommend termination, or halting of the project.

In addition to termination or halting the project, the CITRB ensures that proposed investments contribute to the Secretary's strategic vision and mission requirements, employ sound IT investment program management methodologies, comply with Departmental systems architectures, employ sound security measures, and provide the highest return on the investment or acceptable project risk. The CITRB provides for coordinated risk management, review, and advice to the Secretary and Deputy Secretary regarding IT investments. This advice includes recommendations for approval or disapproval of funding for new or base investments as well as recommendations for continuation or termination of projects under development at key milestones or when they fail to meet performance, cost, or schedule criteria. The Board also recommends approval or disapproval of requests for IT investment authority. Disapproval means they are not approved to enter into a contract to proceed to the next phase—this decision may result in overall termination or halting the investment until certain key actions have been completed.

Question 10. What IT projects has your department decommissioned in the last year? What are your department's plans to decommission IT projects this year?

Answer.

Decommissioned Projects		
Bureau	IT Projects/Systems	Comments
BEA	1000+ Legacy Programs/ Applications	Incorporated into centralized databases
Census	IBM Lotus Domino web-based e-mail and calendar system	Migration to cloud-based solution
ITA	Microsoft Exchange Infrastructure	Migration to cloud-based solution

Projects Planned For 2015 Decommissioning		
Bureau	IT Projects/Systems	Comments
ITA	On-premise SharePoint	Migration to cloud-based solution
ITA	On-premise data center servers	Migration to cloud-based solution
ITA	ITA Government Network	Transition to network as a service

Question 11. The newly-enacted Federal Information Technology and Acquisition Reform Act of 2014 (FITARA, PL 113–291) directs CIOs to conduct annual reviews of their agency/department's IT portfolio. Please describe your department's efforts to identify and reduce wasteful, low-value or duplicative information technology (IT) investments as part of these portfolio reviews.

Answer. In order to monitor and promote optimal investment strategies and project management practices, the Office of the CIO charters the CITRB. Typically, the CITRB reviews two to three investments every month to review their performance and strategy. Following each review, comments and questions are sent to the managers and sponsors of that investment. This has led to many efforts within Commerce operating units and across the Department to consolidate similar efforts and contracts. For example, the Department is currently in the process of moving to a single cloud e-mail system and towards a single financial and business management system. On a local level the number of networks, help desks and data centers throughout the Department continue to be steadily reduced. In parallel, and to facilitate such streamlining and consolidation, the Department has provided contract vehicles available to all operating units.

Question 12. In 2011, the Office of Management and Budget (OMB) issued a "Cloud First" policy that required agency Chief Information Officers to implement a cloud-based service whenever there was a secure, reliable, and cost-effective option. How many of the department's IT investments are cloud-based services (Infrastructure as a Service, Platform as a Service, Software as a Service, etc.)? What percentage of the department's overall IT investments are cloud-based services? How has this changed since 2011?

Answer. The Department implemented OMB's "Cloud First" policy and includes this as a requirement during annual Budget Formulation reviews. All new IT investments are required to investigate and if possible leverage cloud strategies and technologies during alternative analysis processes. Below is a consolidate list of cloud solutions across the Department:

Bureau	IT Service Name	Cloud Service Provider Name	Type of Service (Infrastructure, Software, Platform, Etc.)
BEA	Office 365	Microsoft	Platform
BEA	SharePoint	Microsoft	Software
BEA	Help Desk Ticketing Application	TBD	Software
NIST	Cloud Computing Services	Amazon	Infrastructure
NIST	IT Service Management	ServiceNow	Software
NIST	Cloud E-mail and Collaboration	Microsoft	Platform
NIST	Enterprise Mobile Device Management	MaaS 360	Platform
NTIA	E-mail		Platform
NTIA	Infrastructure Services	Various providers	Infrastructure
NOAA	IT Infrastructure	Various providers	Infrastructure
Census	Akamai Content Delivery	Akamai	Infrastructure
Census	GovDelivery E-mail and Blogging Services	GovDelivery	Software
Census	Microsoft Office 365	Microsoft	Software
Census	Cloud Testing For Centurion/Community TIGER/Real-Time Non-ID	Noblis	Infrastructure

Bureau	IT Service Name	Cloud Service Provider Name	Type of Service (Infrastructure, Software, Platform, Etc.)
Census	Salesforce.com Integrated Partner Contact Database	Salesforce	Software
Census	SunFlower (Property Mgt)	SunFlower	Software
Census	Adobe Site Catalyst	Adobe	Software
Census	MaaS 360 Mobile Device Management (MDM)	Fiberlink	Software
ITA	SalesForce.com	Sales Force	Software
ITA	E-mail, Collaboration, VTC, and Storage	Microsoft	Platform
ITA	Infrastructure	Amazon	Infrastructure
ITA	IT Service Management	ServiceNow	Software

Question 13. Provide short summaries of three recent IT program successes—projects that were delivered on time, within budget, and delivered the promised functionality and benefits to the end user. How does your department define "success" in IT program management? What "best practices" have emerged and been adopted from these recent IT program successes? What have proven to be the most significant barriers encountered to more common or frequent IT program successes?

Answer. The Department defines an IT program/project as successful when, in addition to delivering within cost, schedule and budget, the program/project delivers the planned and measureable levels of benefit and addresses the specific requirements as originally defined, while staying in alignment with the mission and goals of the Department. Program/project success is being able to effectively integrate the various components of the program, at every level to ensure the people, process, and technology function successfully together. Barriers within Commerce include the ability to aggressively work across the organization on shared initiatives given the diverse mission areas and the federated culture. Program/project management teams must ensure that they conduct integration activities to ensure that the elements of the program are compatible and function together to satisfy business needs, while meeting cost and schedule constraints, and optimizing effectiveness. Several successful projects implemented across the Department include:

- BEA Data Flow Improvement Project

  Within the Bureau of Economics and Analysis (BEA), the bureau implemented a project to enable more efficient data flows of the huge amounts of data processed and analyzed. BEA enhanced its centralized IT framework by achieving cross-program consensus on a design, developing, and releasing a BEA data hub which standardizes secure transmission of data across BEA's four major program areas.

- NIST PIV Enablement Project

  The National Institute of Standards and Technology (NIST) implemented the PIV Enablement Project which was implemented to meet OMB, Department of Homeland Security, and the Department's policies requiring the use of HSPD–12 credentials (PIV cards) for network access. The project successfully enabled more than 90 percent of NIST Information System users to use their assigned PIV cards to authenticate to PIV enabled information systems as the normal mode of authentication with Windows computers. The project improved IT security by providing the capability to require two-factor authentication using the PIV card.

- Census Enterprise Systems Development Lifecycle Initiative

  In 2014, the Census Bureau implemented the Enterprise Systems Development Lifecycle (eSDLC) initiative. The eSDLC leveraged best practices and processes from internal stakeholders, Federal agencies, and private industry to develop a full set of processes and templates. Having all IT projects follow the eSDLC has increased the control of schedule, costs, and risks.

Question 14. In New Mexico, it is often the early stages of a project that need the most help getting off the ground. An EDA planning grant was recently awarded to InnovateABQ, a technology incubator partnership between UNM and local governments to commercialize locally-developed technology and attract private investment

to New Mexico. Does EDA have sufficient resources to continue supporting other core activities, like incubators?

Answer. The President's budget proposal for FY 2016 provides sufficient resources to support core commercialization activities. The largest portion of the budget proposal ($85 million) remains dedicated to the Economics and Development Administration's (EDA) Public Works program, which thousands of communities across the country have accessed to construct business development projects, like incubators. This program has supported key infrastructure improvements like those at the Sandia Science and Technology Park (SSTP) where EDA invested $1.8 million in high-speed fiber optic lines that help local businesses leverage advances in technology that have been generated by nearby universities and Federal labs.

The President's budget proposal also provides EDA with the flexibility it needs to address the unique needs of every community as they build an innovation-driven economy. The proposal increases EDA's Economic Adjustment Assistance program which gives EDA the ability to provide tailored assistance to help regions leverage the promise of regional innovation clusters.

In addition, the budget proposal provides $25 million to support the Regional Innovation Strategies (RIS) program. The RIS program is an important complement to EDA's traditional programs: together they give EDA a mechanism to provide targeted, strategic investments to communities in the way that they most need the assistance. The RIS program supports a variety of grant competitions that fund innovation capacity-building activities, including the i6 Challenge, a cutting edge Federal grant program that supports innovative initiatives to spur commercialization, entrepreneurship and job creation at the local level. For example, the New Mexico Technology Ventures Corporation, a 2010 i6 Challenge grantee, is developing an infrastructure for the successful maturation of technologies developed under the Small Business Innovation Research program into commercially viable enterprises. Another New Mexico i6 grantee, the Arrowhead Center in Las Cruces, is currently building upon New Mexico State University's recently established proof of concept center, to develop the Arrowhead Innovation Network.

EDA's FY 2016 budget reflects our priority of promoting best practices for economic development while empowering regions to develop their own plans that will transform their communities into globally competitive regions and ultimately improve the quality of life for their residents. Regional innovation strategies and targeted infrastructure investments are the most effective framework to meet the needs of and further advance regional economic ecosystems.

Question 15. Could you expand on your written testimony and response to Sen. Peters' question about the importance of the Manufacturing Extension Partnership?

Answer. The Hollings Manufacturing Extension Partnership (MEP) is a public-private partnership that helps small and mid-sized manufacturers compete, increasing employment and investment across the country and generating a high return on public investment. MEP is built on a nationwide system of centers located in all 50 states and Puerto Rico. Each center is a partnership between the Federal Government and a variety of public or private entities, including state, university, and nonprofit organizations. This diverse network, with more than 440 service locations, has over 1,200 field staff serving as trusted business advisors and technical experts. And because MEP's foundation is its partnerships, centers are a hub for manufacturers, connecting them with government agencies, trade associations, universities and research laboratories, state and Federal initiatives, and a host of other resources to help them realize goals.

MEP leverages over $100 million of Federal investment into a nearly $300 million program by partnering with state and local governments and the private sector to provide a wealth of expertise and resources to manufacturers. Each year, manufacturers work with their local MEP Center to solve problems, increase productivity, improve their economic competitiveness, and enhance their technological capabilities. As a result, MEP clients increase their sales, save time and money, invest in physical and human capital, and create and retain thousands of jobs.

Every dollar of Federal investment in the MEP translates into $19 dollars of new sales for small manufacturers, or almost $2.5 billion annually across the 30,000 small manufacturers that MEP serves. Since it was founded in 1988, MEP has worked with nearly 80,000 manufacturers, leading to $88 billion in sales and $14 billion in cost savings, and helping small manufacturers create more than 729,000 new jobs.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. JOHN THUNE TO
HON. ANTHONY R. FOXX

Oversight & Investigation

Question 1. The President's budget requests an additional 59 employees at offices within the National Highway Traffic Safety Administration (NHTSA). In 2011, the Department of Transportation Office of Inspector General (OIG) stated that a comprehensive workforce assessment would enable the agency to determine the number of staff and specialized skills needed to complete its mission and ensure manufacturers recall vehicles in a timely manner. At the time of the OIG's report, NHTSA agreed to conduct this assessment by April 2103; however, to date, it has not been completed. How did the agency determine its specific request for additional employees without completing the ongoing workforce assessment, as the OIG first recommended in 2011?

Answer. NHTSA's workforce assessment is almost complete. The information gathered during the drafting process allowed the agency to identify the Office of Defects Investigation's most immediate needs. These urgent needs are reflected in the request for 57 new positions and the creation of the new Trend Analysis and the Field Investigation and Testing divisions. The full workforce assessment will address these and additional needs.

Question 2. When will the recommended workforce assessment be completed?

Answer. The draft assessment is currently undergoing review, and we expect to deliver it to the OIG soon.

Question 3. For Fiscal Year (FY) 2014, you reported to the President two material weaknesses in the Department's financial management, including weaknesses in its information security program and inappropriate access with respect to the Federal Transit Administration's grant management systems. What specific actions have you taken to ensure that the Department addresses these material weaknesses properly and swiftly?

Answer. The specific major finding of the financial auditors was that FTA's grants system (TEAM) does not provide for controlled access rights by the handful of DOT employees and contractors who serve as system administrators. Under certain circumstances system administrators could, in theory, access broader functions in the system. Because TEAM is built on an older technology, the system cannot distinguish between certain functions allowed for certain system administrators. This issue only applies to trusted system administrators with extensive background checks and no level of access to TEAM can result in improper payments because it is not FTA's payment system. In response to the audit finding, FTA has developed a tracking system to monitor and log all system administrator activities in real time. Additionally, because it is at the end of its life-cycle, FTA has been developing a complete replacement of the TEAM system. The new system, TrAMS, is built on modern technologies using a state of the art IT architecture, and will not have this problem. FTA plans to officially convert to the new system in FY 2016.

Question 4. The OIG has identified longstanding cyber security weaknesses and challenges with integrating and coordinating shared security controls. Will you commit to working with the OIG and this Committee to address these outstanding deficiencies?

Answer. DOT is committed to addressing the issue of shared security controls across the Department. The Department will prioritize weaknesses and build upon DOT investment oversight and security responsibilities to identify and leverage opportunities for consolidation and cost-effective delivery of shared services

Question 5. With such a large requested increase in the Department's budget, what should give Congress confidence that the Department will exercise the highest level of stewardship over appropriated taxpayer funds?

Answer. The Department of Transportation (DOT) invests more than $70 billion each year on programs to ensure the safe management and economic viability of U.S. transportation systems. Transportation is a critical engine of the Nation's economy. DOT investments in our transportation network over the country's history have been instrumental in developing our Nation into the world's largest economy and most mobile society. Fixing our existing infrastructure must be a top priority in order to keep America economically competitive. Recent reports on the condition of key facilities—highways, bridges, transit systems, passenger rail, and airport runways—reveal that many fall short of a state of good repair and thus compromise the safety, capacity, and efficiency of the U.S. transportation system. DOT programs will continue to emphasize improving the condition of our infrastructure to ensure that transportation facilities are safe and reliable.

Over time, however, our level of investment as a percentage of the gross domestic product has dropped significantly, as it fails to keep pace with our growing economy and population. Increasingly, we are seeing State and local officials abandon planning on the more ambitious and expensive projects that will move our economy forward. A critical part of DOT's efforts to ensure the safety and continued improvement of transportation programs is effectively securing and channeling investments to finance them. This will require the Department to work with stakeholders to stabilize the Highway Trust Fund and strengthen credit programs that can leverage private investment for transportation projects. The President's $94.7 billion Fiscal Year (FY) 2016 Budget Request for our transportation programs is critical for our Nation, our economy and job creation. It is also critically important that we work together to enact the priorities reflected in this budget that make much-needed investments in our Nation's infrastructure, provide long-term funding certainty to states and local governments, and implement policies that modernize Federal programs to meet our current challenges. With regard to the Department's stewardship over appropriated taxpayer funds:

- The Department of Transportation has a long-standing record of providing excellent stewardship over taxpayer funds.
- The Department's Inspector General's annual review of the internal controls, financial procedures, and financial records has resulted in 3 "clean audit" opinions for the last 14 years.
- The President's FY 2016 budget request for the Department of Transportation was developed through a comprehensive review of its programs, requirements, and missions.
- This request reflects the Administration's views on the Nation's transportation infrastructure needs, the resources needed to address emerging issues that affect the transportation system, and the predictability and reliability of funds to support transportation programs.

Question 6. How do you intend to prevent cost overruns and fix management weaknesses in acquisition practices?

Answer. The Department views very seriously any area where cost overruns may occur. We are actively managing processes across the Department (including FAA) to prevent cost overruns and address opportunities to strengthen acquisition practices.

The FAA has a set of structured processes and governance structures to identify issues and risks to reduce or eliminate the likelihood of cost overruns on programs. In 2011, the FAA established the Air Traffic Organization (ATO) Program Management Organization (PMO) to improve the consistency of program execution, institutionalization of acquisition of best practices, review of lessons learned, and to capitalize on efficiencies between programs. The PMO effectively manages the program lifecycle creating a bridge between conceptual use and operational use through the identification and management of risks associated with the design, development, and deployment of systems. The FAA has a tiered structure for managing and reporting program performance. Each program is responsible for reporting cost, schedule and technical performance on a monthly basis that is reviewed within each business unit on a monthly basis. Additionally, the PMO sponsors a bi-weekly forum known as the PMO Program Management Review (PMR) which focuses on a periodic review of the programs and portfolios within the PMO, and on critical programs from other FAA lines of business. The purpose of the PMO PMR is to review the current program status, review and discuss risks and challenges, as well as capitalize on opportunities to help ensure that cost, schedule, and technical issues are mitigated and resolved before they have the effect of a cost overrun on a baselined program. The final level of review is by the Joint Resource Council (JRC), which is the Investment Decision Authority for the FAA. Every 3 months the JRC holds an Acquisition Quarterly Program Review (AQPR) where every baselined investment program in the FAA is reviewed for cost, schedule, and technical performance. Major issues and challenges that have not been resolved or mitigated at other reviews are discussed for action at the AQPR.

The FAA continues to make progress in resolving identified weaknesses in the area of acquisition practices. Since 2005, the FAA has taken steps to put a certification structure in place for those critical acquisition positions in the FAA. Currently all Program Managers (PMs) must be certified (at the required level for the size and scope of the program) before taking on the responsibility of managing a program. All Contracting Officers (COs) and Contracting Officers Representatives (CORs) must be certified to perform those activities consistent with current applicable law and the FAA Acquisition Management System (AMS). Both the PM certifi-

cation and the CO and COR certifications are required to have periodic re-certification and continuing education requirements.

Additionally there are required reviews of acquisitions through the various boards that look at the specifics of each acquisition. The CFO is responsible for ensuring that all acquisitions greater than $10M are reviewed for completeness and necessity. The Acquisition Strategy Review Board is responsible for ensuring that all contracting activities greater than $5M are reviewed for potential redundancy with other efforts, and that the approach for the acquisition is in the best interest of the government. In 2007, the FAA established The Acquisition Executive Board (AEB). The AEB is responsible for the identification of improvements to the AMS through suggested Policy, Guidance, and Governance to the JRC and the FAA Federal Acquisition Executive. The FAA continually reassesses our acquisition practices for areas of potential improvement.

The FAA also implemented the National Acquisition Evaluation Program (NAEP) in 2007 to independently monitor the performance and implementation of the AMS and associated processes. Through acquisition metrics, and random and focused evaluations of program and contract data and documentation, NAEP identifies best practices or pinpoints potential weaknesses in requirement and policy implementation. Findings are then used to improve existing programs and contracts were practicable, and reengineer AMS and associated processes where feasible to institutionalize better compliance and efficiency for future requirements. NAEP also serves as the audit liaison to GAO and OIG for acquisition-related audits to ensure findings are properly addressed and integrated into agency processes where needed.

In addition to the program implemented by the FAA, the Department has also created a number of structural and procedural protocols which seek to reduce the likelihood of cost overruns across the Department. Specifically, the Department established an Acquisition Strategy Review Board to provide strengthened management oversight over certain acquisition activities. The Acquisition Strategy Review Board is led by the Department's Senior Procurement Executive, who serves with the Deputy Chief Information Officer and Deputy Chief Financial Officer. The Acquisition Strategy Review Board reviews acquisition plans to ensure the application of sound business strategies and the application of appropriate Federal and Departmental information technology standards and policies, and also seeks to identify and ensure both technical and financial risks are appropriately identified and mitigated early in the acquisition planning process. Working within the DOT Integrated Program Planning & Management process, the ASRB reviews the Department's high risk acquisition plans, including cost reimbursable contracts over $10M and all other proposed contracts in excess of $20M, to include management support service contracts.

Additionally, the Department has made significant process in strengthening its acquisition workforce. To strengthen the consistency and reliability of acquisition workforce data, the Department has fully implemented the Federal Acquisition Certification and Training System (FAITAS). The full deployment of this new capability has provided a reliable and consistent methodology for tracking the Department's acquisition workforce certification programs for compliance with certification standards and future requirements for continuous learning. The Department has completed a data validation effort to identify training gaps and now tracks progress toward meeting established metrics to ensure all members of the Department's acquisition workforce are properly recorded in FAITAS. Additionally, the Department continues to invest in its acquisition workforce, and has provided targeted training to support improved focus on improving communication with industry and market research strategies during acquisition planning. The Department also continues to work with both internal and external stakeholders to leverage training resources to maximize learning opportunities across the entire acquisition workforce.

Finally, the Department has initiated a systematic approach to conducting procurement management reviews across the Department's operating administrations. These reviews seek to evaluate individual procuring activities to ensure compliance with both Federal and Departmental requirements and the adoption of best practices, as they relate to the entire acquisition life cycle. This structured approach will allow for improved compliance and strengthened management oversight, and more importantly will allow for the emergence of best practices which can be shared across the entire organization. The reviews will also serve to identify opportunities for improved policies, practices, and procedures.

Question 7. What specific steps are you taking to identify and root out contract and grant fraud, which represented 46 percent of the OIG's investigative caseload in FY 2013?

Answer. The Department of Transportation is committed to carrying out a robust suspension and debarment program that protects our acquisition, grant-making, and

comparable programs from fraudulent behavior, favoritism, and other threats to effective stewardship of taxpayer funds. The Department administers many grant-making programs, such as the Federal-aid Highway Program, the Federal Transit Program, and the Airport Improvement Program, and maintaining the integrity of these programs, and of our acquisition actions, is one of our most important responsibilities. In calendar year 2013, the Department issued 64 suspensions and 53 debarments. Also, we continue to work with the Office of Inspector General (OIG) to strengthen and improve our suspension and debarment program. In response to a recent OIG report, we updated the Department's Order on suspension and debarment actions to better clarify Departmental and operating administration expectations and succinctly describe roles and responsibilities in the process. The Department will continue to work with the OIG by referring any instances of suspected fraud to the OIG for investigation, promptly taking appropriate action on matters the OIG refers to the Department for suspension and debarment, and implementing all recommendations for improving our suspension and debarment program.

Question 8. The President's budget requests $339 million for the motor carrier safety grants program. What procedures does the Department have in place to scrutinize these grants carefully in order to prevent waste of taxpayer funds?

Answer. In 2013, the FMCSA created a Grants Management Office. In strengthening the Agency's internal controls, the Grants Management Office has: standardized policies and procedures that are consistent with Federal law; implemented and integrated automated grant systems; provided greater transparency in the discretionary grant program; ensured that all agency grants include the proper documentation; and developed comprehensive grants management training.

Based on the Agency's strategic goals and policies, the Agency develops annual Notices of Grant Funding Availability for its discretionary grant programs. The Grants Management Office reviews each application to ensure that it includes all the necessary information. The Agency convenes a technical evaluation panel to review every grant application to ensure that it meets the agency's priorities and Federal law. The Agency bases its funding recommendations on the technical evaluation panel's review. The Office of Chief Counsel, Grants Management Office and Program office review the funding recommendations. Prior to its award, each grant is reviewed by the Program Office, the Grants Management Office, the Office of Chief Counsel, the Field, and the Budget Office.

Question 9. Amtrak has repeatedly shown a lack of accountability with respect to the Federal taxpayer funds it receives via the Department of Transportation. What are you doing to ensure greater accountability and avoid waste and mismanagement of these funds?

Answer. The Federal Railroad Administration (FRA) has substantially enhanced its oversight of Amtrak grants in recent years, building a monitoring program that aligns to the rigorous standards applied to FRA's traditional grant portfolio, and provides a stronger assurance that Amtrak is spending its taxpayer funds transparently and delivering public benefits.

As part of this enhanced oversight strategy, FRA is requiring frequent grant-level and project-by-project reporting, increasing the agency's on-site monitoring of Amtrak capital projects, and conducting comprehensive quarterly working group sessions with Amtrak staff. The monitoring and oversight program instituted by FRA promotes better awareness of Amtrak project activities; allows FRA to verify reporting data by more frequently communicating with Amtrak project managers, engineers, and other key personnel; assists FRA in tailoring targeted technical assistance to Amtrak; and ultimately enables FRA and Amtrak to proactively identify and address project development and delivery risks.

In addition to improved grant program and capital project monitoring, FRA is working with Amtrak leadership to collaboratively assess corporate-level activities and study cross-cutting organizational programs to gain understanding, improve communication, and work towards improvements. Specific operational areas of focus include information management and technology, capital planning and Amtrak's budget development process, fleet management, and business line performance. As an example of recent programmatic shifts in FRA's oversight approach, FRA now dedicates specific staff to monitor the performance of each of Amtrak's three primary business lines—the Northeast Corridor (NEC), State-Supported routes, and Long-Distance routes. Additionally, FRA is requiring Amtrak to develop five-year planning documents for both its general capital and Americans with Disabilities Act programs, which is intended to spur Amtrak to consider a longer horizon and more methodical approach to planning for its investments.

Finally, many of the provisions the Senate Committee on Commerce, Science, and Transportation authored in the Passenger Rail Investment and Improvement Act of

2008 (PRIIA) are helping to drive Amtrak performance improvements, transparency, and accountability. Sections 209 and 212 of PRIIA are leading to standardized and transparent methodologies for allocating costs among Amtrak and its state and commuter partners on the state-supported and NEC business lines. Under Section 210, Amtrak is working to implement performance improvements for its Long-Distance routes. Additionally, Section 203 led Amtrak to develop and implement an improved financial accounting and reporting system.

Question 10. Since 2009, Congress has appropriated over $10 billion for the Federal Railroad Administration's (FRA) high speed intercity passenger rail (HSIPR) grant program. The OIG has previously reported that the "FRA's lack of an effective grants administration framework may be putting Federal funds at risk." The President's FY 2016 budget requests $2.3 billion to establish a Rail Service Improvement System, building off HSIPR funding. What controls are in place to ensure taxpayer funds are not at risk?

Answer. The Federal Railroad Administration (FRA) has successfully managed $10 billion in funding and approximately 150 projects through the HSIPR Program. Forty percent of these projects are complete or substantially complete with significant public benefits already realized.

Since 2009, FRA's HSIPR program has undergone five external oversight reviews. The five external oversight reviews on HSIPR program management/oversight processes is composed of three OIG reviews and two GAO reviews. None of these reviews has identified any project-related concerns or major oversight issues as FRA has implemented this program. Most recently, the OIG issued a report on April 1, 2015 stating that "FRA improved its guidance on high-speed rail grant agreements, but policies and procedures for amending and monitoring grants remain incomplete." The OIG report contained five recommendations, four of which the OIG considered resolved and closed by the report's publication date and the fifth was resolved pending completion of planned actions. The four closed recommendations sought amendments or clarifications to existing FRA policies and procedures.

FRA has established a dynamic and robust oversight program to reduce implementation risk to the HSIPR Program. FRA's program management model comprises three major components, including: grant compliance reviews, project implementation oversight, and technical assistance delivery.

- Grant compliance: FRA grant agreements clearly outline each award recipient's grant administration responsibilities, in compliance with Federal grant oversight regulations and FRA policies. FRA requires grantees to submit detailed and accurate quarterly financial and project progress reports. FRA closely reviews reports for accuracy and has developed a compliance assessment tool to evaluate grantee adherence to administrative requirements on a monthly basis. Further, grant compliance is a component of FRA's monitoring program discussed below.

- Project implementation: Before awarding funds, FRA requires each grant recipient to submit a detailed, thorough, and feasible statement of work (SOW), including a clear scope, schedule, budget, and deliverables that grantees must submit throughout the grant period of performance. FRA uses these grantee-generated deliverables and other resources to assess grantees' adherence to the SOW and general project quality.

  FRA also manages an intensive grant and project monitoring program that includes a combination of detailed reviews of grantee and project documentation, as well as grantee and project site visits. Utilizing these tools to evaluate grantee performance and identify project delivery issues, the FRA grant oversight team may require grantees to submit and implement corrective action plans, if necessary.

- Technical assistance: FRA's monitoring and oversight team is in constant communication with grantees and is often able to assist grantees in identifying project risk or addressing realized challenges in technical areas such as engineering or environmental compliance. FRA has provided an appropriate level of support to grantees throughout the HSIPR Program to safeguard Federal investments and maximize public benefits.

The GROW AMERICA Act and FY16 Budget request build on the framework established under the HSIPR program and provide dedicated funding to conduct necessary oversight, training and technical assistance, and project evaluations and assessments for all financial assistance provided under the new National High-Performance Rail System.

Question 11. Since 2003, when legislation initiated the Next Generation Air Transportation System (NextGen), the OIG has reported on "longstanding manage-

ment challenges and barriers that have limited FAA's progress in delivering NextGen capabilities, such as the Agency's inability to set realistic plans, budgets, and expectations, and clearly identify benefits for stakeholders." What steps are you taking in order to get the NextGen implementation back on track, on time, and on budget?

Answer. The FAA is implementing an executable plan for NextGen with the leadership of the FAA's Deputy Administrator, who is also the Chief NextGen Officer, and the Assistant Administrator of NextGen, who, within the FAA, is responsible for the day-to-day implementation and execution of NextGen activities. Since NextGen implementation relies on the coordination of multiple stakeholders, both of these individuals are constantly engaged in discussions with relevant parties in clearly identifying benefits for stakeholders. The FAA, in collaboration with the aviation industry through the NextGen Advisory Committee, has developed the NextGen Priorities Joint Implementation Plan. This Joint Implementation Plan, which was delivered to Congress on October 17, 2014, summarizes the high-level commitments the FAA will accomplish over the next three years, the industry commitments necessary for those activities to be successful, and a timeline of milestones and locations to deliver the benefits for our stakeholders. The FAA is also working with the stakeholders to resolve barriers and address potential challenges to meet the mandate for equipping thousands of aircraft with ADS–B Out avionics. Under the Equip 2020 initiatives, we have established workgroups to coordinate and monitor equipage for part 121, 135 and General Aviation aircraft, and educated the community on ADS–B Out and addressed issues with installation and approval.

Question 12. Is the Department open to looking at new models of governance structure to improve the delivery of NextGen benefits?

Answer. There has been an on-going conversation regarding alternative models for FAA governance among some aviation community stakeholders and in Congress. The Secretary and the Administrator have expressed openness to taking part in these conversations. However, any alternative model should provide not only for the improved delivery of NextGen benefits but also ensure that any governance changes solve the challenges FAA faces. Any movement away from the present model needs to ensure continued direct accountability to users of the National Airspace System (NAS) and be mindful of the linkage and integration of safety, NextGen, airport infrastructure, and other functions. Proposed solutions will need to make certain that we make improvements in all aspects of FAA's mission and that any change does not set us back in the progress that we have made.

Federal Records Act

The Federal Records Act (FRA) requires Federal employees to preserve all records, including e-mails, documenting official government business. The National Archives and Records Administration (NARA) further clarified this requirement in 1995 by adopting regulations specifically requiring the preservation of official e-mails created on non-official accounts. The cornerstone of transparency, this clear and unambiguous requirement ensures that complete and accurate documentation of the business of Federal departments and agencies is available for congressional inquiries, Freedom of Information Act (FOIA) requests, litigation, and historical research. Given reports about deficiencies in FRA compliance at several departments and agencies, please answer the following questions:

Question 13. Do you use an official government e-mail account for official business?

Answer. Yes.

Question 14. Do you or any other senior Department officials use an alternate, alias, or other official account (apart from your primary official account) for official business?

Answer. Yes.

Question 15. If so, is the Department's Chief FOIA Officer aware of this practice?

Answer. Select officials within the Department use e-mail accounts that do not follow the standard e-mail naming convention of *FIRST.LAST@DOT.GOV,* however all such accounts are maintained on authorized DOT e-mail systems. For example, I have two official accounts *Anthony.Foxx@dot.gov* and a separate e-mail account, also maintained on the DOT e-mail servers. In addition, program offices may also use a program specific e-mail address; the FOIA Office uses *FOIA@dot.gov;* the use of such addresses supports operational effectiveness and efficiency. The Department searches all such accounts, including a second DOT account for a select official or a program office DOT account whenever they may include records responsive to a FOIA request.

Question 16. Have you ever used a non-official e-mail account for official business? If yes, please explain your purpose and justification for this practice.

Answer. No.

Question 17. Are you aware of any other Department or Administration officials who use or have used non-official e-mail accounts for official business?

Answer. No.

Question 18. What steps have you taken to ensure the preservation of all Federal records, including e-mails, at the Department in accordance with the FRA?

Answer. In 2012, the Departmental Records Management Office (DRMO) initiated a Department wide records management inventory, requiring all Operating Administrations (OAs) to identify their Federal records and associated records schedules. The OAs have completed their inventories and the DRMO is working with OA records offices and NARA to schedule permanent and temporary unscheduled records. The Department uses a mix of technologies to assist in the management of permanent records. Depending on the business needs and electronic information system(s) supporting a given program, records are managed in place, stored in an Electronic Records Management System (ERMS), or printed and filed.

DOT permanent electronic records are generally housed in their individual electronic management systems and are maintained according to their disposition schedule until transferred to NARA. The DRMO is also in the process of creating a unified guided approach for all OAs to meet the OMB Directive goal requiring all Federal agencies to manage all permanent electronic records in an electronic format by December 31, 2019. Under the DRMO's leadership, a DOT-wide strategic approach for managing implementation of the Directive has been established. This approach allows each OA to make electronic records management plans based on business needs, resource availability, and best practices. Each OA is required to develop its strategic and tactical approaches in accordance with the DRMO's established minimum specifications and provide the plans to the DRMO for on-going oversight and compliance. The DRMO will identify and work to resolve common issues through evaluation and research of best practices and lessons learned through participating in inter-agency collaboration groups including the Federal Records Officers Network (FRON), the Bi-monthly Records and Information Discussion Group (BRIDG), Capstone working group meetings, and Senior Agency Official meetings.

Question 19. Has the Department adopted the Capstone approach to managing e-mail, outlined in the September 14, 2014 memorandum to the heads of Federal departments and agencies from the Office of Management and Budget and NARA?

Answer. The Department has adopted in principle the Capstone approach and is working to address the technical and operational requirements necessary to support its implementation. The DRMO, with the support of the Associate CIO for IT Shared Services, OA records management staff, the OGC, and other stakeholders is working to finalize the policy framework for the DOT's implementation of the NARA-approved Capstone approach for persona-based e-mail retention that meets the Department's business needs and records management requirements. The DOT continues to evaluate cloud-based e-mail solutions and fully anticipates that all DOT e-mail systems will meet the Directive goal of managing both permanent and temporary e-mail records in an accessible electronic format by December 31, 2016.

Question 20. Have any Department employees using non-official e-mail accounts to conduct official business forwarded the e-mails to their official accounts within 20 days as required by law?

Answer. The Department is not aware of any employee using non-official e-mail accounts to conduct official business. The Department's Records Management 101 (RM 101) training currently includes language reminding employees to not use a personal e-mail account for work. In FY 2015, the RM101 training will be updated to reflect the new changes in the Federal Records Act requiring any individual who must, for unforeseen circumstances, use a non-DOT e-mail for official purposes to copy their official e-mail so that the record may be appropriately preserved.

Question 21. What policies and procedures does the Department have in place to ensure that all employees comply with their FRA obligations?

Answer. The Departmental CIO has issued CIO Policy (CIOP) DOT Order 1351.28 Records Management which establishes the policy, and roles and responsibilities for records management review within the Department. The policy is currently under formal review and an updated version will be issued by the end of the Fiscal Year. The designated Records Officer for each OA has either been certified or granted a certification exception based on records management experience by NARA. These OA Records Officers are supported by a community of Records Liaisons who work directly with records custodians to ensure that all FRA obligations are addressed.

Question 22. When was the most recent FRA training session offered to Department employees, including Senate-confirmed individuals?

Answer. Effective November 11, 2013, the SAO RM required that all DOT employees complete the OCIO developed RM 101 course. The training aims to educate all staff about records and their records management responsibilities. All Federal staff were required to complete the training within 90 days of the requirement being established and every two years afterwards. Staff that had previously completed RM 101 were not required to retake the training until two years after they last completed RM 101. To date, 97 percent of non-FAA DOT employees and 94 percent of FAA employees have completed the RM101 course. As noted above, the DRMO plans to evaluate and update RM 101 as appropriate during FY15 as well as develop additional role based training for specialized communities such as political appointees, records custodians, and project managers.

Question 23. Is any senior Department employee aware of any unlawful or accidental removal, alteration, or destruction of electronic Federal records in the Department's custody or control, including e-mails? If so, has the Department reported these incidents to NARA? Please provide details of any such incidents, including the dates, number and type of records, and custodians involved, as well as any reports, including dates, made to NARA.

Answer. No.

Question 24. Are you or any Department official aware of any Department employee's use of a private or independent e-mail server to conduct official business?

Answer. No.

Question 25. If yes, who approved its use?

Answer. N/A

Question 26. What was the rationale or justification for its use?

Answer. N/A

Question 27. Has the Department received any inquiries from employees about the permissibility of using a private or independent e-mail server to conduct official business? If yes, who made the inquiry and what was the response?

Answer. No.

Vehicle Safety

Question 28. Vehicle safety has been a long-standing priority of mine and, as you know, alcohol impaired driving kills many thousands of individuals on the road each year. While some success has been seen with implementing the use of breath alcohol ignition interlock devices (BAIID), there is some evidence that many of those individuals required to install a BAIID in their vehicle do not install them. Do you believe the compliance rates for installing BAIIDs have been well established?

Answer. Alcohol ignition interlock use has grown substantially over the past nine years resulting in a significant increase from about 100,000 in 2006 to over 300,000 in 2014. However, it is difficult to establish compliance rates, which vary widely among states. NHTSA is working with states to improve tracking and recording of compliance with installation orders by offenders. We believe that once State ignition interlock programs mature the compliance rate for installing BAIIDs can be established.

Question 29. In your view, are the compliance rates for installing BAIIDs acceptable and indicative of success?

Answer. There is strong evidence that, while installed, interlocks reduce recidivism among both first-time and repeat offenders 50 to 90 percent. Offender compliance with orders to install a BAIID is critical to the success of State programs. Compliance rates for installing BAIIDs are increasing in some states, and we expect other states to increase compliance rates as their programs mature. Through increased support for State ignition interlock programs at the State and Federal level, it is expected that compliance rates for installing BAIIDs will continue to increase.

Question 30. Relatedly, have the performance measures and benchmarks for BAIID been met?

Answer. There are no performance measures and benchmarks for BAIIDs.

Question 31. The 24/7 Sobriety Program is a drug and alcohol monitoring program that was created in my home state of South Dakota and has since been adopted in some form by North Dakota, Montana, Idaho, Washington, Alaska, Wyoming, Florida, Nebraska, and Iowa. NHTSA-funded studies based on the South Dakota 24/7 program data have indicated that participants who have been on the 24/7 Sobriety Program have substantially reduced recidivism rates for one, two, three, and four years from arrest. Congress has made clear that 24/7 is a program worthy of Federal support, and my state of South Dakota is pleased with the results of our

24/7 program. What changes could be made to Federal statutes to further encourage the use of this promising approach to addressing drunk driving and alcohol abuse?

Answer. NHTSA is aware of evaluations of intensive supervision programs, such as the 24/7 Sobriety Program, that show such programs to be effective in reducing DWI recidivism. In the GROW AMERICA Act, the Administration proposes to increase State flexibility with regard to eligibility for an alcohol-ignition interlock law grant by allowing the substitution of 24/7 intensive supervision programs for ignition interlock use under certain circumstances. Under the proposal, a State would be eligible for an ignition interlock grant even if its all-offender interlock law contained an exemption for employer-owned vehicles, provided that the state required such offenders to participate in a 24/7 intensive supervision program. Similarly, a State would also be eligible for an ignition interlock grant even if its all-offender interlock law contained an exemption for rural residents, provided that such offenders live more than one hundred miles from an interlock service provider and they participate in a 24/7 intensive supervision program. These changes would provide states with additional tools to help combat drunk driving.

Question 32. Drugged driving is a growing problem in our country. How is NHTSA working to understand this problem and should Federal grants and penalties for drugged driving be treated similarly to those for driving under the influence of alcohol?

Answer. NHTSA has conducted two important roadside surveys to provide information on the presence of drugs in the driving population. These surveys, which are anonymous and voluntary, are the only source of statistically reliable information on the extent of drugged driving in the United States. The 2007 National Roadside Survey (NRS) indicated that 16.3 percent of weekend nighttime drivers had drugs in their systems. The 2013–14 NRS indicated this figure has increased to 20 percent. These surveys provide important data about the presence of drugs in the driving population, but do not measure impairment levels. These roadside surveys are the only source of this critical safety information. Unfortunately, NHTSA is currently prohibited from conducting future roadside surveys under the "Consolidated and Further Continuing Appropriations Act, 2015."

NHTSA considers driving under the influence of drugs (DUID) as part of the larger impaired driving threat facing this country. State data on fatalities indicate that one third of total fatalities (10,076 in 2013) were the result of alcohol impairment. Less is known concerning the level of involvement of drugs in impaired driving, and more research is required to understand the issues and preventive strategies. That is why the President's Fiscal Year 2016 budget requests an additional $10 million to study the magnitude of drug impaired driving.

States may currently use Section 402 and most of Section 405(d) Impaired Driving grants for both alcohol and drug impaired driving countermeasures. The Administration's GROW AMERICA Act would continue to allow states this flexibility.

Surface Transportation & Merchant Marine Infrastructure, Safety, and Security

Question 33. The freight map developed by the Department of Transportation (DOT) has limited connectivity in rural states like South Dakota. With just one mile of the "DOT freight network," but hundreds of miles of multimodal freight routes, I am concerned that DOT's map fails to account for the realities of how goods move in rural areas. Can you provide additional information about DOTs freight planning, and how rural freight corridors should be addressed?

Answer. The Moving Ahead for Progress in the 21st Century Act (MAP–21) directed the Secretary to establish a National Freight Network (NFN) to assist states in strategically directing resources toward improved system performance for efficient movement of freight on highways. By statute, the NFN is comprised of three network components: the primary freight network (PFN), the portions of the Interstate System not designated as part of the PFN, and Critical Rural Freight Corridors.

The freight map you describe is the initial draft designation of the highway PFN portion of the NFN. Under MAP–21, this draft highway PFN would eventually be supplemented by the Critical Rural Freight Corridors designated by states, and cover important rural freight routes. A final initial designation of the highway PFN will be released this year. However, consistent with public comments, the Department recognizes that MAP–21's mileage-constrained, highway-only PFN is an incomplete representation of the system that is required to move freight in the United States. The Department is supportive of a more comprehensive approach to freight under the NFN.

The Department, as part of the GROW AMERICA surface transportation authorization proposal, has proposed the establishment of a multimodal national freight

network. This network would not have a mileage cap and could include connectors, corridors, and facilities in all freight transportation modes as most critical to the current and future movement of freight within the national freight system. The input of local and State transportation planners will be necessary to fill in data gaps and improve the accurate representation of goods movement in the Nation.

Additionally, to support national and regional planning, the Department will be releasing the National Freight Strategic Plan, and continues to encourage states to develop freight plans. The Department believes that freight planning is best accomplished at the local and State level, including at a multistate regional level, in freight advisory committees, with the active participation of the suppliers, shippers, and receivers, as well as all stakeholders impacted by freight movement. Rural and urban goods movement is best understood by those parties and can inform State freight plans to prioritize investment and help advance local, State, and national freight goals.

Question 34. On February 11, Senator Inhofe, the Chairman of the Committee on Environment and Public Works, and I wrote a letter requesting an update on the timeline for the Comprehensive Truck Size and Weight Study that was mandated for delivery in November of 2014. We have not yet received a response to our letter, and the report has not yet been issued. Congress passed MAP–21, which required this study, more than 32 months ago. I look forward to your response to our letter, and the release of the report. Please provide an updated timeline for the completion and release of the report for the record.

Answer. The Department is analyzing carefully the results and making sure that the information contained in the study is factual and clearly communicated. The Department recognizes the importance of this study, and we are working diligently to complete our review. As soon as our review is completed, we will prepare the draft technical reports for release to the independent peer review panel and the public.

The Department is also making revisions to the study's desk scans, as recommended by the initial report from the Transportation Research Board Peer Review Panel. Once we release the technical reports, we will launch the second phase of the Peer Review. At that time, we will also schedule the final Public Input Session. When these steps are completed, we will deliver to you the final Report to Congress.

Question 35. In late 2013 or early 2014, the DOT undertook testing of braking distance of 5 and 6 axle trucks at various weights. I understand that the testing has been finished for some time. Please provide the Committee with the results of this testing, and indicate whether the results will be included in the Comprehensive Truck Size and Weight Study.

Answer. The testing on the 5-axle tractor-semitrailer combination was performed in 2012. A final report for that testing has been completed, "Heavy and Overweight Vehicle Brake Testing: Combination Five-Axle Tractor-Flatbed Final Report" *http://www-cta.ornl.gov/cta/CMVRTC/past-research/HOVBT.html*. A copy of the Final Report can also be accessed via the link.

The testing on the 6-axle tractor-semitrailer combination was performed in 2013 and 2014. The final report for that testing is currently undergoing final review, but has not been published yet. My hope is that we are able to get it done soon, but I don't have a more specific timeline.

The Federal Highway Administration is the lead for the MAP–21 Comprehensive Truck Size and Weight Study. The brake testing results will be provided in that study. The following link provides the Project Milestones and schedule: *http://ops.fhwa.dot.gov/freight/sw/map21tswstudy/milestones_schedule.htm*.

Question 36. I understand the Maritime Administration (MARAD) commissioned a report last fall to study the use of liquefied natural gas (LNG) as a fuel in the maritime sector, specifically looking at existing LNG bunkering infrastructure, safety, regulations, and training. The report also included recommendations to accelerate the adoption of LNG fuel. Can you please provide a status update on the agency's progress on implementing these recommendations?

Answer. The study referenced was performed by DNV GL, a classification society that has many years of experience with design and application of LNG vessels. The study was not designed to provide MARAD with implementing recommendations but was developed to address several issues related to the use of LNG as a propulsion fuel. The report makes a number of recommendations geared towards industry that wants to use LNG as a fuel and regulatory agencies considering the development of standards. For example, the report details bunkering methods and port facility locations, provides best management practices, and identifies regulatory gaps. Since the report was completed in September 2014, additional guidance has been issued by the U.S. Coast Guard regarding safety and training for bunkering operations.

MARAD continues to work with both industry and the regulatory agencies to address continued challenges regarding LNG infrastructure and financing. In late 2014, MARAD initiated follow-up research aimed at identifying locations along the Great Lakes and Inland Waterway System where LNG infrastructure could serve multi-modal and multi-use operations in an effort to determine volume requirements and infrastructure barriers.

Question 37. In October 2014, MARAD awarded a ship recycling sales contract to one of its pre-qualified companies that bid $420,000 less than another pre-qualified company. The winning company, however, is reportedly shut down currently, with at least four MARAD ships in various stages of dismantlement in its yard. What is the current status of these vessels?

Answer. The company in question currently has two former MARAD vessels under dismantlement. Unfortunately, this long-standing recycler declared bankruptcy on March 7, 2015 and, for the present, has stopped work. We are working with the Department of Justice and the U.S. Navy to ensure the Federal Government's interests are protected during the bankruptcy court proceedings and will continue monitoring the situation to assess whether there will be any impact to the completion schedule for these two vessels.

Question 38. Was MARAD aware that the company that was awarded the contract was in financial distress at the time?

Answer. No. The buyer provided payment in full of more than $3.5 million for both vessels and provided a performance bond before the title to the vessels was transferred to them. This company is one the largest domestic recycling facilities dismantling Federal Government vessels and has successfully recycled 69 obsolete MARAD vessels, the most in the program's history. The company has also successfully recycled numerous vessels for the U.S. Navy.

Question 39. Please explain how MARAD determines best value to the Federal Government.

Answer. Current law, set forth in Section 3502 of P.L. 106–398, requires MARAD to award vessel dismantlement and recycling contracts based on a "best value" determination consistent with the Federal Acquisition Regulation (FAR). Best value as described in Section 3502 (b) includes consideration of the least cost to the Government, the timeliness of performance, worker safety and the environment. The best value process used by MARAD is in compliance with the FAR. In 2009, the Government Accountability Office (GAO) reviewed and upheld MARAD's best value process and confirmed, in a 2014 review, that MARAD's best value process is consistent with the FAR. The February 2014 GAO report on the Ship Disposal Program may be found at: *http://www.gao.gov/assets/670/660899.pdf*

When determining best value, MARAD considers price and non-price factors of performance schedule, facility capacity and past performance in addition to price when awarding contracts. For example, the benefit of removing and recycling a vessel in a timely manner may outweigh the benefit of a higher sales offer, if the facility making the higher offer cannot dispose of the vessel as quickly. An expedited disposal lessens the risk of possible harm to the environment and the corresponding costs of cleanup. To ensure transparency in the process, MARAD revised its ship recycling solicitation in 2013 to better explain the "best value" process and has held industry outreach sessions to explain the solicitation, including the process of review. In addition, MARAD posts all awarded contracts, which includes the awarded price and schedule of performance, on its website. All offerors can compare their offers to the awarded offer. MARAD also offers individual debriefings to any offeror who requests it to discuss their offer and the best value decision.

In order to ensure a level playing field, and transparent and open competition, the best value process requires that every offer comply with the published terms of the solicitation.

With respect to the sales contract in question for the ex-YELLOWSTONE, MARAD could not consider the $420,000 higher sales offer. The higher offer was eliminated from consideration because it was a contingent offer and, therefore, not eligible for award. The solicitation required the awardee to remove the vessel from the MARAD fleet within 30 days and the higher offer was contingent on an additional 90-day delay in removing the vessel. If MARAD had awarded a contract based upon a contingent offer that did not comply with the requirements of the solicitation, the integrity of the vessel sales process would have been compromised. The 30-day removal provision is a long-standing term of MARAD's solicitations. The ability to begin performance in a timely manner is consistent with the published best value award guidelines and consistent with statutory language directing expeditious dismantling of vessels.

Question 40. When does MARAD anticipate completing the national maritime strategy required by the Howard Coble Coast Guard and Maritime Transportation Act of 2014? Will it include ship recycling?

Answer. Following an extensive, deliberate and transparent public engagement effort to gain input, we plan to have the national maritime strategy open for public comment this summer. We look forward to Congress' input and recommendations as we then begin work on an implementation plan for the strategy. The strategy will focus on actions needed to ensure our Nation's critical maritime industries remain relevant and viable in meeting our economic and national security requirements long into the future.

Question 41. As you know, DOT has issued a proposed rule calling for a new tank car design and operational requirements for any train carrying 20 or more cars of ethanol, crude oil, or other flammable materials. DOT has estimated that the rule would cost as much as $5.2 billion, with nearly all of the costs incurred by industry in the first five years.

DOT must take a thoughtful approach to improving the safety of crude oil transportation by rail. DOT should promulgate the necessary and appropriate standards to increase the puncture resistance and thermal protection of legacy DOT–111 tank cars in crude oil service, but it must avoid regulatory overreach that introduces unintended consequences, network delays, and new safety risks. In that light, please reply to the following:

Retrofit Deadline: In the proposed tank car rule, DOT did not examine retrofit shop capacity; it only looked at new tank car manufacturing capacity and did not account for existing new car orders for flammable liquids and other commodities. The result was a deadline for retrofits and replacements that appears unattainable. For the final rule, what steps is DOT taking to examine tank car retrofit shop capacity and to set a more attainable deadline that avoids disrupting our rail network and creating congestion?

Answer. The Department received over 3,200 comments representing over 182,000 signatories in response to the August 1, 2014 proposed rule, "Enhanced Tank Car Standards and Operational Controls for High-Hazard Flammable Trains." We have carefully considered these comments in the development of our final rulemaking action. On February 5, 2015, PHMSA submitted the draft final rule to the Office of Management and Budget for interagency review under EO 12866 and EO 13563, which is the final stage of review before publication.

I can't comment on the specifics of the final rule, but the Department received substantial feedback on the retrofit timeline in response to the proposed rule, and I assure you we have taken that feedback seriously in the development of the final rule.

Question 42. ECP brakes: Former PHMSA Administrator Quarterman said that Electronically-controlled pneumatic, or ECP, brakes "in the long run . . . will more than pay for themselves," but most ECP brake pilot programs have been shut down due to insufficient safety and business benefits. The DOT proposed rule relies on an outdated study (from 2006) to assess ECP brakes, and since that time industry has increasingly used other technologies like dynamic braking and distributed power, capturing additional safety and business benefits. To what extent does the insufficient benefit seen in ECP brake pilot programs, and the increased use of other braking technologies, affect the assessment about whether ECP brakes pay for themselves?

Answer. The Department received a great deal of feedback on ECP brakes following the proposed rule, including the claims made here regarding increased use of dynamic braking. We are considering all information in development of the final rule.

Question 43. Scope: DOT treated a carload of ethanol as having the same risk as a carload of crude oil, despite the fact that other DOT regulations classify ethanol as having a lower flammability and volatility risk than most types of crude oil that travel by rail. Ethanol and crude oil carloads also differ in route distance and clean-up costs. In your view, to what extent does a typical carload of ethanol have the same risk as a typical carload of crude oil?

Answer. Ethanol is a flammable liquid, and we have seen many destructive derailments involving ethanol fires, such as at Dubuque, Iowa, on February 4, 2015. Again, while I cannot speak to the particular provisions of the final rule, I assure you the Department takes very seriously the risks involved with rail transport of ethanol. Exploring and monetizing these risks is a component of the deliberative regulatory process.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. JERRY MORAN TO
HON. ANTHONY R. FOXX

Federal I.T. Reform

Question 1. Describe the role of your Department of Transportation's Chief Information Officer (CIO) in the development and oversight of the IT budget for your department/agency. How is the CIO involved in the decision to make an IT investment, determine its scope, oversee its contract, and oversee continued operation and maintenance?

Answer. The DOT Office of the CIO currently participates on three boards involving IT investments. First, the DOT CIO co-chairs the Department's Investment Review Board (IRB) with the Deputy Secretary. This board is responsible for the approval of the DOT $3.2 billion IT Portfolio. The Deputy Chief Information Officer is also a voting member of the Investment Working Group to support enterprise investment management. In addition, the Deputy Chief Information Officer chairs the Acquisition Strategy Review Board (ASRB) with the Senior Procurement Executive and the Deputy Chief Financial Officer to ensure Departmental review of significant procurements.

Over the past three months, the DOT CIO has been working closely with the Chief Financial Officer (CFO) and the Departmental Budget Officer to ready our Federal Information Technology Acquisition Reform Act (FITARA) implementation plan. The budget authority in FITARA will strengthen the DOT budget process relating to IT.

Question 2. Describe the existing authorities, organizational structure, and reporting relationship of the Chief Information Officer. Note and explain any variance from that prescribed in the newly-enacted Federal Information Technology and Acquisition Reform Act of 2014 (FITARA, PL 113–291) for the above.

Answer. The DOT CIO reports to the Secretary of Transportation and is the principle advisor to the Secretary on all matters relating to IT. The DOT CIO sits on the Secretary's cabinet and is involved in all business decisions. The DOT CIO coordinates Departmental IT through the Investment Review Board (IRB) and the DOT CIO Council. The DOT CIO also manages enterprise IT shared services via the Common Operating Environment (COE).

With regards to FITARA, the DOT CIO will take a more operational role in the execution of Operating Administration IT budgets and acquisition through the implementation of these authorities. DOT will implement CIO authorities throughout DOT, and in close coordination with the Office of General Counsel, FITARA will be implemented at FAA consistent with the restrictions and authorities contained in 49 U.S.C. 106, 40110, 40121.

Question 3. What formal or informal mechanisms exist in your department to ensure coordination and alignment within the CXO community (*i.e.,* the Chief Information Officer, the Chief Acquisition Officer, the Chief Finance Officer, the Chief Human Capital Officer, and so on)?

Answer. In addition to consistent informal coordination and collaboration across the DOT CXO community, DOT has formed the following formal bodies:

- The DOT Investment Review Board (IRB) consists of the Deputy Secretary of Transportation, DOT Chief Information Officer (CIO), DOT Chief Financial Officer (CFO), Senior Procurement Executive (SPE), Under Secretary for Policy, and Operating Administrators as voting members. The board ensures data-driven, enterprise-focused IT governance across the Department by providing strategic direction and leadership for budget and acquisition alignment.

- The CIO Council ensures that the Department realizes optimal value from its IT investments, by taking advantage of enterprise IT systems and infrastructure opportunities and delivering capabilities at an affordable cost and acceptable level of risk. CIOs from across the Department participate on this council.

- The Investment Working Group provides overarching strategic and tactical leadership and direction in support of the DOT investment management and capital planning process. The DOT Deputy Assistant Secretary for Budget and Programs, DOT Deputy CIO, DOT SPE and the Director of the Departmental Office of HR Management are voting members.

- The Acquisition Strategy Review Board (ASRB) is chaired by the DOT SPE, DOT Deputy CFO, and the Deputy CIO and ensures coordination across the Department on strategic acquisition decisions.

DOT believes, and it has been the experience to-date, that implementing FITARA will to strengthen the already close relationship between the CIO, CFO, CAO, and

CHCO. This strengthening will greatly benefit the Department as DOT moves through IT challenges and issues.

Question 4. According to the Office of Personnel Management, 46 percent of the more than 80,000 Federal IT workers are 50 years of age or older, and more than 10 percent are 60 or older. Just four percent of the Federal IT workforce is under 30 years of age. Does your department have such demographic imbalances? How is it addressing them?

Answer. DOT's IT force is comparably imbalanced with a slightly larger percentage, 55.5 percent, of IT employees over age 50.

To promote efficiency and effectiveness of the Information Technology (IT) Workforce, the DOT Chief Information Officer (CIO) is leading an effort to analyze and evaluate the current alignment of resources supporting the Department's IT efforts. Based on this review, the Office of the DOT CIO proposed a multi-year IT workforce initiative to reduce reliance on contractors and concomitantly increase the number of Federal positions. The realignment will provide two main benefits. First, DOT will realize cost savings and efficiencies due to higher contractor costs as compared to the full-cost of Federal employees. Second, DOT will realign Federal and contractor roles to improve efficiency, develop succession capability, and improve demographic imbalances. Many IT functions currently performed by contractors should be performed by government employees.

Question 5. How much of the department's budget goes to Demonstration, Modernization, and Enhancement of IT systems as opposed to supporting existing and ongoing programs and infrastructure? How has this changed in the last five years?

Answer. In 2015, the Department's IT portfolio will total $3.3 billion. Of this amount, $1.61 billion is expected to be committed to Development, Modernization and Enhancement efforts (DME), which equates to approximately 50 percent of the DOT IT budget. Over the past five years, the DME spend has shown a modest decline from approximately 56 percent to the current 50 percent of the DOT IT budget primarily due to major investments, for example, ERAM and Delphi transitioning to the operations and sustainment lifecycle phase.
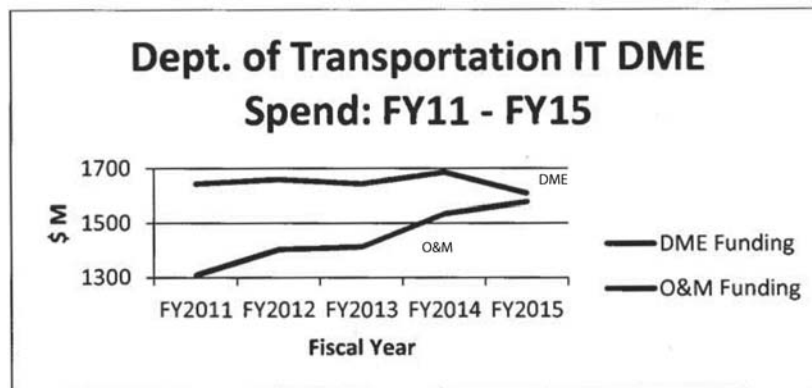
Question 6. GAO recently reported that 65 percent of DOT's IT investments are not taking an "agile" or incremental development approach and delivering functionality within 12 months. Clearly this is a best practice and required by OMB. What are the 10 highest priority IT investment projects that are under development in your department? Of these, which ones are being developed using an "agile" or incremental approach, such as delivering working functionality in smaller increments and completing initial deployment to end-users in short, six-month time frames?

Answer. DOT recognizes the importance of moving to an agile development methodology where it is appropriate. FAA investments accounted for 87 percent of the DOT IT portfolio, and the requirements for developing and maintaining 24/7 operational mission essential and safety critical systems are very stringent and not necessarily candidates for agile development. GAO 14–361 (3112890) GAO also concurred on this assessment. Examples of these safety critical investments, which require reliability, availability and maintainability standards at or above 99.9999 percent, include:

   i. En Route Automation Modernization (ERAM)

    ii. Telecommunications Infrastructure (FTI)

   iii. Data Communications (DataComm)

   iv. Terminal Automation Modernization and Replacement (TAMR) phase 1

    v. Terminal Automation Modernization and Replacement (TAMR) phase 3

While these systems may not follow strict "agile development" guidelines, they do follow waterfall national deployment schedules that are built around minimizing deployment risks.

As part of the GAO report analysis, DOT and other surveyed agencies identified "three types of investments for which it may not always be practical or necessary to expect functionality to be delivered in 6-month cycles: (1) investments in life-cycle phases other than acquisition (2) investments intended to develop IT infrastructure; and (3) research and development investments."[1] As part of the final report, GAO did acknowledge the merit of these concerns.

When appropriate, DOT has leveraged the agile development methodology with success:

   vi. FHWA is leveraging incremental development where appropriate for the FMIS 5 upgrade. FHWA has employed a modular approach for development and delivery to the FHWA Division Offices and State DOTs into the User Acceptance Testing environment, with the first set of modules delivered in April 2014 and the last modules being delivered through March 2015. FHWA determined that it would be too cost prohibitive and time intensive to roll out the FMIS 5 upgrade incrementally in the Production environment due to impacts to the three FHWA systems that are being modernized, as well as the external systems that FMIS 5 interfaces with, including DOT Delphi accounting system and the State DOTs' systems. This approach was discussed with OMB during a project review in July 2014.

   vii. FRA supports the DOT safety mission through management of the Railroad Safety Information System (RSIS) to provide government agencies, railroad labor and management, and the general public with information on railroad safety. The system captures data on railroad accidents, injuries, highway-rail crossing collisions, railroad operation data, FRA-conducted railroad inspections, and maintenance of the highway-rail crossing site inventory. FRA's current contract to manage RSIS is nearing completion and is expected to be re-competed. System requirements are in development and it is anticipated that development work within that contract will be required to use the agile methodology. Agile is one of the recommendations expected out of FRA's current IT and Data Modernization initiative.

  viii. Web and mobile development across the Department has moved to the agile methodology. For example, FRA used the agile methodology to develop data visualization suite, Corporate Express, which was transitioned to the Department in 2014. In addition, the Departmental DOT.gov platform was deployed utilizing agile development, as are improvements to the platform.

   ix. The NHTSA306 Crash Data Acquisition Network (CDAN) is a new system that supports NHTSA's Data Modernization Program. Agile stories are categorized, prioritized and packaged for sprint releases. NHTSA has developed the "PowerCenter" tool to support the agile methodology.

    x. NHTSA's Corporate Average Fuel Economy (CAFÉ) Management Suite is an IT solution to support NHTSA's rulemaking and enforcement for this program. CAFE is utilizing the agile methodology for development and implementation. A sprint release has been developed and is tracked for CAFE Public Information Center deployment.

Implementing a DOT Digital Services Team will result in more effective and reliable service through the development of forward thinking agile applications.

Question 7. To ensure that steady state investments continue to meet agency needs, OMB has a longstanding policy for agencies to annually review, evaluate, and report on their legacy IT infrastructure through Operational Assessments. What Operational Assessments have you conducted and what were the results?

Answer. The Common Operating Environment (COE) provides shared services for many DOT users, consisting of end user support, telecommunication, network, server and cyber security operations. The COE recently completed an Operational Assessment to examine, measure, and track the current operational status against an established set of cost, schedule, and performance parameters. The Operational As-

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[1] *http://www.gao.gov/assets/670/662922.pdf*

sessment concluded that the COE is providing a valuable service to its customers. As part of the FITARA implementation, the DOT CIO will work with Operating Administrations to fold commodity IT that is currently managed at the component level into the COE to reduce duplication and gain efficiency through an expanded enterprise shared services model.

FAA also has an approved shared services model that leverages access to centralized expertise and infrastructure and enables the economies-of-scale within each IT function.

Question 8. What are the 10 oldest IT systems or infrastructures in your department? How old are they? Would it be cost-effective to replace them with newer IT investments?

Answer.

i. The National Transportation Atlas (NTA) is a web mapping application that presents transportation networks, features and statistics about our Nation's transportation system. The NTA has not been widely advertised, because it is running on 10 year old hardware with an operating system and application that is nearing end-of-support-life. The NTA is moving to a cloud platform that will support expanded data storage and computing capacity, and additional functionality including web feature services, and scaling.

ii. The Bureau of Transportation Statistics established TranStats in 2001 as an intermodal transportation database. This database was created in response to a Congressional mandate. TranStats comprises the collection, processing and dissemination of airline data such as finances, performance and traffic for transportation statistical analysis and reporting functions. Initially TranStats focused on delivery of data from the Airline Reporting Data Information System and but functionality was extended in 2010 to include online data collection from all airlines. The system is undergoing a thorough planning and alternative analysis for modernization and consolidation of its architecture. The modernization is expected to be complete by the end of Fiscal Year 2017.

iii. As part of the Common Operating Environment (COE), the DOT CIO's office currently provides a telecommunication system for DOT employees. The existing system was purchased in FY 2007 when DOT relocated into the Navy Yard headquarters building. The legacy system does not provide modern features and is not scalable based on the changing telecommunications needs of the DOT workforce. A COE Communications Workgroup, consisting of representatives from across the Department, has been formed to examine current requirements and conduct market research as part of a recommended approach to modernize the legacy telephone system.

iv. The Saint Lawrence Seaway Development Corporation (SLSDC) is decommissioning its 30-year-old in-house financial management system as of 2014 and migrating to the Department of Interior's Federal Shared Service Provider (FSSP) solution. It is expected that the new system will be operational in late FY 2015.

v. While FHWA has operated systems for up to 25 years, infrastructure is replaced and upgraded as needed. FHWA regularly evaluates IT investments via the Application Portfolio Rationalization (APR) process, with the most recent report approved in February 2015.

vi. The Hazardous Materials Information System (HMIS) has been an integral tool used PHMSA's Office of Hazmat Safety for daily activities since the 1970s. Over the years, it has been modified and updated as business needs and technologies have evolved. Currently, the technology and processes used by HMIS have become outdated and costly to maintain. PHMSA is in the process of modernizing the functions performed by HMIS under its IT modernization effort. The old system is expected to sunset in 2018. These modernized functions will provide process improvement efficiencies, as well as cost savings.

vii. The NHTSA Grants Tracking System (GTS) was initiated in 2000 and is slated to be replaced with the Grants Management Solution (GMSS) in 2025. GMSS is a modernization initiative that will automate the full grants management life cycle and enhance financial tracking.

viii. The NHTSA Artemis system was in initiated in 2002 and consists of complaints from vehicle owners, early warning reporting data submitted by manufacturers, and recall and investigation information. Modernization of this system is necessary to adjust a high volume analysis of data. It is slated to end in 2024.

ix. The Transit Electronic Award Management System (TEAM) is FTA's primary grants management tool. TEAM runs on an older infrastructure that is at the end of its technical and functional life. As a result, FTA is replacing TEAM using a modern architectural solution which will modernize IT capabilities across the component, with a focus on grant management support. The modernization will leverage a Business Process Management (BPM) software platform, delivered as a commercial Cloud service. TEAM is expected to be decommissioned in 2016.

x. The FAA operates over 20 investments that are 10 years or older. All investments are monitored and assessed annually for technology refresh or replacement. Legacy systems in the process of replacement include the Automated Radar Terminal System (ARTS) and the Instrument Landing System (ILS).

Creating a Digital Services Team will allow DOT to review existing applications and solutions and begin a holistic modernization to ensure systems are functioning properly. The Digital Services Team will provide the experts needed to fundamentally shift the approach of IT in the Department to forward looking and agile solutions.

Question 9. How does your department's IT governance process allow for your department to terminate or "off ramp" IT investments that are critically over budget, over schedule, or failing to meet performance goals? Similarly, how does your department's IT governance process allow for your department/agency to replace or "on-ramp" new solutions after terminating a failing IT investment?

Answer. Under the DOT IT governance model, investments are tracked by Operating Administrations (OA) as well as the DOT OCIO Investment Analysis Team (IAT). The IAT works with the OA Capital Planning and Investment Control (CPIC) coordinators and other OA representatives to conduct analytical reviews of IT investments. The IAT uses cost and schedule baseline data, as well as performance metrics and risk assessments provided by the OAs, to generate investment analysis. As our process grows more robust, preliminary findings will be shared with applicable OAs via Issue Papers to help resolve or clarify perceived discrepancies prior to submission to the Investment Review Board (IRB) supporting boards. As the DOT IT governance process continues to mature, any unresolved issues will be presented to the IRB and applicable supporting boards. With the implementation of FITARA, the DOT CIO will continue to strengthen these reviews and recommendations.

In FY 2013, FAA began a cost-beneficial migration from their legacy Lotus Notes e-mail system to Microsoft 365 in the cloud. As part of the procurement, DOT initially anticipated a move from the on premise Microsoft Exchange environment managed by the Common Operating Environment (COE) to the Microsoft 365 cloud. DOT worked closely with the FAA team throughout the FAA migration, and subsequently completed an analysis to understand the potential benefits of the move. This project was discontinued by the DOT CIO when it became clear that the cost benefit analysis did not support the migration for the other DOT modes. This decision was unanimously supported by the DOT CIO Council.

In accordance with the FAA Acquisition Management System (AMS), the Joint Resources Council (JRC) is the FAA's investment decision making body charged with the responsibility of approving and overseeing the management of investments regardless of the type of funding appropriation, allocating resources and establishing program offices chartered with the responsibility of managing approved investments. The JRC manages investments by conducting Acquisition Quarterly Program Reviews and reviewing the results of Post Implementation Reviews. Based on the data presented to the JRC during the aforementioned reviews, the JRC may require changes to the investment strategy or the approved program baseline.

Question 10. What IT projects has your department decommissioned in the last year? What are your department's plans to decommission IT projects this year?

Answer. Operating Administrations at DOT have had success decommissioning legacy infrastructure in adoption of the Common Operating Environment (COE) shared services solution. For example, the Railroad Safety Information System (RSIS) was migrated from aging servers hosted at a commercial data center into the DOT COE in a modern, virtualized environment beginning in October, 2013. The previous commercial hosting environment was decommissioned in January, 2014. Additionally, FTA is planning to decommission two older systems after their replacements are deployed to the modernized FTA IT platform. Both the National Transit Database (NTD) and Transit Electronic Award Management System (TEAM) are scheduled to be decommissioned beginning in Q1 FY 2016.

DOT has also seen success in the migration from duplicative platforms into enterprise solutions. For example, the creation of a Departmental web platform resulted

in the migration and decommissioning of legacy hardware for several modal websites. Modes have also had success leveraging the Departmental SharePoint collaboration environment. DOT is in the process of finalizing the decommissioning of the 2007 internal SharePoint site. The 2010 internal SharePoint site has replaced the legacy 2007 environment.

The Department of Transportation's Departmental Procurement Platform (DP2) modernization initiative consolidates eight (8) disparate Performance and Registration Information Systems Management (PRISM) procurement systems onto a common platform that is integrated with the Department's financial system, Delphi. In November 2014, NHTSA and FRA migrated from their legacy PRISM systems to the integrated DP2 solution as part of Phase 1. Consolidation of the remaining PRISM instances will be completed in Phase 2 and Phase 3 of the DP2 program. PHMSA has also demonstrated success reviewing existing requirements to determine what investments should be decommissioned. For example, prior to FY 2013, PHMSA managed over 90 physical mission system servers and had the third largest data center foot print in DOT. In FY 2013, PHMSA reduced the physical server footprint by 62 percent. DOT believes the increased investment review authority under FITARA will give the Department greater visibility into all IT projects. Decommissioning based on consolidation into enterprise shared services will be a major focus in the review of IT spending.

Question 11. The newly-enacted Federal Information Technology and Acquisition Reform Act of 2014 (FITARA, PL 113–291) directs CIOs to conduct annual reviews of their department's IT portfolio. Please describe your department's efforts to identify and reduce wasteful, low-value or duplicative information technology (IT) investments as part of these portfolio reviews.

Answer. In 2013, DOT fundamentally revamped and reinvigorated the Departmental Investment Review Board (IRB) based on a portfolio review process. The IRB is the DOT's senior executive body charged with ensuring that the Department's IT investments align with DOT's strategic priorities, objectives, and OA operational missions. The DOT CIO recently implemented Interim Investment Guidance to further develop the investment process. The guidance centers on a data-driven, portfolio-based approach that will allow for an expansive and thorough look across the enterprise of DOT IT portfolios. This will allow the Department to make evidence-based decisions on pre-selection, selection, control, and evaluation of new and ongoing IT investments. It will also enable the elimination of legacy systems that are no longer required, enhance interoperability, eradicate redundancy, and leverage enterprise opportunities.

Question 12. In 2011, the Office of Management and Budget (OMB) issued a "Cloud First" policy that required agency Chief Information Officers to implement a cloud-based service whenever there was a secure, reliable, and cost-effective option. How many of the department's IT investments are cloud-based services (Infrastructure as a Service, Platform as a Service, Software as a Service, etc.)? What percentage of the department's overall IT investments are cloud-based services? How has this changed since 2011?

Answer. OCIO is developing a Cloud Strategy for the Department that will include an integrated framework to promote an iterative and incremental approach for moving to the cloud, an integrated governance structure for acquisition and risk management, and cloud-specific, well-aligned information security practices. The FAA is also working to finalize an enterprise-wide contract vehicle for a commercially outsourced cloud solution. This solution will be available to all of DOT.

DOT has successfully leveraged the cloud to manage enterprise systems. For example, the Department's Enterprise Notification System (ENS) provides an enterprise-wide capability for notification in emergency situations for DOT at headquarters and in modal field sites. It has the capability for mass notification to alert groups of employees, or locales, simultaneously. The ENS has the capability to send a message via e-mail, cell phone, and landline phone. The platform also allows users to respond to questions or inquiries from the system to account for personnel during emergencies.

In addition, DOT has deployed an enterprise Content Management System in the cloud to support web development across the Department. The DOT.gov website was completely redesigned during the migration to the cloud service and was deployed as the first cabinet-level website built in responsive design, a feature that supports mobile users. DOT has successfully migrated several legacy modal websites to the enterprise cloud service in an effort to reduce the duplication of web platforms.

Question 13. Provide short summaries of three recent IT program successes— projects that were delivered on time, within budget, and delivered the promised functionality and benefits to the end user. How does your department/agency define

"success" in IT program management? What "best practices" have emerged and been adopted from these recent IT program successes? What have proven to be the most significant barriers encountered to more common or frequent IT program successes?
  Answer.
  i. The Department of Transportation's Departmental Procurement Platform (DP2) modernization initiative supports the Organizational Excellence strategic goal by standardizing and integrating procurement and financial processes and systems to better meet the dynamic mission of the Department. DP2 recently achieved the first major deployment milestone on time and within budget. In November 2014, NHTSA and FRA migrated from their legacy PRISM systems to the integrated DP2 solution. The DP2 deployment schedule is divided into three distinct waves to reduce program risk and allow for analysis of lessons learned. Lessons learned from first Wave were analyzed to benefit the Wave 2 (FY16) and Wave 3 (FY17) deployments.

  ii. The Electronic National Environmental Policy Act System (eNEPA) tool expedites the National Environmental Policy Act (NEPA) development process by facilitating concurrent Agency reviews, allowing for quick, clear, and transparent issue resolution, and promoting trust and consensus among project partners. The results are efficient environmental reviews, improved results, and reduced project development time and cost. FHWA delivered this project in March 2014, ahead of schedule and under budget.

  iii. The FAA Shared Services model is aligned with OMB's Shared Services Concept, mapping the initial FAA IT Portfolio of Services and supporting IT functions to the AOA Strategic Initiatives. In FY 2013, the FAA IT Shared Services Office (ITSSO) achieved an aggressive $36 million cost reduction in IT spending. The FAA Office of Information & Technology (AIT) is on course to achieve significant improvements in the effectiveness and efficiency of service delivery, cost savings, and rapid deployment of new services.

Question 14. The Department of Transportation (DOT) has an estimated IT budget of $3.3 billion for FY 2015. FAA makes up almost 70 percent of DOT or $2.3 billion of this amount. Unfortunately, DOT has gaps in its policies and processes for managing its software licenses. According to industry averages, agencies that do not proactively implement software license management and optimization best practices are likely overspending on software by as much as 25 percent. The GAO offered six recommendations to improve effective management of software licenses. Has the Department of Transportation adopted any of these recommendations? Please describe what efforts the Department of Treasury has made to improve the software license management practices.
  Answer. DOT regularly tracks and maintains a comprehensive inventory of software licenses. In response to the GAO audit on software licenses, DOT committed to develop an Information Technology Shared Services (ITSS) Software License Management Plan. This plan will describe software related roles, responsibilities and methodologies for managing software licenses within the DOT. In addition, DOT identified existing capabilities for software license management, including automated tools.

Question 15. Every two years, the GAO releases its High Risk List to call attention to agencies and program areas that are high risk due to their vulnerabilities to fraud, waste, abuse, and mismanagement, or are most in need of transformation. In February, GAO released its latest high risk report and added IT acquisitions as an area that needs better tracking and oversight. In this year's report, GAO specifically identified the Department of Transportation Next Generation Air Transportation System (NextGen) as a high risk project. The GAO recommended NextGen receive significant management attention given its complexity, delays, and cost of $15–22 billion. To improve cost estimates and schedules for NextGen and other major air traffic control acquisition programs, GAO recommended that FAA, among other things, require cost and schedule risk analysis, independent cost estimates, and integrated master schedules, which the agency is working to implement. What improvements are being made to address GAO's concerns?
  Answer. (A) One lesson learned in the early deployment of our enroute automation modernization program was that testing of such a complex system cannot be done strictly in a lab. Workforce engagement is critical to success of any complex IT system. A system designed to enhance the capability of safety personnel must be scrutinized and wrung out during actual operations under carefully controlled conditions.
  To ensure such lessons and other best acquisition practices are followed on all major programs, the FAA established the program management organization. Further, the PMO resides in the air traffic organization to ensure operational manage-

ment ownership of any problems that arise. The PMO tracks the programmatic risks each program carries and the mitigation tactics associated with each one. As a result, the FAA has established a robust process to elevate risk to ensure problems and concerns associated with any NextGen program get the highest levels of visibility so they can be properly managed.

By engaging collaboratively with labor, and reorganizing program management to emphasize the professional discipline of cost, schedule and technical risk management, the FAA has been able to maintain cost and schedule variances of its ERAM program within acceptable limits since its rebaselining in 2011. We are applying this lesson learned to our current and future programs. From 2004–2014, the FAA's baselined programs have had a combined net cost growth of only 1.6 percent and schedule delay of 4.0 percent. In 2014 there was no net schedule delay for these programs, and only a 1.2 percent cost growth.

(B) The FAA develops cost estimates for its programs through a 3 stage process. First, preliminary costs are developed by the NextGen sponsoring office during its concept and requirements definition process. Second, for programs that successfully move beyond this stage, the program office then provides refined cost estimates during initial investment analysis. These estimates are independently reviewed by the finance organization's investment planning and analysis function. Finally, once approved by the Joint Resource Council, the program office engages industry through its competitive acquisition management process. This process calls for program office development of a detailed government cost estimate, which is again independently reviewed by the finance organization. This stage completes with evaluation of competitive bids for cost realism and reasonableness against the approved and vetted requirements of the program. The selected winning vendor bid is then used to update the system cost estimates that are then used to baseline the investment. So, while the FAA does not build an entirely separate set of independent cost estimates, a very expensive process due to need to maintain an entire organization dedicated to cost estimating, it does provide multiple reviews of its program office cost estimates prior to a final investment decision by its JRC.

(C) The NextGen Integrated Master Schedule (IMS) is a tool designed to capture and track the progress of key NextGen portfolio-level activities and milestones, including NextGen dependencies on the six transformational programs and the impacts to the overall NextGen implementation timeline. The IMS is updated monthly for near-term milestones and quarterly for milestones more than a year away. The IMS captures program activities associated with NextGen implementation to 2020.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. BILL NELSON TO HON. ANTHONY R. FOXX

Question 1. Mr. Secretary, as you know from your recent visit to Jacksonville, one of the major challenges facing Jacksonville is getting the port ready for the bigger cargo ships that will be coming through the Panama Canal. How can you work across agencies, such as with the Army Corps, to help our ports prepare for the Panama Canal's expansion?

Answer. Through the Maritime Administration's StrongPorts Program, we work with a wide range of state and local agencies in an effort to improve infrastructure in ports throughout the United States and to ensure they are capable of meeting our future freight transportation needs. The StrongPorts' PortTalk Initiative facilitates meetings with public and private stakeholders, and may include other Federal agencies such as the U.S. Army Corps of Engineers, where appropriate. PortTalk engages these partners at the regional level to encourage improved collaboration and ensure port infrastructure is considered in the development of local, regional and statewide plans and other planning efforts. This initiative can increase communication and thereby support port needs, by helping local officials better understand program requirements, and by assisting them in the development of investment quality [1] plans that can support operational and capital financing and project management. Additionally, the Federal agencies that have a role in supporting marine transportation have been developing tools to inform port infrastructure decisions, including research into better performance measures; improving maritime transpor-

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[1] In order for a project to be investment quality, it must be supported by existing or projected market demand, be the most cost-effective option to meet capacity/modernization needs, and have minimal external risk factors that impose uncertainty such as pending dredging, in-progress environmental reviews or permitting, required intermodal connectors, etc.

tation data coordination; creating tools and guidance for infrastructure investment; and mechanisms for improving navigation safety in the ports.

Question 2. How would the GROW AMERICA Act help ports like Jacksonville make investments needed to accommodate bigger ships?

Answer. The GROW AMERICA Act will help improve the movement of freight through our transportation system by making critical investments that will accommodate future growth by providing $18 billion over six years to establish a new multimodal freight grant program. This program will fund innovative rail, highway, and port projects that will improve the efficient movement of goods across the country.

The GROW AMERICA Act proposal will provide $7.5 billion over six years—an increase of more than 100 percent over current levels—for the highly successfully Transportation Investment Generating Economic Recovery (TIGER) competitive grant program, which can fund landside port investments. The bill also has a $6 billion competitive grant program called Fixing and Accelerating Surface Transportation (or "FAST"). FAST will provide grants to states, Tribes, and Municipal Planning Organizations (MPOs) that adopt bold, innovative strategies and best practices in transportation that have a positive long-term impact.

Question 3. SunRail, Orlando's new commuter rail began operating this past spring, and has provided many benefits to the region. The President's FY 2015 budget recommended funding to expand SunRail, but an agreement for funding the project has not yet been reached. Mr. Secretary, your Department has already helped SunRail a great deal, but we must do more to capitalize on our investment. Will you commit to helping ensure this funding is released soon?

Answer. The Department has been working closely with the Florida Department of Transportation (FDOT) on SunRail for more than ten years. That work has come to partial completion with the initial segment of the system rounding out its first year of operation. We have been supportive of the Phase 2 South extension, as demonstrated by its inclusion in the President's Fiscal Year 2015 budget proposal. Since that time, two things have occurred that impact how soon funding can be provided to the extension. First, Congress appropriated less funding in FY 2015 than was requested for the category of projects in which the SunRail extension was included, and directed us to give priority for the funding to projects seeking a less than 40 percent share of funds from the New Starts program. The SunRail Phase 2 South extension is seeking a 50 percent share. This impacts the speed with which we can distribute the funds. Second, FDOT made changes to the capital and operating cost projections for the SunRail Phase 2 South extension, and the law requires us to re-evaluate the new details of the project to ensure it meets all statutory requirements before we can distribute the funds. DOT is committed to analyzing the project fairly and thoroughly in accordance with the law, and we continue to meet regularly and work with the project sponsors and the Florida Delegation to achieve the best result for Florida's citizens and the American taxpayer.

Question 4. China is quickly outpacing the United States and the rest of the world, when it comes to the development of high-speed rail. It is my understanding that China went from zero miles of high-speed rail in 2000 to roughly 11,000 miles today, with plans to reach about 16,000 miles by 2020. What happens if we continue to fall further and further behind our global competitors in modern, efficient rail systems?

Answer. The importance of transportation infrastructure to global economic competitiveness is indisputable. The World Economic Forum (WEF) notes, "Extensive and efficient infrastructure is critical for ensuring the effective functioning of the economy. . . Well-developed infrastructure reduces the effect of distance between regions, integrating the national market and connecting it at low cost to markets in other countries and regions."

It is imperative that the United States continue to invest in the infrastructure that will enable the country to maintain and strengthen its position as a global economic leader in the 21st century and beyond. The WEF currently ranks the U.S. 16th in quality of overall infrastructure, down from 7th in 1999 and below several western European, Asian, and Middle Eastern countries. In the transportation sector, infrastructure investment has not kept pace with passenger and freight usage and needs, which has left our transportation infrastructure in an increasingly deteriorated state.

With the U.S. population expected to grow by 70 million people in the next 30 years, rail will play an important role complementing our highway, transit, and aviation networks in meeting the passenger and freight mobility needs of this growing population. Rail continues to demonstrate strong public benefits, both domesti-

cally and abroad, and continued investment is critical to balance the Nation's transportation network and close the infrastructure deficit.

Question 5. Two weeks ago, the FAA released its proposed rule for small unmanned aircraft systems, just days after the latest reported incident of an unmanned aircraft nearly colliding with an airplane. This particular incident was near Los Angeles International Airport, and the unmanned aircraft was seen at 4,000ft, well above the allowed altitude. This is just the latest incident of an unmanned aircraft flying dangerously and recklessly close to an aircraft with passengers onboard. Between now and the time the small unmanned aircraft rule is finalized, what is the department doing to protect the public, both in the air and on the ground, from irresponsible operators of unmanned aircraft?

Answer. The FAA's approach for addressing unauthorized or unsafe hobby or recreational UAS operations is twofold: (1) to focus on public education and encourage operators to follow safety guidelines and (2) when warranted, to take enforcement action against anyone who operates carelessly or recklessly. The FAA has partnered with several industry associations to promote Know Before You Fly (KBYF), an outreach campaign designed to educate the public about using unmanned aircraft safely and responsibly. In addition, we produced two YouTube videos which reinforce our safety messaging and have been widely viewed, including one that reminded UAS/model aircraft operators that flights over the Super Bowl were prohibited, and that the Super Bowl stadium was a "No Drone Zone."

While education is our preferred approach in light of evolving UAS regulatory structure and technological developments, the FAA retains the authority to and will take enforcement action against anyone who either (1) carelessly or recklessly operates hobby or recreational UAS or (2) commercially operates UAS in violation of currently applicable regulations. We are working with local law enforcement agencies to equip them to respond appropriately to such occurrences. Guidance from the FAA has been distributed directly to law enforcement partners and is publicly available on the FAA website.

Question 6. Does the department, through the FAA, have the authority to develop stronger protections around recreational operation of unmanned aircraft?

Answer. Section 336 of the FAA Modernization and Reform Act of 2012 restricts the FAA Administrator from promulgating any new rules or regulations for model aircraft, or an aircraft being developed as a model aircraft.

Question 7. Are you considering any technology to promote safer operation, whether through geo-fencing to keep unmanned aircraft within permitted airspace and away from areas where they might do harm, such as airports, or other technology to remotely identify reckless unmanned aircraft operators?

Answer. On February 15, 2015, the FAA announced the Notice of Proposed Rulemaking (NPRM) for Operation and Certification of Small Unmanned Aircraft Systems and it has been available for comment as of February 23, 2015. We expect that public comments on the NPRM will include suggestions for technological solutions such as "geo-fencing" and identification requirements that address risk and safety. After the incident at the White House, one model UAS manufacturer began the process of voluntarily updating its flight software to include "geo-fencing" restrictions; however, we cannot require manufacturers to include these technical enhancements outside the rulemaking process. We will evaluate the viability and applicability of any technological solutions that address risk and safety suggested via the NPRM comment period for possible inclusion in the final rule.

Question 8. This Committee has held hearings on GM's faulty ignition switches and on Takata's exploding airbags. A consistent theme from these hearings has been that NHTSA is in dire need of more resources, particularly the agency's Office of Defects Investigations. While NHTSA and its dedicated employees do a very good job with limited resources, we are often asking NHTSA to find needles in haystacks. The Office of Defects Investigations currently only has 12 employees to sift through, digest, and analyze overwhelming amounts of consumer complaints and data. And it has fewer than 20 defect investigators. The American driving public would be better served if NHTSA had more resources to quickly identify and investigate defects, implement remedies, and raise public awareness of safety issues.

Secretary Foxx, the President's budget calls for a 9 percent increase in NHTSA's budget, including more than doubling the staff at the Office of Defects Investigations. I applaud this proposal. It's long overdue. Can you explain to the Committee why this proposed infusion of resources is so important to the safety of the American driving public?

Answer. The President is requesting $908 million for NHTSA to invest in initiatives that save lives on America's roads. These funds will be used to reduce traffic crashes and the more than 30,000 deaths that result each year. The President's

Budget request proposes this increased level to address emerging traffic and vehicle safety issues, promote new technologies, and address safety defects that present a risk to the driving public. The budget reflects a particular emphasis on strengthening the resources available to the Office of Defects Investigation (ODI).

The President's Budget would approximately triple defects investigation program funding, from $10 million in FY 2015 enacted to $31 million in FY 2016. Currently ODI is staffed with 51 people, including 16 investigators to examine every potential safety defect in nearly 270 million vehicles registered in 2013. The President's request provides for an additional 57 positions which more than doubles the personnel available to attend to this important work.

The request includes two new offices:

- The Trend Analysis Division will focus on efforts to review safety data and identify near term and potential future risks associated with emerging technologies—4 new positions.
- The Field Investigation and Testing Division will provide NHTSA with staff to conduct investigations of specific vehicles involved in a fire, crash or other situation involving an alleged defect—8 new positions.

The requested resources will enable ODI to improve its effectiveness and meet growing challenges to identify safety defects quickly, and ensure remedies are implemented promptly, and the public is informed of critical information in an effective manner.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. AMY KLOBUCHAR TO
HON. ANTHONY R. FOXX

Question 1. Secretary Foxx, I know you view the rewrite of the Part 23 rules for small airplanes as vital to safety and innovation. Can you assure this committee that the notice of proposed rulemaking to implement the bill I worked on with Senator Murkowski, the Small Airplane Revitalization Act, will be published in the Federal Register this summer?

Answer. The Department of Transportation intends to submit the notice of proposed rulemaking (NPRM) to the Office of Management and Budget (OMB) this summer and anticipates publication of the NPRM in the Federal Register in December 2015. The Department of Transportation is committed to fulfilling the statutory obligations under the Small Airplane Revitalization Act (SARA), while also complying with our rulemaking obligations under the Administrative Procedure Act and applicable Executive Orders. The part 23 rewrite is working to incorporate the Part 23 Reorganization Aviation Rulemaking Committee recommendations and to accomplish the intent of SARA. The new rule will touch many different aspects of aviation, including the operational flight rules, and we must ensure all aspects of the rule can be applied and enforced, and do not have an adverse effect on aviation safety or aircraft airworthiness.

Question 2. Secretary Foxx, I hear concerns from local governments about the amount of time it takes to get Federal permitting approval for simple highway and bridge projects. What is the U.S. Department of Transportation (DOT) doing to ensure simple projects, those under $5 million, can be delivered as quickly as possible without unnecessary delays?

Answer. On January 13, 2014, the Federal Highway Administration (FHWA) issued a final rule on MAP–21 Section 1317, which established a new categorical exclusion (CE) for federally-funded projects that receive less than $5,000,000 of Federal funds. This new CE simplifies the review and National Environmental Policy Act (NEPA) approval of projects that do not exceed this funding threshold, and may be applied to local government-sponsored projects.

The Department also is finding other ways to deliver projects more quickly. For example, the FHWA's Every Day Counts (EDC) initiative is a State-based model to identify and rapidly deploy proven but underutilized innovations to shorten the project delivery process and enhance roadway safety. One example of an EDC innovation is the expanded use of programmatic agreements to articulate the roles, responsibilities, and actions for handling routine environmental requirements for commonly encountered projects. With more than 500 programmatic agreements in place across the country, transportation departments and partner agencies have experienced a wide-range of benefits including cost savings and accelerated project delivery.

The Department has also proposed additional ways to streamline project delivery, while protecting environmental and historic resources in the GROW AMERICA Act.

Question 3. Would DOT support a pilot program that would allow a small group of locally-administered projects across the country receiving $5 million or less in Federal funds to demonstrate whether waiving or reducing certain Federal permitting requirements for those projects could reduce costs and expedite project delivery?

Answer. The Department actively promotes new ways to reduce project costs and expedite project delivery while enhancing safety and protecting the environment. From our experience in developing the new CE for actions that use less than $5 million of Federal funds, we know that these actions may have environmental impacts, but those impacts rarely rise to the level of significance. Environmental permitting is triggered by project impacts; therefore, waiving permitting requirements would not provide an opportunity for the appropriate consideration or analysis of those impacts. There are, however, current best practices and programmatic approaches available to local governments that serve to make permitting requirements more efficient, thereby reducing delay and costs.

FHWA's "Federal-aid Essentials" training developed by, and available from, the FHWA Resource Center, is a valuable transportation resource designed to help local agency professionals navigate the Federal-aid Highway Program. Federal-aid Essentials provides locals with easy-to-understand, just-in-time guidance on how to move a Federal-aid project through the process in a timely manner.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARIA CANTWELL TO HON. ANTHONY R. FOXX

Question 1. The DOT and FAA have made progress in recent months toward integrating unmanned aerial vehicles, or UAVs, into our National Airspace System by releasing the small UAS proposed rule. However, this proposal was delayed by over a year, and we remain far behind other countries like the UK, Canada, and Japan. One industry group estimates that the U.S. is losing $27 million each day that integration is delayed. How will the Department allocate its resources to ensure the expedited release of the final rule?

Answer. We recognize the very high priority the rule has with the entire aviation community. The FAA has and will continue to devote the necessary resources to ensure it can complete a final rule that provides an effective regulatory framework for this new aviation sector. The Office of the Secretary is equally committed to completing review of this project.

Question 2. In the absence of the final rule, companies can only operate commercially if they receive permission through a long exemption process. Companies can't even conduct R&D on their own property without permission. What are the DOT and FAA doing to expedite this process so that companies like Amazon, which requested permission to test in Washington state back in August but still has not received an exemption, are not forced to move vital R&D work abroad?

Answer. The FAA granted Amazon's Experimental Certificate on March 19, 2015. The entire process took approximately four months to complete. Our previous experience with exemption requests involved commercial operations with a fixed aircraft configuration. Amazon's request for regulatory relief to perform research and development in support of their Amazon Prime Air program is the first of its kind and involves experimental aircraft with frequent prototype modifications to conduct research, which required additional assessment.

The FAA typically issues experimental certificates to manufacturers and technology developers to operate a UAS that does not have a type certificate. Experimental certificates generally provide these companies with the best means and flexibility for conducting research and development with prototype aircraft.

The FAA published a Notice of Proposed Rulemaking for small UAS operations on March 23, 2015. Until a final rule is issued, commercial operations are authorized by a combination of an airworthiness exemption issued under the provisions of Sec 333 of the FAA Modernization and Reform Act of 2012, and a Certificate of Authorization or Waiver (COA), which designates the approved airspace and operator parameters for a specific UAS operation.

Unmanned Aircraft Systems (UAS)

Question 3. Secretary Foxx, two weeks ago, the FAA released its proposed rule for small unmanned aircraft systems, just days after the latest reported incident of an unmanned aircraft nearly colliding with an airplane. This particular incident was near Los Angeles International Airport, and the unmanned aircraft was seen at 4,000ft, well above the allowed altitude. This is just the latest incident of an un-

manned aircraft flying dangerously and recklessly close to an aircraft with passengers onboard.

Between now and the time the small unmanned aircraft rule is finalized, what is the department doing to protect the public, both in the air and on the ground, from irresponsible operators of unmanned aircraft?

Answer. The FAA's approach for addressing unauthorized or unsafe hobby or recreational UAS operations is twofold: (1) to focus on public education and to encourage operators to follow safety guidelines and (2) when warranted, to take enforcement action against anyone who operates carelessly or recklessly. The FAA has partnered with several industry associations to promote Know Before You Fly (KBYF), an outreach campaign designed to educate the public about using unmanned aircraft safely and responsibly. In addition, we produced two YouTube videos which reinforce our safety messaging and have been widely viewed, including one that reminded UAS/model aircraft operators that flights over the Super Bowl were prohibited and that the Super Bowl stadium was a "No Drone Zone." While education is our preferred approach in light of evolving UAS regulatory structure and technological developments, the FAA retains the authority to and will take enforcement action against anyone who either (1) carelessly or recklessly operates hobby or recreational UAS or (2) commercially operates UAS in violation of currently applicable regulations. We are working with local law enforcement agencies to equip them to respond appropriately to such occurrences. Guidance from the FAA has been distributed directly to law enforcement partners and is publicly available on the FAA website.

Question 4. Does the department, through the FAA, have the authority to develop stronger protections around recreational operation of unmanned aircraft? And are you considering any technology to promote safer operation, whether through geofencing to keep unmanned aircraft within permitted airspace and away from areas where they might do harm, such as airports, or other technology to remotely identify reckless unmanned aircraft operators?

Answer. On February 15, 2015, the FAA announced the Notice of Proposed Rulemaking (NPRM) for Operation and Certification of Small Unmanned Aircraft. We expect that public comments on the NPRM will include suggestions for technological solutions such as "geo-fencing" and identification requirements that address risk and safety. After the incident at the White House, one model UAS manufacturer began the process of voluntarily updating their flight software to include "geo-fencing" restrictions; however we cannot require manufacturers to include these technical enhancements outside the rulemaking process. We will evaluate the viability and applicability of any technological solutions that address risk and safety suggested via the NPRM comment period for possible inclusion in the final rule.

Haneda/Open Skies

Question 5. Secretary Foxx, U.S. carriers currently have only four flights each day into Tokyo's Haneda airport, despite significant demand for that market. According to a recent study by the Japanese government, additional slot capacity is available at that airport. What is the department of transportation doing to help open up this market and enable our carriers to take better advantage of our open skies agreement with Japan?

Answer. The United States continues to be interested in meaningful access to Tokyo's Haneda Airport. During consultations in September 2014, the Japanese delegation indicated that, despite the findings of the report, the Government of Japan did not have the flexibility to offer such expanded access to Haneda in the near term. Our governments continue to engage on this matter.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. CORY BOOKER TO HON. ANTHONY R. FOXX

Funding for Passenger Rail/Gateway

Question 1. Mr. Secretary, Passenger rail is absolutely critical to my state, and in New Jersey and throughout the entire Northeast Corridor region, we face a staggering need to rebuild rail infrastructure that hundreds of thousands of passengers rely on every single day. In New Jersey, we know the harsh consequences of aging infrastructure. During Super Storm Sandy, corrosive salt water filled the ancient 100-year old tunnels that New Jersey Transit and Amtrak use to access Penn Station. Because of that corrosion, these tunnels will need to be shut down sometime in the not too distant future, which means we need to get serious about building their replacements. How challenging will it be to try to tackle a project like this

without the sort of robust and reliable funding stream you've proposed for passenger rail?

Answer. Congress has for decades funded highway, transit, and aviation programs through multi-year authorizations that provide predictable, dedicated sources of funding. Rail is unique in that it lacks a long-term, committed source of Federal revenue. As a result, passenger rail capital investments have generally failed to keep up with the needs of existing fleet and infrastructure, leading to a backlog of state of good repair and other basic infrastructure needs. The aging Hudson River rail tunnels are a prime example of critical infrastructure in need of rebuilding, modernization, and redundancy. These tunnels provide for the sole means of rail access into New York Penn Station for thousands of daily commuters from New Jersey and rail passengers from throughout the southern portion of the Northeast Corridor (NEC). A sudden loss of the tunnels would cripple NEC operations throughout the entire Washington, D.C. to Boston corridor, with potential economic damage to the Nation estimated at nearly $100 million per day in transportation-related impacts and productivity losses.

Addressing major, multi-year infrastructure investments such the Hudson River tunnels and other NEC assets is extremely challenging without predictable, dedicated funding. Funding certainty enables states, local governments, railroads, and other stakeholders to better plan for and to make large-scale infrastructure investments. Across the transportation industry, we are increasingly seeing state and local officials abandon planning on more ambitious projects due to the uncertainty affecting the Highway Trust Fund. This uncertainty is only amplified in the inter-city passenger rail sector, where there is no dedicated source of funding to begin with. Further complicating matters, project costs and potential delays increase as projects languish to be initiated—environmental reviews and engineering designs typically have to be reevaluated if not acted upon in a timely manner. The Department urges Congress to enact a comprehensive, long-term funding bill to provide funding certainty to our surface transportation programs, including rail.

Infrastructure Investment

Question 2. I am concerned that much of the conversation within Congress seems to focus on filling the gap in the Highway Trust Fund. If all we do is fill the gap, we essentially freeze investment at current levels. As you know, those levels are totally inadequate to respond to the challenges we face. Do you agree with me that we will have failed as a Congress if all we do is fill the gap in the Highway Trust Fund?

Answer. I agree that we need to more than just fill the gap in the Highway Trust Fund. The country's infrastructure deficit is such that additional investment is needed just to maintain the current system, not to mention addressing growing volumes of passenger and freight movement. Congress has always found a way to respond to the need to fund infrastructure. As you may recall, Congress originally established the Highway Trust Fund in 1956 to eliminate the uncertainty of annual appropriations which funded road construction from the General Fund. I am confident that this Congress will act to support transportation in a long-term and sustainable manner.

Question 3. Even more frustrating than our lack of investment is that we continue to use general funds to bolster the highway trust fund—we've transferred more than $65 billion since 2008. This is basically robbing Peter to pay Paul, because this is money that could have been used to support important passenger rail, transit, and freight projects. Assuming that we once again have to take more general funds to bail out the highway trust fund, don't you think a portion of those funds should be more flexible so states can invest in other projects like rail and freight?

Answer. I agree that the need for infrastructure investment extends beyond our roads. Much like the Highway Trust Fund today, which contains separate accounts for highways and transit, the Transportation Trust Fund proposed in the GROW AMERICA Act would have accounts that provide funding for highways, transit, and rail, as well as a new multimodal account for freight projects. State and local governments have made it clear that the budgetary certainty provided by long-term trust fund authorization is an absolutely critical element to being able to plan and make the transformational investments necessary to grow our economy. We plan to take an active role in helping Congress commit to a longer term agreement on surface transportation funding on a bipartisan basis.

Truck Length

Question 4. In response to a May 2013 incident in which a truck carrying an oversize load crashed into an interstate bridge in Washington state, Congress required GAO to review the role of Federal and state agencies in overseeing oversize vehicles.

GAO recently released a report entitled, "Transportation Safety: Federal Highway Administration Should Conduct Research to Determine Best Practices in Permitting Oversize Vehicles." While GAO collected information from all 50 states and the District of Columbia, the report does not provide specific information on which states currently allow double 33 foot trailers to operate. Would you please provide the Committee with a list of states that currently allow or prohibit double 33 foot tractor trailers on their roads? For these states please also include information about any special permitting that is required to allow the trucks on any roads.

Answer. With the exception of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) longer combination vehicle (LCV) freeze, Federal truck length limits are permissive (*e.g.,* Federal laws prescribe the minimum dimensions states must allow on the National Network). This means that states have the authority to allow twin 33 foot trailers on parts of the highway system that are not the Interstate System or National Network. Whether a State requires the issuance of a permit for twin 33 foot trailers to operate is governed by State laws and regulations.

ISTEA imposed two separate freezes: (1) on the maximum weight of LCVs, which consist of any combination of a truck tractor and two or more trailers or semitrailers which operate on the Interstate System at a gross weight over 80,000 pounds; and (2) on the overall length of the cargo carrying units of combination vehicles with two or more such units where one or both exceed 28.5 feet in length on the National Network. The maximum weight of longer combination vehicles and the maximum length of the cargo carrying units of combination vehicles is the weight or length in actual and legal operation in a State on June 1, 1991, as documented in Appendix C to 23 CFR 658. Also frozen were the routes and conditions in effect on June 1, 1991, for vehicle combinations subject to the freeze, as shown in Appendix C to 23 CFR 658.

The Department is not aware of the operation of twin 33-foot tractor trailers in the U.S. other than a recent effort by a carrier in Florida to try this configuration on a limited basis. Based on the LCV freeze information contained in Appendix C to 23 CFR 658, the following table lists the states that could allow a tractor and two trailing units at a cargo-carrying length that exceeds 66 feet (*e.g.,* two 33 foot trailers). States not included in the table below would follow the Federal standard of allowing the length established under the Surface Transportation Act of 1982 (known as the "STAA double"—28-foot or 28.5-foot trailers) on the National Network. Laws affecting State routes not subject to Federal law are not tracked by the Department, and therefore, are not noted in this table. The table also indicates whether a permit is required. It should be noted that, in many cases, LCVs are limited to specific routes on the National Network or Interstate System.

State	Maximum Length of Two Trailing Units (ft.)	Permit Required	Notes for Selected States
AK	95	No	
AR	95	Yes	
CO	111	Yes	
FL	106	Yes	Tandem-trailer units may operate on the turnpike system under a Tandem Trailer Permit issued by the Florida Turnpike Authority
ID	95	Yes	
IN	106	Yes	Permits for loads which exceed 90,000 pounds
IA	100	No	
KS	109	Varies	Permits are not required for operation on the Kansas Turnpike
MA	104	Yes	
MO	110	Yes	Annual blanket over-dimension permits are issued to allow a truck tractor and two trailing units legally operating in Kansas, Nebraska, or Oklahoma to move to and from terminals in Missouri which are located within a 20-mile band of the State Line for these three states.
MT	103	No	Special permit required for double trailer combinations if either trailer exceeds 28.5 feet.
NV	95	Yes	

State	Maximum Length of Two Trailing Units (ft.)	Permit Required	Notes for Selected States
NY	102	Yes	
ND	103	No	
OH	102	Yes	Tractor-semitrailer-semitrailer combinations require a permit if over 75 feet in length, excluding an allowed 3-foot front overhang and a 4-foot rear overhang.
OK	110	Yes	Doubles with at least one trailer or semitrailer over 29 feet in length are limited to the Interstate and other multi-lane divided highways
OR	68	Yes	
SD	100	Yes	
UT	95	Yes	
WA	68	Yes	Combinations with a cargo-carrying length over 60 feet in length but not exceeding 68 feet must obtain an annual overlength permit to operate.
WY	81	No	

Portal Bridge

Question 5. Despite our interest in a long-term transportation funding solution, it's a distinct possibility that we may have to pass another short-term solution this summer to keep our highway and transit programs going. It that's the case, and assuming it will require another infusion of general funds, as it has in the past, do you support dedicating a portion of this funding to advance critical passenger rail projects that are ready to go, like Portal Bridge?

In the absence of a dedicated funding for rail in a new transportation trust fund, would you support providing states and localities the flexibility to use Highway Trust Fund dollars for intercity passenger rail projects? Given the amount of general funds used to create Highway Trust Fund dollars, what rationale can there be for denying states the discretion to use these dollars to invest in passenger rail projects like Portal Bridge than can help enhance mobility, spur economic development and relieve highway congestion?

Answer. DOT supports funding for the Portal Bridge replacement project. Portal Bridge is a major asset located in the heart of the busiest section of the Northeast Corridor (NEC), carrying thousands of daily passengers on approximately 450 daily Amtrak and NJ Transit trains. A replacement of today's 105-year-old, two-track moveable bridge with a new, fixed span is necessary to achieve increased reliability and quality of service on the NEC and to advance the corridor toward a state of good repair.

Recognizing the critical importance of a Portal Bridge replacement, DOT has collaborated with both Amtrak and the State of New Jersey to complete environmental reviews and final design of the new fixed span, including a $38.5 million-dollar Federal grant from the Federal Railroad Administration's (FRA) High-Speed Intercity Passenger Rail (HSIPR) Program. Portal Bridge is ready to enter into construction. Failure to provide further funding to Portal Bridge and other similar shovel-ready projects means additional delays and added costs, as planning, environmental and design work often must be revised to reflect future conditions if construction does not begin soon.

It's clear that current funding levels are inadequate and the time is right for further investment in projects such as Portal Bridge. While DOT believes that current programs such as the Railroad Rehabilitation and Improvement Financing (RRIF) program, TIGER Program, and FTA formula funds are among the funding options available, DOT also urges Congress to consider the predictable, dedicated funding for the high-performance rail system identified in the GROW AMERICA Act as essential to the solution. The President's FY16 Budget requests $550 million help bring NEC infrastructure into a state of good repair and focuses Amtrak's profits from the NEC back into infrastructure needs along the corridor. These additional funds would allow critical projects such as Portal Bridge to advance and help to reduce the infrastructure deficit facing our Nation.

The urgency to invest in these projects means we wait to advance critical rail infrastructure needs. Thus, DOT would support Congress dedicating a portion of Trust

Fund dollars to advance shovel-ready passenger rail projects, such as Portal Bridge. DOT also supports providing flexibility to states and local governments to use a portion of Trust Fund dollars to advance those projects of greatest need in their communities, which may include intercity passenger rail projects.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. RICHARD BLUMENTHAL TO HON. ANTHONY R. FOXX

Issue: The need for a rule governing transportation of crude by rail

Question 1. The transportation of crude oil by rail has raised many serious concerns over the past few years as the amount of crude being shipped by rail has increased dramatically. The dangers have been evidenced recently with horrific crude rail accidents in West Virginia and Illinois. These come after other horrendous accidents, most notably the 2013 disaster in Canada in which 47 people were killed.

The FRA introduced a proposed rule on some aspects of crude transportation in July 2014. The proposed rule would require stronger tank car standards as well as improvements in operations, such as speed restrictions and enhanced braking technology. Congress called on DOT to finalize a rule on this issue two months ago. I understand the rule is now before the Office of Management and Budget, and the earliest time for release is May 2015.

I sought to address this issue in my rail safety bill as well, and will keep pushing until we can rest assured these mile-long traveling pipelines no longer pose a threat to the communities through which they travel. Meanwhile, the National Transportation Safety Board has put improved tank car standards on its top priorities list.

How concerned should we be that the administration has still not issued the new rule, and that we're now waiting several months more—meanwhile these trains, like mile-long missiles of crude, continue to roll through our communities?

Answer. As you note, the Department has drafted a final rule that addresses tank car standards and operational improvements that is currently under interagency review at OMB. We are very concerned about the recent accidents and have taken a number of steps, including several emergency orders and a Call-to-Action that resulted in many important safety actions taken voluntarily by the rail carrier and oil industries. A summary of the more than two dozen actions that the Department has taken is available on PHMSA's website (*http://www.phmsa.dot.gov/hazmat/osd/chronology*).

Issue: The need for a valid, credible study of truck size and weights

Question 2. In the latest surface transportation bill, MAP–21, Congress required DOT to study the implications of increasing the permissible size and weight of commercial trucks on our roads and highways. The study will contemplate increasing the weight limit to 97,000 pounds, whereas the average weight of most cars is only about 3,000 to 4,000 pounds.

Congress mandated that DOT conduct a comprehensive evaluation of the effects on safety, our infrastructure's condition, our environment and our freight network of allowing larger, heavier trucks than those permitted today. The last time DOT conducted a comprehensive study was fifteen years ago, so a new, updated analysis of this issue is critical to helping Congress craft long-term policies ensuring the safety and sufficiency of our country's transportation network. The study, however, appears to include conflicts of interest, flawed data and poor methodology.

The study must be credible so that we can have a thorough, accurate assessment of the impact to roads and bridges of bigger trucks. I have heard from many officials from across Connecticut and elsewhere and they are in overwhelming consensus that larger trucks would pose a grave danger to the traveling public, our infrastructure, our environment and economy. What is the status of the study?

Answer. The Department is currently analyzing the results and making sure that the information contained in the study is factual and clearly communicated. The Department recognizes the importance of this study, and we are working diligently to complete our review. As soon as our review is completed, we will prepare the draft technical reports for release to the independent peer review panel and the public.

The Department is also making revisions to the study's desk scans, as recommended by the initial report from the Transportation Research Board Peer Review Panel. Once we release the technical reports, we will launch the second phase of the Peer Review. At that time, we will also schedule the final Public Input Session. When these steps are completed, we will deliver to you the final Report to Congress.

Question 3. What efforts have you taken to address the flaws that many safety experts, labor leaders, law enforcement officials and others have raised?

Answer. The Department has focused on producing a study that is transparent, accurate, objective, and data-driven. The Department implemented numerous actions to insulate the study results and final report from any potential conflicts of interest. The researchers who worked on the study were vetted for conflicts, potential bias, and bound by an agreement to do no other related work during the study period. Subject matter experts at the Department are writing the final written materials, including the technical reports, summary report, and eventual Report to Congress.

The data and methodologies were analyzed by an independent third-party panel of research experts. The Department contracted with the gold standard of Federal peer review, the National Academies of Science (NAS Committee), to obtain an external review on our process in both the desk scan and research phases of the study. The concerns outlined in the initial report of the Peer Review Panel were directed at the weaknesses of all of the available methods and the impediments to predict with accuracy the outcome of potential changes in truck size and weight laws. These flaws are not unique to this study or the Department's management of the study work; they are weaknesses inherent in the data sets and methodologies available to anyone wishing to conduct this analysis. The lack of data availability, data quality, and models limits the level of analysis in some areas of study. Even with robust data, actual market responses, safety impacts, and costs are difficult to predict, and the limitations in existing data sets and models will impact the ability of the study to support national-level conclusions.

The Peer Review Panel did recommend a consistent organization of elements within each of five desk scans, a clear linkage between material in each desk scan and its corresponding project plan, and a synthesis of methods and results from prior studies to the results of this study. The Department agrees with these recommendations, and we are incorporating these changes in the final desk scans and related documents. The Department will provide a full accounting of the assumptions and limitations for each study area in the final report.

Finally, I have met with and listened to the issues and concerns expressed by groups on all sides of the truck size and weight issue, including those groups you noted. The concerns and viewpoints we have heard have been fully considered in the preparation of the study.

Question 4. As a former mayor of a major city, would you be concerned with even heavier trucks rolling through your community?

Answer. Elected officials face ongoing challenges to advance the economic prosperity of their communities while protecting the health and safety of the people and the integrity of the infrastructure. In making decisions on the size and weight of vehicles allowed on the Nation's Interstate System, Congress must carefully weight a variety of factors. The work performed and the findings produced in this study will help inform Congress' decisions on these matters, but will not suggest any particular course of action.

Issue: NHTSA Penalty Authority

Question 5. In testimony before the Consumer Protection Subcommittee last September, NHTSA's Acting Administrator David Friedman testified in response to a question about General Motor's conduct, that NHTSA, "found very clearly that General Motors had information that they failed to share with us that hindered our investigation." He further responded that, "to hold [GM] accountable, we got them to pay the maximum possible fine of $35 million." Does the Department of Transportation believe $35 million in penalties is a severe enough fine to serve as an effective deterrent to the automobile industry?

Answer. No, we believe the current maximum is too low, particularly for large companies, which is why our GROW AMERICA Act contains a provision to raise the maximum penalty to $300 million.

Question 6. Should the law cap NHTSA's civil penalty authority at all?

Answer. We are interested in any tool which will help NHTSA be effective. Our GROW AMERICA Act provision sets the maximum penalty at $300 million.

Question 7. Has the Department found any evidence of automakers factoring in penalty amounts when deciding how much to invest in the safety of new models?

Answer. No, the Department has not found such evidence.

Question 8. Does the Department have a position on whether Congress should consider criminal penalties for knowing and willing violations of the Motor Vehicle Safety Act?

Answer. The Motor Vehicle Safety Act already includes a provision for criminal penalties. Section 30170 creates criminal liability for companies that falsify or withhold information from NHTSA with respect to defects that have caused death or se-

rious bodily injury. The Department supports all efforts to help protect consumers from motor vehicle safety defects.

Issue: NHTSA Child Car Seat Rulemaking

Question 9. In January 2014 NHTSA announced it was proposing a new rule that requires child car seats to withstand side-impact collisions of up to 30 miles an hour. The test is designed to determine how well a particular car seat protects a child from a vehicle's door crushing, as well as the overall impact of the crash. Congress gave DOT a deadline of October 2014 to finalize this rule, but it hasn't been completed. Can you please provide the Committee with a written update on that proceeding?

Answer. Under the January 2014 notice, child restraints would be tested with a newly-developed dummy representing a 3-year-old child, called the "Q3s" dummy, and with a well-established 12-month-old child test dummy. In June, NHTSA extended the public comment period for the proposal after confirming the Q3s dummy was generally unavailable from the dummy manufacturer. NHTSA continues to work with the dummy manufacturer to ensure adequate availability of the dummy for testing and evaluation. At the same time, we are allowing sufficient time for the public to obtain and test with the dummy and comment on the proposal, and for NHTSA to address those comments in developing a final rule. In accordance with MAP–21 Section 31505, the Department notified the chairs and ranking members of the House Committee on Energy and Commerce and of the Senate Committee on Commerce, Science, and Transportation on March 12, 2015 that we expect to publish the final rule improving the protection of children in child restraint systems during side impact crashes by August 2016.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. TOM UDALL TO
HON. ANTHONY R. FOXX

Question 1. Describe the role of your department's Chief Information Officer (CIO) in the development and oversight of the IT budget for your department. How is the CIO involved in the decision to make an IT investment, determine its scope, oversee its contract, and oversee continued operation and maintenance?

Answer. The DOT Office of the CIO currently participates on three boards involving IT investments. First, the DOT CIO co-chairs the Department's Investment Review Board (IRB) with the Deputy Secretary. This board is responsible for the approval of the DOT $3.2 billion IT Portfolio. The Deputy Chief Information Officer is also a voting member of the Investment Working Group to support enterprise investment management. In addition, the Deputy Chief Information Officer chairs with Acquisition Strategy Review Board (ASRB) with the Senior Procurement Executive and the Deputy Chief Financial Officer to ensure Departmental review of significant procurements.

Over the past three months, the DOT CIO has been working closely with the Chief Financial Officer (CFO) and the Departmental Budget Officer to ready our Federal Information Technology Acquisition Reform Act (FITARA) implementation plan. The budget authority in FITARA will strengthen the DOT budget process relating to IT.

Question 2. Describe the existing authorities, organizational structure, and reporting relationship of the Chief Information Officer. Note and explain any variance from that prescribed in the newly-enacted Federal Information Technology and Acquisition Reform Act of 2014 (FITARA, PL 113–291) for the above.

Answer. The DOT CIO reports to the Secretary of Transportation and is the principle advisor to the Secretary on all matters relating to IT. The DOT CIO sits on the Secretary's cabinet and is involved in all business decisions. The DOT CIO coordinates Departmental IT through the Investment Review Board (IRB) and the DOT CIO Council. The DOT CIO also manages enterprise IT shared services via the Common Operating Environment (COE).

With regards to FITARA, the DOT CIO will take a more operational role in the execution of Operating Administration IT budgets and acquisition through the implementation of these authorities. DOT will implement CIO authorities throughout DOT, and in close coordination with the Office of General Counsel, FITARA will be implemented at FAA consistent with the restrictions and authorities contained in 49 U.S.C. 106, 40110, 40121.

Question 3. What formal or informal mechanisms exist in your department to ensure coordination and alignment within the CXO community (*i.e.,* the Chief Information Officer, the Chief Acquisition Officer, the Chief Finance Officer, the Chief Human Capital Officer, and so on)?

Answer. In addition to consistent informal coordination and collaboration across the DOT CXO community, DOT has formed the following formal bodies:

- The DOT Investment Review Board (IRB) consists of the Deputy Secretary of Transportation, DOT Chief Information Officer (CIO), DOT Chief Financial Officer (CFO), Senior Procurement Executive (SPE), Under Secretary for Policy, and Operating Administrators as voting members. The board ensures data-driven, enterprise-focused IT governance across the Department by providing strategic direction and leadership for budget and acquisition alignment.
- The CIO Council ensures that the Department realizes optimal value from its IT investments, by taking advantage of enterprise IT systems and infrastructure opportunities and delivering capabilities at an affordable cost and acceptable level of risk. CIOs from across the Department participate on this council.
- The Investment Working Group provides overarching strategic and tactical leadership and direction in support of the DOT investment management and capital planning process. The DOT Deputy Assistant Secretary for Budget and Programs, DOT Deputy CIO, DOT SPE and the Director of the Departmental Office of HR Management are voting members.
- The Acquisition Strategy Review Board (ASRB) is chaired by the DOT SPE, DOT Deputy CFO, and the Deputy CIO and ensures coordination across the Department on strategic acquisition decisions.

DOT believes, and it has been the experience to-date, that implementing FITARA will strengthen the already close relationship between the CIO, CFO, CAO, and CHCO. This strengthening will greatly benefit the Department as DOT moves through IT challenges and issues.

Question 4. According to the Office of Personnel Management, 46 percent of the more than 80,000 Federal IT workers are 50 years of age or older, and more than 10 percent are 60 or older. Just four percent of the Federal IT workforce is under 30 years of age. Does your department have such demographic imbalances? How is it addressing them?

Answer. DOT's IT force is comparably imbalanced with a slightly larger percentage, 55.5 percent, of IT employees over age 50.

To promote efficiency and effectiveness of the Information Technology (IT) Workforce, the DOT Chief Information Officer (CIO) is leading an effort to analyze and evaluate the current alignment of resources supporting the Department's IT efforts. Based on this review, the Office of the DOT CIO proposed a multi-year IT workforce initiative to reduce reliance on contractors and concomitantly increase the number of Federal positions. The realignment will provide two main benefits. First, DOT will realize cost savings and efficiencies due to higher contractor costs as compared to the full-cost of Federal employees. Second, DOT will realign Federal and contractor roles to improve efficiency, develop succession capability, and improve demographic imbalances. Many IT functions currently performed by contractors should be performed by government employees.

Question 5. How much of the department's budget goes to Demonstration, Modernization, and Enhancement of IT systems as opposed to supporting existing and ongoing programs and infrastructure? How has this changed in the last five years?

Answer. In 2015, the Department's IT portfolio will total $3.3 billion. Of this amount, $1.61 billion is expected to be committed to Development, Modernization and Enhancement efforts (DME), which equates to approximately 50 percent of the DOT IT budget. Over the past five years, the DME spend has shown a modest decline from approximately 56 percent to the current 50 percent of the DOT IT budget.

Question 6. What are the 10 highest priority IT investment projects that are under development in your department? Of these, which ones are being developed using an "agile" or incremental approach, such as delivering working functionality in smaller increments and completing initial deployment to end-users in short, six-month time frames?

Answer. DOT recognizes the importance of moving to an agile development methodology where it is appropriate. FAA investments accounted for 87 percent of the DOT IT portfolio, and the requirements for developing and maintaining 24/7 operational mission essential and safety critical systems are very stringent and not necessarily candidates for agile development. GAO also concurred on this assessment. GAO 14–361 (3112890) As noted in the GAO Report, there are high priority DOT investments that do not lend themselves to agile development. Examples of safety critical investments, which require reliability, availability and maintainability standards at or above 99.9999 percent, these high priority investments include:

i. En Route Automation Modernization (ERAM)

ii. Telecommunications Infrastructure (FTI)

iii. Data Communications (DataComm)

iv. Terminal Automation Modernization and Replacement (TAMR) phase 1

v. Terminal Automation Modernization and Replacement (TAMR) phase 3

While these systems may not follow strict "agile development" guidelines, they do follow waterfall national deployment schedules that are built around minimizing deployment risks.

As part of the GAO report analysis, DOT and other surveyed agencies identified "three types of investments for which it may not always be practical or necessary to expect functionality to be delivered in 6-month cycles: (1) investments in life-cycle phases other than acquisition (2) investments intended to develop IT infrastructure; and (3) research and development investments." As part of the final report, GAO did acknowledge the merit of these concerns.

When appropriate, DOT has leveraged the agile development methodology with success:

vi. FHWA is leveraging incremental development where appropriate for the FMIS 5 upgrade. FHWA has employed a modular approach for development and delivery to the FHWA Division Offices and State DOTs into the User Acceptance Testing environment, with the first set of modules delivered in April 2014 and the last modules being delivered through March 2015. FHWA determined that it would be too cost prohibitive and time intensive to roll out the FMIS 5 upgrade incrementally in the Production environment due to impacts to the three FHWA systems that are being modernized, as well as the external systems that FMIS 5 interfaces with, including DOT Delphi accounting system and the State DOTs' systems. This approach was discussed with OMB during a project review in July 2014.

vii. FRA supports the DOT safety mission through management of the Railroad Safety Information System (RSIS) to provide government agencies, railroad labor and management, and the general public with information on railroad safety. The system captures data on railroad accidents, injuries, highway-rail crossing collisions, railroad operation data, FRA-conducted railroad inspections, and maintenance of the highway-rail crossing site inventory. FRA's current contract to manage RSIS is nearing completion and is expected to be re-competed. System requirements are in development and it is anticipated that development work within that contract will be required to use the agile methodology. Agile is one of the recommendations expected out of FRA's current IT and

viii. Web and mobile development across the Department has moved to the agile methodology. For example, FRA used the agile methodology to develop data visualization suite, Corporate Express, which was transitioned to the Department in 2014. In addition, the Departmental DOT.gov platform was deployed utilizing agile development, as are improvements to the platform.

ix. The NHTSA306 Crash Data Acquisition Network (CDAN) is a new system that supports NHTSA's Data Modernization Program. Agile stories are categorized, prioritized and packaged for sprint releases. NHTSA has developed the "PowerCenter" tool to support the agile methodology.

x. NHTSA's Corporate Average Fuel Economy (CAFÉ) Management Suite is an IT solution to support NHTSA's rulemaking and enforcement for this program. CAFÉ is utilizing the agile methodology for development and implementation. A sprint release has been developed and is tracked for CAFÉ Public Information Center deployment.

Question 7. To ensure that steady state investments continue to meet agency needs, OMB has a longstanding policy for agencies to annually review, evaluate, and report on their legacy IT infrastructure through Operational Assessments. What Operational Assessments have you conducted and what were the results?

Answer. The Common Operating Environment (COE) provides shared services for many DOT users, consisting of end user support, telecommunication, network, server and cyber security operations. The COE recently completed an Operational Assessment to examine, measure, and track the current operational status against an established set of cost, schedule, and performance parameters. The Operational Assessment concluded that the COE is providing a valuable service to its customers. As part of the FITARA implementation, the DOT CIO will work with Operating Administrations to fold commodity IT that is currently managed at the component level into the COE to reduce duplication and gain efficiency through an expanded enterprise shared services model. FAA also has an approved shared services model

that leverages access to centralized expertise and infrastructure and enables the economies-of-scale within each IT function.

Question 8. What are the 10 oldest IT systems or infrastructures in your department? How old are they? Would it be cost-effective to replace them with newer IT investments?

Answer.

i. The National Transportation Atlas (NTA) is a web mapping application that presents transportation networks, features and statistics about our Nation's transportation system. The NTA has not been widely advertised, because it is running on 10 year old hardware with an operating system and application that is nearing end-of-support-life. The NTA is moving to a cloud platform that will support expanded data storage and computing capacity, and additional functionality including web feature services, and scaling.

ii. The Bureau of Transportation Statistics established TranStats in 2001 as an intermodal transportation database. This database was created in response to a Congressional mandate. TranStats comprises the collection, processing and dissemination of airline data such as finances, performance and traffic for transportation statistical analysis and reporting functions. Initially TranStats focused on delivery of data from the Airline Reporting Data Information System and but functionality was extended in 2010 to include online data collection from all airlines. The system is undergoing a thorough planning and alternative analysis for modernization and consolidation of its architecture. The modernization is expected to be complete by the end of Fiscal Year 2017.

iii. As part of the Common Operating Environment (COE), the DOT CIO's office currently provides a telecommunication system for DOT employees. The existing system was purchased in FY 2007 when DOT relocated into the Navy Yard headquarters building. The legacy system does not provide modern features and is not scalable based on the changing telecommunications needs of the DOT workforce. A COE Communications Workgroup, consisting of representatives from across the Department, has been formed to examine current requirements and conduct market research as part of a recommended approach to modernize the legacy telephone system.

iv. The Saint Lawrence Seaway Development Corporation (SLSDC) is decommissioning its 30-year-old in-house financial management system as of 2014 and migrating to the Department of Interior's Federal Shared Service Provider (FSSP) solution. It is expected that the new system will be operational in late FY 2015.

v. While FHWA has operated systems for up to 25 years, infrastructure is replaced and upgraded as needed. FHWA regularly evaluates IT investments via the Application Portfolio Rationalization (APR) process, with the most recent report approved in February 2015.

vi. The Hazardous Materials Information System (HMIS) has been an integral tool used PHMSA's Office of Hazmat Safety for daily activities since the 1970s. Over the years, it has been modified and updated as business needs and technologies have evolved. Currently, the technology and processes used by HMIS have become outdated and costly to maintain. PHMSA is in the process of modernizing the functions performed by HMIS under its IT modernization effort. The old system is expected to sunset in 2018. These modernized functions will provide process improvement efficiencies, as well as cost savings.

vii. The NHTSA Grants Tracking System (GTS) was initiated in 2000 and is slated to be replaced with the Grants Management Solution (GMSS) in 2025. GMSS is a modernization initiative that will automate the full grants management life cycle and enhance financial tracking.

viii. The NHTSA Artemis system was in initiated in 2002 and consists of complaints from vehicle owners, early warning reporting data submitted by manufacturers, and recall and investigation information. Modernization of this system is necessary to adjust a high volume analysis of data. It is slated to end in 2024.

ix. The Transit Electronic Award Management System (TEAM) is FTA's primary grants management tool. TEAM runs on an older infrastructure that is at the end of its technical and functional life. As a result, FTA is replacing TEAM using a modern architectural solution which will modernize IT capabilities across the component, with a focus on grant management support. The modernization will leverage a Business Process Management (BPM) software plat-

form, delivered as a commercial Cloud service. TEAM is expected to be decommissioned in 2016.

x. The FAA operates over 20 investments that are 10 years or older. All investments are monitored and assessed annually for technology refresh or replacement. Legacy systems in the process of replacement include the Automated Radar Terminal System (ARTS) and the Instrument Landing System (ILS).

Question 9. How does your department's IT governance process allow for your department to terminate or "off ramp" IT investments that are critically over budget, over schedule, or failing to meet performance goals? Similarly, how does your department's IT governance process allow for your department to replace or "on-ramp" new solutions after terminating a failing IT investment?

Answer. Under the DOT IT governance model, investments are tracked by Operating Administrations (OA) as well as the DOT OCIO Investment Analysis Team (IAT). The IAT works with the OA Capital Planning and Investment Control (CPIC) coordinators and other OA representatives to conduct analytical reviews of IT investments. The IAT uses cost and schedule baseline data, as well as performance metrics and risk assessments provided by the OAs, to generate investment analysis. As our process grows more robust, preliminary findings will be shared with applicable OAs via Issue Papers to help resolve or clarify perceived discrepancies prior to submission to the Investment Review Board (IRB) supporting boards. As the DOT IT governance process continues to mature, any unresolved issues will be presented to the IRB and applicable supporting boards. With the implementation of FITARA, the DOT CIO will continue to strengthen these reviews and recommendations.

In FY 2013, FAA began a migration from their legacy Lotus Notes e-mail system to Microsoft 365 in the cloud. As part of the procurement, DOT initially anticipated a move from the on premise Microsoft Exchange environment managed by the Common Operating Environment (COE) to the Microsoft 365 cloud. DOT worked closely with the FAA team throughout the FAA migration, and subsequently completed an analysis to understand the potential benefits of the move. This project was discontinued by the DOT CIO when it became clear that the cost benefit analysis did not support the migration.

This decision was unanimously supported by the DOT CIO Council. In accordance with the FAA Acquisition Management System (AMS), the Joint Resources Council (JRC) is the FAA's investment decision making body charged with the responsibility of approving and overseeing the management of investments regardless of the type of funding appropriation, allocating resources and establishing program offices chartered with the responsibility of managing approved investments. The JRC manages investments by conducting Acquisition Quarterly Program Reviews and reviewing the results of Post Implementation Reviews. Based on the data presented to the JRC during the aforementioned reviews, the JRC may require changes to the investment strategy or the approved program baseline.

Question 10. What IT projects has your department decommissioned in the last year? What are your department's plans to decommission IT projects this year?

Answer. Operating Administrations at DOT have had success decommissioning legacy infrastructure in adoption of the Common Operating Environment (COE) shared services solution. For example, the Railroad Safety Information System (RSIS) was migrated from aging servers hosted at a commercial data center into the DOT COE in a modern, virtualized environment beginning in October, 2013. The previous commercial hosting environment was decommissioned in January, 2014. Additionally, FTA is planning to decommission two older systems after their replacements are deployed to the modernized FTA IT platform. Both the National Transit Database (NTD) and Transit Electronic Award Management System (TEAM) are scheduled to be decommissioned beginning in Q1 FY 2016.

DOT has also seen success in the migration from duplicative platforms into enterprise solutions. For example, the creation of a Departmental web platform resulted in the migration and decommissioning of legacy hardware for several modal websites. Modes have also had success leveraging the Departmental SharePoint collaboration environment. DOT is in the process of finalizing the decommissioning of the 2007 internal SharePoint site. The 2010 internal SharePoint site has replaced the legacy 2007 environment.

The Department of Transportation's Departmental Procurement Platform (DP2) modernization initiative consolidates eight (8) disparate Performance and Registration Information Systems Management (PRISM) procurement systems onto a common platform that is integrated with the Department's financial system, Delphi. In November 2014, NHTSA and FRA migrated from their legacy PRISM systems to the integrated DP2 solution as part of Phase 1. Consolidation of the remaining PRISM instances will be completed in Phase 2 and Phase 3 of the DP2 program.

PHMSA has also demonstrated success reviewing existing requirements to determine what investments should be decommissioned. For example, prior to FY 2013, PHMSA managed over 90 physical mission system servers and had the third largest data center foot print in DOT. In FY 2013, PHMSA reduced the physical server footprint by 62 percent.DOT believes the increased investment review authority under FITARA will give the Department greater visibility into all IT projects. Decommissioning based on consolidation into enterprise shared services will be a major focus in the review of IT spending.

Question 11. The newly-enacted Federal Information Technology and Acquisition Reform Act of 2014 (FITARA, PL 113–291) directs CIOs to conduct annual reviews of their agency/department's IT portfolio. Please describe your department's efforts to identify and reduce wasteful, low-value or duplicative information technology (IT) investments as part of these portfolio reviews.

Answer. In 2013, DOT fundamentally revamped and reinvigorated the Departmental Investment Review Board (IRB) based on a portfolio review process. The IRB is the DOT's senior executive body charged with ensuring that the Department's IT investments align with DOT's strategic priorities, objectives, and OA operational missions. The DOT CIO recently implemented Interim Investment Guidance to further develop the investment process. The guidance centers on a data-driven, portfolio-based approach that will allow for an expansive and thorough look across the enterprise of DOT IT portfolios. This will allow the Department to make evidence-based decisions on pre-selection, selection, control, and evaluation of new and ongoing IT investments. It will also enable the elimination of legacy systems that are no longer required, enhance interoperability, eradicate redundancy, and leverage enterprise opportunities.

Question 12. In 2011, the Office of Management and Budget (OMB) issued a "Cloud First" policy that required agency Chief Information Officers to implement a cloud-based service whenever there was a secure, reliable, and cost-effective option. How many of the department's IT investments are cloud-based services (Infrastructure as a Service, Platform as a Service, Software as a Service, etc.)? What percentage of the department's overall IT investments are cloud-based services? How has this changed since 2011?

Answer. OCIO is developing a Cloud Strategy for the Department that will include an integrated framework to promote an iterative and incremental approach for moving to the cloud, an integrated governance structure for acquisition and risk management, and cloud-specific, well-aligned information security practices. The FAA is also working to finalize an enterprise-wide contract vehicle for a commercially outsourced cloud solution. This solution will be available to all of DOT.

DOT has successfully leveraged the cloud to manage enterprise systems. For example, the Department's Enterprise Notification System (ENS) provides an enterprise-wide capability for notification in emergency situations for DOT at headquarters and in modal field sites. It has the capability for mass notification to alert groups of employees, or locales, simultaneously. The ENS has the capability to send a message via e-mail, cell phone, and landline phone. The platform also allows users to respond to questions or inquiries from the system to account for personnel during emergencies.

In addition, DOT has deployed an enterprise Content Management System in the cloud to support web development across the Department. The DOT.gov website was completely redesigned during the migration to the cloud service and was deployed as the first cabinet-level website built in responsive design, a feature that supports mobile users. DOT has successfully migrated several legacy modal websites to the enterprise cloud service in an effort to reduce the duplication of web platforms.

Question 13. Provide short summaries of three recent IT program successes—projects that were delivered on time, within budget, and delivered the promised functionality and benefits to the end user. How does your department define "success" in IT program management? What "best practices" have emerged and been adopted from these recent IT program successes? What have proven to be the most significant barriers encountered to more common or frequent IT program successes?
Answer.

   i. The Department of Transportation's Departmental Procurement Platform (DP2) modernization initiative supports the Organizational Excellence strategic goal by standardizing and integrating procurement and financial processes and systems to better meet the dynamic mission of the Department. DP2 recently achieved the first major deployment milestone on time and within budget. In November 2014, NHTSA and FRA migrated from their legacy PRISM systems to the integrated DP2 solution. The DP2 deployment schedule is divided into three distinct waves to reduce program risk and allow for anal-

ysis of lessons learned. Lessons learned from first Wave were analyzed to benefit the Wave 2 (FY16) and Wave 3 (FY17) deployments.

ii. The Electronic National Environmental Policy Act System (eNEPA) tool expedites the National Environmental Policy Act (NEPA) development process by facilitating concurrent Agency reviews, allowing for quick, clear, and transparent issue resolution, and promoting trust and consensus among project partners. The results are efficient environmental reviews, improved results, and reduced project development time and cost. FHWA delivered this project in March 2014, ahead of schedule and under budget.

iii. The FAA Shared Services model is aligned with OMB's Shared Services Concept, mapping the initial FAA IT Portfolio of Services and supporting IT functions to the AOA Strategic Initiatives. In FY 2013, the FAA IT Shared Services Office (ITSSO) achieved an aggressive $36 million cost reduction in IT spending. The FAA Office of Information & Technology (AIT) is on course to achieve significant improvements in the effectiveness and efficiency of service delivery, cost savings, and rapid deployment of new services.

Question 14. Drunk driving is an issue I have fought to end since I was New Mexico's Attorney General. I want to thank the department for its ongoing support of the DADSS study. As you know, FY16 is the last year for which the program is authorized under the ROADS SAFE act. This public-private partnership has developed some great technology. But we still have more work left to do to get this project to the finish line. So I hope I can count on your support. Of course, DADSS is only one part of the safety issues that surround drunk driving prevention efforts. I am pleased to see the President's ongoing commitment to high-visibility enforcement programs, such as the annual Drive Sober or Get Pulled Over initiative. Do you foresee changes to NHTSA's research operations, in particular to its DADSS work or drunk driving data collection?

Answer. Given the more than 10,000 highway deaths involving alcohol impairment that occur each year, NHTSA remains committed to research operations to reduce drunk driving and the resulting deaths. NHTSA expects to continue the Driver Alcohol Detection System for Safety (DADSS) cooperative research program to develop technology that could passively detect a driver's blood alcohol content and prevent impaired driving through at least 2017. The current DADSS research program, which built upon previous cooperative research, started in 2013. It is a 5-year Cooperative Agreement between NHTSA and the Automotive Coalition for Traffic Safety (ACTS), which includes 17 automakers. Funding for the DADSS program has been authorized and appropriated to the program for the first 3 years of the new Cooperative Agreement, and if funding is authorized and appropriated for the remaining two years of the agreement, the research program is expected to continue making significant progress toward integrating and testing the technology in real vehicles by 2016.

Question 15. Do you believe NHTSA has sufficient resources to continue providing at least the same level of support to drunk driving prevention efforts with the growth of distracted driver prevention efforts?

Answer. NHTSA has had a comprehensive program to combat impaired driving for many decades, including research, demonstration projects, public information, grants to states, and technical assistance. We began our focus on distracted driving more recently, and our efforts, with those of our safety partners, have been instrumental in the enactment of State distracted driving laws. We believe we have the appropriate balance between the two program areas, given the relative magnitude of the problems. These safety problems have persisted, so the GROW AMERICA Act requests additional funding and flexibility for states to address both impaired and distracted driving. GROW AMERICA would provide additional pathways for states to be eligible for both grant programs, while at the same time continuing to incentivize them to adopt and implement effective laws. The Administration has also requested additional funding for both grant programs. These changes would provide the Agency with additional resources and tools necessary to provide adequate support for both our drunk and distracted driving programs and activities.

Question 16. How is the agency managing the need to address both of these critical issues?

Answer. NHTSA has been applying its existing resources as provided by Congress to address these issues. These are both critical safety areas, with impaired driving responsible for more than ten thousand deaths annually. Through our approach in relying on data-based problem identification, implementation and evaluation, NHTSA is committed to addressing impaired driving from whatever sources available. NHTSA will also continue the Agency's successful strategy in partnering with

states and key national organizations to leverage resources and maximize safety impacts.

Question 17. While there are many provisions in the GROW America proposal that I think are helpful and support, I have concerns about the proposed changes to the 4(f) historic preservation protections. I recently wrote you on the subject and am still awaiting a reply. In my letter, I outline the potential problems that these changes would make, including further complicating the project review process by adding an additional layer of bureaucracy and new regulatory requirements. Has the department considered the concerns raised by state and tribal historic preservation officers to the proposed changes?

Answer. Yes, the Department considered many concerns and comments in the development of the GROW AMERICA bill. The process envisioned by Section 1005 is intended to be applied in a limited number of cases where the parties are in agreement that no alternative exists to avoid the protected historic resource, and the agreement prepared under Section 106 of the National Historic Preservation Act satisfies the conditions to minimize harm to the resource. The intent is to reduce the need for unnecessary avoidance analysis in those limited cases in which there is clearly no alternative to the preferred solution, such as improving an existing historic rail alignment. Further, we believe it will improve the Section 106 review process if we have ensured that necessary protections and mitigation are agreed upon before signing the Memorandum of Understanding.

Question 18. If so, where would the resources to provide the necessary additional support to these professionals come from in the budget?

Answer. We already have the ability to participate with the State DOTs in funding liaison positions at State Historic Preservation Offices (SHPO) in order to expedite our projects through the review process. About half of the states at any given time have DOT liaisons in their SHPO. Other parties in the process could also benefit from the online interactive training in Section 4(f) currently available. We a re committed to working with State and tribal historic preservation officers who are engaged in the Section 106 process to ensure that they are provided an opportunity for comment, without adding substantial burden.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. GARY PETERS TO HON. ANTHONY R. FOXX

Question 1. The Michigan Department of Transportation and the University of Michigan, in partnership with industry, are working to develop an entire system of connected and automated transportation on the streets of southeastern Michigan through 2021. They are also looking to expand the successful V2V Safety Pilot in Ann Arbor for an additional three years, with a greater emphasis on V2I. If we continue to focus on advancing intelligent transportation systems in vehicles and in smarter infrastructure—we can spur innovation, create jobs, discover new business models and opportunities not previously possible, and we can save thousands of lives.

Secretary Foxx—How does the DOT, as part of the GROW AMERICA Act, plan to advance intelligent transportation systems?

Answer. In his FY 2016 Budget Request, reflected in the revised GROW AMERICA Act proposal, the President recognized the value of connected vehicles and infrastructure, saving lives while improving mobility and reducing environmental impacts. President Obama's visit to the Federal Highway Administration's research center last July celebrated the advances we are making through research in this exciting field.

The President's budget request for FY16 proposes $158M for ITS research—that is a $64 million increase over the FY15 enacted budget of $94 million; an increase of 68 percent. This is a huge vote of confidence in what the ITS Program is accomplishing, and in the promise for the future of surface transportation, as we move ITS research along the continuum from connected cars to more fully automated vehicles. Research that ties connected vehicles to connected infrastructure will advance safety and mobility goals even further.

The significant budget increase proposed by the President enables us not only to more swiftly realize the safety and other benefits of vehicle-to-vehicle and vehicle-to-infrastructure communications, but also to accelerate testing and research on the safe introduction of automated vehicles in America's transportation systems. GROW AMERICA would add an automated vehicle emphasis to the ITS Program goals and authorities, in support of Departmental goals of enabling and accelerating the development and deployment of automated vehicles, evaluating the transformational po-

tential of automated vehicles in a real-world environment while reducing deployment risks for industry and society.

More recently, the Department just closed the competition announcement for our first round of Connected Vehicle (CV) Pilots Deployment Projects. We've been partnering with industry and academia for over a decade in connected vehicle research to leverage the potentially transformative capabilities of Dedicated Short Range Communications (DSRC) and other wireless technology to make surface transportation safer, smarter, and greener. Following on to our successful Safety Pilot in Ann Arbor, MI, the CV Pilots Deployment Project seeks to spur initial implementations of connected vehicle technology deployments in real world settings to deliver near-term safety, mobility, and environmental benefits to the public. Pilot deployments offer an opportunity for stakeholders and multiple partners to develop operational ITS systems that exist well beyond the life of the program.

Question 2. How can the Administration's action help accelerate the development and deployment of this technology by academia and industry?

Answer. The Department has completed and will continue to pursue several actions to help accelerate the development and deployment of Vehicle-to-Vehicle (V2V) communications and applications. As previously mentioned, the Department expects to announce awards for the CV Pilots Deployment Project in the Fall of 2015. In addition, USDOT has been successfully working with a broad range of stakeholders including vehicle manufacturers, academia, industry associations, public agencies, and equipment suppliers, to develop, test, and evaluate the Dedicated Short Range Communications (DSRC) communications technology for safety. This work led to a decision by USDOT to require the DSRC technology in all new vehicles in a future year. This positive decision was followed up by an Advance Notice of Proposed Rulemaking (ANPRM) in August 2014. Currently, USDOT is completing additional research and analysis needed to support the development of a Notice of Proposed Rulemaking planned for 2016.

Specifically, the Connected Vehicle research program:

- Developed and demonstrated key safety applications, such as those related to intersection crash safety.
- Provides technical resources and services that facilitate the adoption of current ITS technologies while supporting early adopters of evolving and new technologies including test beds and certification configurations.
- Helps industry develop open architecture and common standards to accelerate commercialization of ITS research, including the demonstrated compatibility of radio systems from multiple vendors, verified interoperability among different vehicle types from different vehicle manufacturers (cars, trucks, buses), and developed and demonstrated aftermarket and retrofit devices that can bring the technology to the existing vehicle fleet faster.
- Developed a secure communications approach utilizing existing public key infrastructure (PKI) technology, adapting PKI for a mobile environment and successfully demonstrated fundamental operations of secure and trusted communications via PKI in a real-world setting.
- Showcased the feasibility of the technology in a variety of real world environments via performance testing in multiple urban and rural settings, including a 3,000 vehicle model deployment Safety Pilot in Ann Arbor, Michigan.
- Has solicited applications for the Connected Vehicle (CV) Pilots Deployment Project, which seeks operational applications that capture and utilize new forms of connected vehicle and mobile device data to improve system performance and enable stronger performance-based systems management. [The proposal due date for the CV Pilots Broad Agency Announcement was March 27, 2015.]
- Integrates outreach and professional capacity building into the technology, testing, and evaluation lifecycle to involve users in the early resolution of problems to speed market adoption.

Question 3. Besides the incredible life-saving safety benefits of these technologies—what do you see as some of the other benefits of V2V and V2I?

Answer. Safety is USDOT's top priority, and connected vehicle technologies could address over 80 percent of crashes involving unimpaired drivers. After focusing USDOT's research and deployment efforts on safety applications, a wide range of downstream applications such as improved mobility and environmental sustainability are coming into focus. Wireless connectivity in our vehicles and infrastructure will help generate new data about how, when, and where vehicles travel—information which transportation managers can analyze to help make roads less congested, and build in safeguards to protect privacy.

In addition, connected vehicle technologies will generate real-time data that drivers and transportation managers can use to make more efficient "green" transportation choices. Indeed, a variety of ITS applications have been deployed that provide mobility and environmental benefits, including advanced traffic signal systems, ramp meters, smart parking applications, transit signal priority, dynamic routing applications for fleet operators, and active traffic demand management (ATDM) strategies.

Also, following on the heels of the successful Safety Pilot Model Deployment in Ann Arbor, the USDOT is seeking to expand field testing beyond safety applications and has solicited applications for the Connected Vehicle (CV) Pilots Deployment Project, which seeks operational applications that capture and utilize new forms of connected vehicle and mobile device data to improve system performance and enable stronger performance-based systems management.

Question 4. The focus on intelligent transportation systems has been on keeping drivers and passengers safe—but I'm curious about how the DOT plans to account for the protection of pedestrians, motorcyclists, and bicyclists as part of the connected and automated vehicles ecosystem?

Answer. With fatalities involving pedestrians, motorcyclists, and bicycles representing approximately 30 percent of all traffic related deaths, USDOT understands the special safety needs and challenges associated with these vulnerable groups. The protection of pedestrians, motorcyclists, and bicyclists, are all part of the Department's ongoing efforts in the areas of connected and automated vehicle research.

The USDOT is already engaged in a study to identify vehicle to pedestrian applications that would warn the driver, pedestrian or both of an impending collision using DSRC technology, and we are estimating the potential benefits of such warnings. In FY14, USDOT reviewed and assessed operational and prototype pedestrian detection and warning systems, held two focus group meetings on technology acceptance/usability, and began analyzing the role of DSRC and other communications methods. In FY15–16, the Department plans to test vehicle-to-pedestrian (V2P) technologies at the Turner Fairbank Highway Research Center (TFHRC) intersection test bed for market readiness and real world implementation. Both intersection and non-intersection (*i.e.,* mid-block) crashes will be tested.

In terms of automated technologies, the department has been researching systems that can automatically brake a vehicle to avoid striking a pedestrian, referred to as pedestrian crash avoidance and mitigation (PCAM) systems. The goal of this research is to complete performance requirements, test procedures which can be used by the Department, and specifically, the National Highway Traffic safety Administration (NHTSA) to make key next steps decisions. NHTSA estimates that these systems could potentially address up to 46 percent of pedestrian crashes.

Motorcycles equipped with Vehicle Awareness Devices (VADs) were already part of the Safety Pilot Model Deployment conducted in Michigan, and with our industry research partners (CAMP) have completed a preliminary assessment of the performance requirements for applying DSRC technology to motorcycles. USDOT is currently developing plans for the next phase of research related to applying connected vehicle technology to address pedestrian and motorcycle crashes, and we anticipate projects involving laboratory, simulations, and demonstration testing to be initiated in the coming year.

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