

IMPROVING AMERICA'S TRANSPORTATION INFRASTRUCTURE: THE ROAD FORWARD

HEARING BEFORE THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS UNITED STATES SENATE ONE HUNDRED FIFTEENTH CONGRESS

FIRST SESSION

MAY 17, 2017

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ONE HUNDRED FIFTEENTH CONGRESS
FIRST SESSION

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IMPROVING AMERICA'S TRANSPORTATION INFRASTRUCTURE: THE ROAD FORWARD

WEDNESDAY, MAY 17, 2017

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, DC.

The Committee met, pursuant to notice, at 9:44 a.m., in room 406, Dirksen Senate Building, Hon. John Barrasso (Chairman of the Committee) presiding.

Present: Senators Barrasso, Carper, Ernst, Rounds, Shelby, Fischer, Capito, Boozman, Sullivan, Inhofe, Booker, Cardin, Whitehouse, Merkley, Duckworth, Gillibrand, Harris, and Markey.

OPENING STATEMENT OF HON. JOHN BARRASSO, U.S. SENATOR FROM THE STATE OF WYOMING

Senator BARRASSO. I will call the hearing to order.

Today we are welcoming the Secretary of Transportation, Hon. Elaine Chao, to testify before the Senate Committee on Environment and Public Works on our nation's infrastructure needs.

Madam Secretary, welcome to the Committee.

The Senate Environment and Public Works Committee has always taken the lead on infrastructure issues in the Senate. When unveiled, other committees' infrastructure proposals will increase funding and provide streamlining requirements for the construction of pipelines, rail, housing, and large urban projects of various kinds that may be privately financed through public-private partnerships, to name a few of the issues.

However, our nation's highways, roads, and bridges should be a central component of any final infrastructure bill. It is up to our Committee in a bipartisan way, working with the Administration, to invest real dollars in existing highway formulas and non-formula programs in a fiscally responsible way.

In a recent hearing in this Committee, Wyoming Department of Transportation Director Bill Panos stated in written testimony that "Using the current predominantly formula-based FAST Act approach to distribution would ensure both rural and urban States participate in the initiative. It would also help push the benefits of any new infrastructure initiative out to the public promptly." I agree.

Using the formula-based approach will expedite the delivery of additional infrastructure spending, which will ensure highway projects for the public will be built faster, as opposed to adopting a new funding structure that's less understood by the stakeholders. Public-private partnerships can be effective in urban areas but

don't work for rural States like Wyoming and other small and rural States represented on this Committee.

In February, before this Committee, Cindy Bobbitt, a Grant County, Oklahoma, County Commissioner, testified on behalf of the National Association of Counties. She stated in her written testimony the difficulties in rural areas' being able to raise revenue to pay for infrastructure and the ever increasing costs of construction when she stated, "In addition to facing growing demands for transportation investment and numerous limitations on local revenue sources, rural counties are encountering rising costs for transportation and infrastructure projects." She goes on: "Based on the American Road and Transportation Builders Association's Highway Construction Price Index," she states, "the cost of construction, materials, and labor for highway and bridge projects increased 44 percent between 2000 and 2013, outpacing the 35 percent increases in general inflation."

In part to help address cost concerns expressed by both rural and urban communities, this Committee recently held a hearing calling for better, faster, cheaper—and as Senator Carper added, smarter—highway and road projects. Working with this Administration and with you, Madam Secretary, and with the members of this Committee, we do need to find ways to get projects started faster, build better roads, and reduce costs. As I stated at that hearing, simplifying these processes will allow for construction companies to help start hiring and for workers to begin building faster.

When we find ways to streamline review processes, we can initiate projects expeditiously. Less time and money in staff effort would need to be dedicated to regulatory compliance. When we find opportunities to streamline regulation, it enables State departments of transportation and other regulated entities to focus more closely on delivering transportation projects and programs and do a better job of them.

This Administration also has a role to play in correcting recent proposals that unnecessarily subjected rural State departments of transportation to the same rules as more densely populated States. The idea that combating congestion should require Wyoming or Alaska or South Dakota to report on traffic volumes on roads that are infrequently traveled is a waste of valuable time and taxpayer resources. Most importantly, meeting these requirements meant for more urban areas takes time and money. It impacts a rural State's ability to complete projects.

I also have concerns about longstanding barriers that exist at the Federal level, at the Department of Transportation, and at the State level that might interfere with application of technologies that can accelerate project delivery at lower cost.

A June 2016 report by McKinsey and Company titled *Imagining Construction's Digital Future* states that large capital projects typically take 20 percent longer to finish and are up to 80 percent over budget. One of the reasons stated is that the construction industry is one of the industries that is the least digitized.

So modifying policies to allow for technological innovations as identified in that report, such as designing with new materials, digital mapping, intelligence assessment management, decision-making, paperless projects, and other technologies, they can save

valuable taxpayer money and speed project construction. Technological innovations such as these are just common sense and must be allowed to be used.

I believe we can work together in a bipartisan way to help our communities address their infrastructure needs. I look forward to working with the Secretary and my colleagues to help accomplish these things.

With that, I would invite the Ranking Member, Senator Carper, for his opening statement.

**OPENING STATEMENT OF HON. THOMAS R. CARPER,
U.S. SENATOR FROM THE STATE OF DELAWARE**

Senator CARPER. Thanks, Mr. Chairman.

Madam Secretary, delighted to see you here. Delighted that you are in this position. I think all of us supported your nomination and look forward very much to working with you. Thank you for visiting with me a couple of weeks ago. One of the things, my colleagues, that the Secretary and I talked about was, what is the role of government? What is the role of government? Abraham Lincoln used to say the role of government is to do for the people what they cannot do for themselves.

I think the primary role of government, Madam Secretary, and I have said this to my colleagues any number of times, is to create a nurturing environment for job creation and job preservation. In our business, people who have jobs are able to support their families and themselves. For us, the rest is actually pretty easy. The nurturing environment for job creation and job preservation includes a lot of things. It includes work force, includes access to capital, includes energy—dependable energy—it includes public safety, common sense regulations, tax policies that foster economic growth that are deemed to be fair, that don't explode our budget deficits and so forth.

But another big factor, and this is the reason we are having our hearing today, another big factor in that nurturing environment for job creation and job preservation is the ability for people to go where they need to go when they need to go. And for us to be able to ship and move goods throughout this country in a cost effective way.

I am excited that we are going to have a chance to take this up and discuss this with you today. We look forward to an ongoing conversation with you and your colleagues. You have taken this leadership role at a critical time for our country, and I think at an exciting time. What did Einstein used to say, in adversity lies opportunity. Plenty of adversity, also plenty of opportunity. Our job is to seize the day, *carpe diem*, or as we say in Delaware "Carper Diem."

[Laughter.]

Senator CARPER. But we face this crisis in large part because we haven't raised the gas and diesel tax in some 24 years, or not adjusted them for inflation. Revenues have stayed flat while construction costs to build roads, highways, bridges continue to increase. We managed to pay for the FAST Act in 2015 by literally pilfering some \$70 billion from other accounts, according to Congressional Budget Office estimates. We will need to find about \$115 billion in

2020 in order to continue providing the same level of funding plus inflation for the next 5-year bill.

In fact, when we take up the next transportation bill, I am told we need to do a lot more than just maintain our current levels of spending. Plain and simple, the amount that we are spending today is woefully short of what we ought to be spending if we want to have the roads, highways, bridges that our country and its people need.

We face an \$836 billion backlog of grid, highway, and bridge projects. We have a \$90 billion backlog for transit. Put them together it's almost like \$1 trillion. The under-investment shows in the condition of our assets. The 2017 report card from the Society of Civil Engineers gave our roads in this nation a D, as in dog—not delightful—dog. Our transit systems received a D–, a D–. How low can you go? Not much lower than that.

But spending on transportation at all levels of government needs to increase, and the Federal Government should, I believe, lead the way, at the same time making sure we're spending that money in a cost effective way. We will come back to that later on.

But that is why I was heartened to hear President Trump's campaign pledge to spend \$1 trillion on infrastructure. I hope that when the Administration finally releases its proposal that it will include plans for direct spending to address the investment backlog.

When we invest in transportation we also have to choose investments wisely in order to make the best use of scarce Federal dollars. Some of the changes made by this Committee in the last two authorization bills, often referred to as streamlining, will help improve transportation planning and project delivery. Unfortunately, a number of these changes have not yet been implemented, as you know, by the Department of Transportation. And the work has been put on hold for the last couple of months. I sincerely hope that you and your team will focus on ensuring fast and effective implementation of the remaining MAP-21 and FAST Act provisions as they relate to streamlining.

The transportation world today also faces a grave safety challenge. Last year more than 40,000 people lost their lives on our roads. That is more than all the people we have who live in Dover, Delaware. Over the last 2 years this number has increased more quickly than at any time in the last half-century.

As you know, safety is a central part of the mission of the Department of Transportation. We hope that you will make it part of your personal mission, as its Secretary.

In short, there is no shortage of challenges. We know that. But as I said earlier, where this is adversity, there is also opportunity. Our job—a big part of our job—is to find that opportunity. New technology and integration in vehicles has the potential to dramatically improve safety and increase the efficiency of our roadways, and advances in construction materials will enable us to build infrastructure that is stronger, lighter, that is less expensive and more sustainable.

I am also hopeful that innovation can help point the way toward new sources of revenue, a means of collecting road user charges in a secure and cost effective way. If you take RUC—road user

charges, that is what they have been doing in Oregon for 10 years—combine that with highway speed EZ Pass, and I call it RUC and roll. RUC and roll, I think that might be part of the future for dependable revenue sources as we try to get our roads, highways, and bridges back in shape again.

In closing, let me reiterate that we look forward to working with you; we look forward to your testimony and look forward to working with you. We look forward to your testimony, and look forward to working with a bunch of stakeholders all across the country who are counting on us to do our jobs.

So welcome aboard, and good luck.

Senator BARRASSO. Thank you very much, Senator Carper.

Our witness today is Hon. Elaine Chao, Secretary, U.S. Department of Transportation.

Madam Secretary, your full written testimony will be made part of the official record. We look forward to hearing your testimony. Please proceed.

**STATEMENT OF HON. ELAINE CHAO, SECRETARY,
U.S. DEPARTMENT OF TRANSPORTATION**

Ms. CHAO. Thank you, Chairman Barrasso, Ranking Member Carper, and members of the Committee. Thank you for the opportunity to testify before this Committee.

Although I have talked with many of you individually, this is the first time that I am testifying as the Secretary of Transportation. So I am pleased to share some thoughts on our country's infrastructure challenges and to hear your concerns as well.

As I mentioned during my confirmation, my three priorities as Secretary of Transportation are safety, infrastructure, and the future. Our country's vast network of highways and bridges is a prime example of infrastructure that needs attention in all three categories.

After several years of going in the right direction, recent statistics have shown that highway fatalities, as mentioned, are increasing. Measured in lost time and fuel, growing congestion is costing our economy and our citizens as much as \$160 billion annually. And some of our most basic infrastructure will require modifications to accommodate the smart technology of the future.

These challenges, I know, are well known to you, which is why passage of the FAST Act in 2015 was such an important milestone. It provided the Department with new tools and more flexibility to speed up the repair, the rebuilding, and the refurbishment of critical infrastructure.

Over the past 2 years, the Department has begun to implement the provisions of the FAST Act, but much more can be done, especially in streamlining project permitting, approval, and delivery. That is why we have initiated a complete review of how the FAST Act is actually being implemented. We want to ensure that the tools and flexibilities provided by the Act are not encumbered by unnecessary and burdensome administrative requirements.

Although this Administration is only about 4 months old, let me share with you some of the infrastructure funding that has already been delivered. It includes \$166.5 million in TIFIA loans and nearly \$800 million in emergency grants to States and municipalities

to repair highway infrastructure damaged by disasters. One notable award was \$10 million in emergency relief provided to Georgia after the collapse of a bridge over Atlanta's I-85 highway, a major traffic artery that is critical to the local economy.

In addition, the Department is set to award a number of FastLane grants very shortly, and will be issuing a solicitation for applications under the FastLane program. We are also taking a close look at the criteria used in awarding the Department's discretionary loans and grants. We want to ensure that we are maximizing the opportunities to revitalize infrastructure provided by the FAST Act and that the needs of all parts of the country are addressed.

As mentioned, the President has made infrastructure one of his top priorities. The Administration will share its vision of what the infrastructure plan will look like soon, which will kick off our collaboration with the Congress. As OMB Director Mulvaney recently announced, the proposal will likely include \$200 billion in direct Federal funds, which will be used to leverage a trillion dollars in infrastructure investment over the next 10 years. The goal is to use Federal funds as an incentive to get projects underway and build more quickly, with greater participation, by State, local, and private sector partners.

A key goal of this initiative will be incentivizing private sector investment in infrastructure. We understand that not every infrastructure project, however, is a candidate for private investment. The Administration recognizes the difference between rural and urban infrastructure needs. We anticipate that the President's proposal will reflect this understanding.

Transportation infrastructure is essential to the 46 million Americans who live and work in rural areas, and to moving agriculture and other products produced in these areas to markets and ports. So I look forward to working with you to find solutions to our country's infrastructure challenges, not only to support economic development and job growth, but also to keep America connected. From the Gulf Coast to the Great Lakes, from the east coast to the west coast, transportation helps to knit our country together. So we have got to ensure that we take good care of these critical resources.

And now, I will be happy to take your questions.

[The prepared statement of Ms. Chao follows:]

STATEMENT OF THE HONORABLE ELAINE L. CHAO
SECRETARY OF TRANSPORTATION

BEFORE THE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE

HEARING ON
IMPROVING AMERICA'S TRANSPORTATION INFRASTRUCTURE:
THE ROAD FORWARD
May 17, 2017

Chairman Barrasso, Ranking Member Carper, and Members of the Committee, thank you for the opportunity to testify on the state of our highway and bridge infrastructure. It is an honor to testify for the first time as Secretary of Transportation before this Committee, which is working on issues that are so vital to our country's continued safety, security, and economic success.

The State of Our Highway Infrastructure

Our country's vast network of highways and bridges connect our communities and support our economy. Running from coast to coast, through beautiful rural landscapes and great cities, the National Highway System (NHS) is comprised of 223,257 miles of road, which is approximately five percent of the total mileage in our country. Despite this low percentage, the NHS accounts for 55 percent of the total vehicle miles travelled (VMT) and over 83 percent of the miles traveled by truck in the country. In 2016, total miles driven on public roads in the U.S. increased for a fifth straight year by 1.65 percent to 3.2 trillion miles. These figures underscore the critical demands placed on America's highways and bridges.

Pavement and bridges in poor condition directly impact the lives of ordinary citizens by increasing wear and tear on vehicles, driving up repair costs, inflating travel times, and sometimes introducing new safety concerns. For freight users, poor conditions can increase the cost of doing business and delay the delivery of millions of tons of goods and agricultural products across the country. As you may know, trucks transport the majority of U.S. freight, so keeping our roads and bridges in good condition is critical to our country's competitiveness.

The recently released DOT report, "2015 Status of the Nation's Highways, Bridges and Transit: Conditions and Performance," (2015 C&P Report) contains some good news regarding the state of our bridges. From 2002 to 2012, the share of bridges classified as "structurally deficient" has improved. For example, the percentage of bridges in this classification dropped from 14.2 percent in 2002 to 11.0 percent in 2012. The share of bridges on the NHS classified as structurally deficient also improved over the same period, dropping from 5.9 percent to 4.5 percent.

But, while bridge conditions are heading in the right direction, the 2015 C&P Report suggests that there is more work to do. The Report stated that the percentage of Federal-aid highway

mileage classified as “acceptable ride quality” (either good or fair quality) decreased from 87.4 percent in 2002 to 80.3 percent in 2012. When weighted by vehicles miles traveled, the decrease in acceptable ride quality went from 85.3 percent to 83.3 percent, which leads to the conclusion that ride quality on less-traveled Federal-aid highways has significantly declined since 2002. This is of particular concern for rural communities. Nearly 73 percent of our country’s public roads are located in rural settings with populations less than 5,000.

Drivers slowing to avoid poor pavement and bridge conditions can also create congestion, which continues a troubling trend. The Texas Transportation Institute estimates that total delays resulting from congestion experienced by all travelers increased from 5.6 billion hours in 2002 to 6.7 billion hours in 2012. The cost of wasted time and fuel attributable to congestion also rose, from a staggering \$124 billion in 2002 to \$154 billion in 2012. Bringing our existing infrastructure into a state of good repair will not only make our roads and bridges safer, but will also save travelers and shippers time and money.

The Federal Lands Transportation Program provides critical support for roads, bridges, trails, and transit facilities managed by Federal Land Management Agencies, such as the National Park Service, U.S. Fish and Wildlife Service, Bureau of Land Management, Bureau of Reclamation, and U.S. Forest Service, as well as Tribal Nations. These transportation networks, which are critical for supporting the economy, national defense and for providing access for all Americans to our country’s national scenic treasures, are critical for supporting the economy, national defense and for providing access for all Americans to our country’s national scenic treasures, are falling into disrepair, creating a backlog of billions of dollars in deferred maintenance. Access to Department of Interior managed public lands generated nearly 1.8 million jobs and \$296 billion in economic output for State and local economies in 2015. There are also more than 450,000 miles of roads that are not actually located on Federal lands but provide access to Federal lands. This creates opportunities for recreational travel and tourism, protection and enhancement of resources, and sustained economic development in both rural and urban areas. Annual visits to Federal lands total nearly 1 billion, and are expected to rise as the population increases. This poses a challenge to Federal Land Management Agencies to maintain the needed infrastructure to fulfill their missions of providing visitor enjoyment while conserving precious resources.

Moving Forward to Address These Challenges

The Department is already taking steps to improve our nation’s infrastructure by implementing the FAST Act, which Congress passed in 2015. This was important legislation.

But before describing the ongoing efforts at the Federal Highway Administration (FHWA), I want to take this opportunity to commend the outstanding work of the FHWA, particularly its Acting Deputy Administrator, Butch Waidelich, and the FHWA divisional managers in Georgia, during the recent fire and collapse of the I-85 bridge outside of Atlanta. This was a superb example of prompt action and timely collaboration with the Georgia State government, including Governor Deal’s office, Georgia State Department of Transportation, including Commissioner Russell McMurtry, and the courageous police, state troopers, firefighters and other first

responders. They brought the situation under control and evacuated everyone with no loss of life or injuries.

Regulatory Streamlining

With respect to implementing the FAST Act, the Department has already begun accelerating the environmental review and permitting process for new projects, which can be too cumbersome, lengthy, and delay the start of new projects. Not only do these delays increase the costs—the cost of capital and labor can both increase substantially over many years—but by alleviating the uncertainty that permits will eventually be issued, the Department hopes to make projects more attractive to private investors.

The Department has begun to more fully utilize the tools that Congress incorporated in the last several surface transportation reauthorizations, particularly to improve the National Environmental Policy Act (NEPA) review process. These provisions have allowed us to:

- create new categorical exclusion (CE) actions to increase the percentage of projects that can clear NEPA review without lengthy and costly processes, and to provide States with templates to complete them;
- promote the option of a combined Final Environmental Impact Statement (FEIS) and Record of Decision (ROD) documentation, allowing a quicker resolution to the NEPA process;
- establish time limits for litigation challenging an environmental review; and
- reduce duplication by linking the planning and environmental review processes.

Additionally, under the Surface Transportation Project Delivery Program, commonly referred to as the NEPA Assignment Program, States can choose to assume the Federal Highway Administration's (FHWA) responsibilities for environmental review under NEPA. To date, five States—California, Texas, Florida, Utah, and Ohio—have assumed NEPA responsibilities. Alaska, Arizona, and Nebraska are also actively pursuing this opportunity.

Each State must enter into a memorandum of understanding (MOU) with FHWA and agree to certain conditions, such as waiving sovereign immunity and submitting to Federal court jurisdiction if a NEPA decision is legally challenged. To promote flexibility, States also have the option to assume only environmental approvals for projects that are eligible for categorical exclusions (CEs) under the CE Assignment Program. For example, Alaska signed a CE assignment MOU in September 2009. The FHWA has observed that NEPA assignment States take more care and consideration in environmental and project decision making, resulting in better stewardship of the environmental resources impacted by projects.

Another FHWA initiative is to allow separate Federal permitting and review processes and the environmental review process to move forward concurrently, at the outset of a project, rather than conducting them sequentially. This approach can contribute to significant resource efficiencies and cost savings in the project development process. Sharing and exchanging environmental documents and information reduces duplicative reviews and identifies permitting

challenges early in the process, which results in expedited resolutions and accelerated project delivery.

While the Department is taking steps to conduct environmental reviews more efficiently, we will continue to examine additional ways to create more flexibility in the system, in order to ensure that vital highway and bridge projects do not spend years languishing in a cumbersome and ineffective environmental review processes. One innovation might be to better coordinate the review processes with other agencies involved in permitting. DOT is not the only federal entity involved, and the FAST Act is not the only statute that directs this process government-wide.

Funding and Financing

On the funding side, the Highway Trust Fund is projected to have enough cash to cover expenditures through Fiscal Year 2020, the final year of the FAST Act authorization. As of the end of April 2017, the Highway Account of the Highway Trust Fund has a total balance of \$47.7 billion. In recent years, outlays from the Highway Trust Fund have outpaced revenue from highway taxes, penalties, and interest, which have been the traditional source of highway funding. Given this trend, it is crucial to work together to find innovative ways to finance highway infrastructure.

In the FAST Act, Congress created the Surface Transportation System Funding Alternatives (STSFA) Program, which provides grants to States to demonstrate user-fee based alternative revenue mechanisms that can help maintain the long-term solvency of the Highway Trust Fund. These include on-board vehicle technologies to charge drivers based on miles traveled, and multi-State or regional approaches to road user charges. These projects are evaluating the reliability, as well as the security, of such technologies and addressing common challenges to implementing use-based fees, including public acceptance, privacy protection, and equity concerns. Last month, the Department published a Notice of Funding Opportunity (NOFO) for up to \$20 million in STSFA funds for Fiscal Year 2017, with applications due next month. The Department hopes to gain valuable insight from the STSFA program about possible new funding mechanisms for addressing the impending shortfalls in the Highway Trust Fund.

The FAST Act also authorized funding in the amount of \$1.435 billion to provide Transportation Infrastructure Finance and Innovation Action (TIFIA) credit assistance for eligible projects for FY 2016-2020. The FAST Act authorized the Department to consolidate the TIFIA program into the Surface Transportation and Innovative Finance Bureau, also referred to as the Build America Bureau, along with the Railroad Rehabilitation & Improvement Financing (RRIF) program, the Private Activity Bonds (PABs) program, and the National Surface Transportation and Highway Projects (NSHSP) program. The Department has been implementing the FAST Act changes to TIFIA and the other programs that have been consolidated into the Build America Bureau structure.

The FAST Act also continued the Emergency Relief program, a special program from the Highway Trust Fund, which provides funds for emergency and permanent repairs on Federal-aid highways and roads, tribal transportation facilities, and roads on Federal lands that have suffered serious damage as a result of natural disasters or failure from an external cause. Just last month,

I approved the release of \$768.2 million to help fix roads and bridges damaged by storms and catastrophic events across forty States.

Additionally, in the Consolidated Appropriations Acts for Fiscal Years 2016 and 2017, Congress provided flexibility to allow States to repurpose certain earmarked funds that were over 10 years old and had not been used for their stated purposes, putting previously idle funds to use on critical highway and bridge projects. Thus far, 2,200 earmarks worth approximately \$1.8 billion have been repurposed.

MAP-21 and FAST Act Implementation

The Department continues to implement the congressional directives contained in the FAST Act and MAP-21. We are reviewing our implementation efforts, particularly with respect to streamlining to maximize any flexibility granted by Congress.

Safety

Safety continues to be the Department's highest priority, and is at the core of our mission. The Nation lost 35,092 people in motor vehicle crashes in 2015—an average of 96 deaths per day. The 7.2 percent increase in fatalities from 2014 to 2015 ended a five-decade trend of declining fatalities. The National Highway Traffic Safety Administration's (NHTSA) projection of traffic fatalities for the first nine months of 2016 shows that an estimated 27,875 people died in motor vehicle traffic crashes, an increase of approximately 8 percent from the same period in 2015. In addition to the tragic impact on human life, NHTSA estimates that when lost quality of life is also considered, annual societal consequences of highway crashes can be quantified at \$836 billion. Nothing can replace the loss of a loved one, but quantifying the economic and societal costs of motor vehicle crashes demonstrate even further the importance of investing in highway safety and achieving a better safety record on U.S. highways.

The FAST Act continued the Highway Safety Improvement Program (HSIP), providing estimated annual average funding of approximately \$2.6 billion. Over the life of the FAST Act, an average of \$260 million of this funding per year is reserved for the Railway-Highway Crossings Program. The HSIP has broad eligibilities aimed at achieving a significant reduction in traffic fatalities and serious injuries on all public roads, including non-State-owned roads and roads on tribal land.

The FHWA encourages a data-driven, performance-based approach to save lives on all public roads. Under the HSIP, States develop and implement comprehensive, data-driven Strategic Highway Safety Plans (SHSPs) that establish statewide safety goals, objectives, and key emphasis areas and integrate the "four Es" of safety—engineering, education, enforcement and emergency medical services. Beginning this summer, States and metropolitan planning organizations (MPOs) will set data-driven annual safety performance targets for the first time, which will help guide their investment decision-making.

To achieve the vision of zero fatalities, crashes on local and rural roads must be addressed. Fifty-five percent of all public road miles are locally-owned rural roads. In 2012, 19 percent of the

U.S. population lived in rural areas, but rural road fatalities accounted for 54 percent of all road fatalities. The fatality rate in rural areas has remained 2.5 times higher than the fatality rate in urban areas, which may be the result of several factors including the distance to hospitals. The FHWA continues to take a coordinated national approach with its partners and stakeholders to address local and rural crashes. The FHWA's local and rural road safety program encompasses training, technical assistance, guidance, and other tools. This program has shown measured success, more States are funding projects on local roadways with their Highway Safety Improvement Program dollars, and local agencies are more aware of their roadway safety issues through the development of Local Road Safety Plans, and more local agencies are participating and SHSP development that includes participation from local agencies.

Performance Management

In MAP-21, Congress made significant changes to the Federal-aid highway program by establishing new requirements for performance management. These changes were intended to increase the accountability and transparency of the Federal-aid highway program and to provide a framework to improve our investment decision making by focusing on performance outcomes for key national transportation goals. State DOTs will now be required to establish performance targets and assess performance in key areas.

FHWA has been implementing these performance management directives from Congress through a series of inter-related rulemakings and other actions, including a suite of training courses, technical tools, and guidance to educate our State and local partners. The FHWA has completed the rulemakings addressing performance management in the Highway Safety Improvement Program and asset management. Working with NHTSA, FHWA has delivered target-setting workshops to more than 1,000 stakeholders in 45 States, including representatives from State DOTs, MPOs, and State Highway Safety Offices. State DOTs that fail to meet or make significant progress toward meeting their safety targets will be required to direct a larger share of their highway spending toward HSIP projects.

Under the asset management provisions in MAP-21 and the FAST Act, State DOTs must develop and implement an asset management plan, which aims to improve and preserve the condition of assets and system performance at a minimum practicable cost. An FHWA rule finalized last year implements this statutory requirement, explains the form and content for the resulting plans, and establishes FHWA's oversight role.

Freight

The continued success of the freight industry is vital to our national economic interests; investment in our Nation's transportation infrastructure is needed if we expect to maintain a global competitive edge. Trucks currently carry 64 percent of the tons and 69 percent of the value of freight moved in the United States. In the next 30 years, the U.S. economy is expected to double in size and the Nation's population is projected to increase by 68 million people. Driven by this projected economic and population growth, freight movements across all modes are expected to grow by roughly 42 percent by the year 2040, making investments in our freight infrastructure a priority.

As you all know, the FAST Act established the National Highway Freight Program (NHFP) to improve the efficient movement of freight on the newly designated National Highway Freight Network (NHFN). NHFP funds can be used to support freight projects that improve intermodal connectivity, which is critical to ensure the safe, resilient, and efficient flow of freight movement across the overall freight transportation system. In Fiscal Years 2016 and 2017, FHWA has distributed over \$2.2 billion in National Highway Freight Program funding to the States by statutory formula.

Under the FAST Act, the Department is required to develop a National Freight Strategic Plan, which will identify strategies and best practices for improving intermodal connectivity and performance on the freight system, as well as mitigating the impacts of freight movement on communities. DOT is currently working to develop this plan, which we look forward to sharing with this Committee and other stakeholders.

The FAST Act also requires each State to develop a State Freight Plan, a comprehensive plan for their immediate and long-range planning activities and investments that includes: identification of significant system trends, needs, and issues; identification of multimodal critical rural freight facilities and corridors; an inventory of facilities with freight mobility issues; strategies to mitigate congestion or delay; and a freight investment plan. Beginning December 4, 2017, a State may not continue to obligate formula freight funds unless it has developed a comprehensive State Freight Plan. States are currently working on their plans and three States—Nevada, Idaho, and Ohio—have completed development of compliant plans.

Congress not only provided formula funds for freight development in the FAST Act, but also created the Nationally Significant Freight and Highway Projects program (that became unofficially known as “FASTLANE”). This grant program provides financial assistance through competitive grants or credit assistance to projects that, for example, improve the safety, efficiency, and reliability of the movement of freight and people; generate national or regional economic benefits and increase our national economic competitiveness; or reduce highway congestion and bottlenecks. Each fiscal year, 25 percent of the competitive grant funds distributed are reserved for projects in rural areas. In Fiscal Year 2016, grants totaling over \$700 million were awarded to 14 States and the District of Columbia. We are examining ways to increase the effectiveness of that program.

Technology and Innovation

Technology and innovation play a critical role in tackling these various challenges. The Department’s Intelligent Transportation Systems Joint Program Office (ITS JPO) performs research on intelligent systems and is currently focusing on developing intelligent vehicle and intelligent infrastructure technologies, including vehicle-to-vehicle (V2V) and vehicle-to-infrastructure (V2I) connectivity through the application of advanced wireless technologies. The program invests in major research initiatives, develops and tests the underlying technology and applications, and provides deployment support, including technology transfer and training. In addition to connected vehicles research, ITS JPO is also focusing on expanding automation to enable the smooth and safe introduction of automated features into our vehicles and

transportation systems. Intelligent transportation technologies like these have the capacity to create safer vehicles and roadways by enhancing crash avoidance capabilities; enhance mobility by exploring methods and strategies that increase system efficiency and improve individual mobility; and better manage traffic flow and reduce congestion. Each of these improvements enables infrastructure to operate more efficiently, to better support future economic growth and to improve the lives of everyday Americans.

In addition to ITS JPO, the Department supports several competitive grant programs that encourage and facilitate the deployment of new technologies by our State and local partners. Last month, the Department issued a Notice of Funding Opportunity (NOFO) for the second round of competitive grants in the Advanced Transportation and Congestion Management Technologies Deployment (ATCMTD) Program. Congress created this program in the FAST Act in order to develop model deployment sites for large scale installation and operation of advanced transportation technologies. Eligible projects, such as V2V and V2I communication systems, collision avoidance technologies, integration of intelligent transportation systems with the Smart Grid, and advanced mobility and access technologies, are designed to improve safety, efficiency, system performance, and infrastructure return on investment. Last year, the Department distributed \$56.6 million to eight projects in six States, which leveraged close to \$100 million in additional public and private funding. Up to \$60 million is available this fiscal year and applications are due next month. The Department looks forward to evaluating this new group of projects to discover how our State and local partners can continue to be laboratories of innovation.

The Accelerated Innovation Deployment (AID) grant program provides \$10 million per year to eligible entities to accelerate the implementation and adoption of innovation in highway transportation. AID is one initiative under the multi-faceted Technology and Innovation Deployment Program (TIDP), which was continued by Congress under the FAST Act to provide funding and other resources to offset the risk of implementing an innovation. AID can accelerate the adoption of innovative technologies and new business practices in highway construction. Thus far, AID has funded 62 projects in 34 States, totaling \$44.4 million.

Investment in research is critical to the identification, development, and evaluation of these technology and innovation initiatives. While the private Sector and the States undertake significant research efforts, the Federal government plays a role in performing higher risk, advanced research, as well as research that meets critical national needs. The Federal government also provides an independent assessment and evaluation of the benefits and performance of innovations. Many of the cost and time savings, and safer technologies and innovations advanced by our State and local partners through AID, were first developed and refined by FHWA at its Turner-Fairbank Highway Research Center. These advances include the use of ultra-high performance concrete, the Diverging Diamond Interchange, and adaptive signal control systems.

The Administration's Infrastructure Plan

The President has made clear that modernizing our country's crumbling infrastructure, including our Nation's highways and bridges, is one of his top priorities. The Administration's

infrastructure initiative will be comprehensive, covering surface transportation and aviation, along with other important sectors, like ports, inland waterways, pipelines, water, broadband, and energy as well. The Administration's goal is to seek long-term reforms on how infrastructure projects are regulated, funded, delivered, and maintained. It is designed to leverage Federal dollars by incentivizing State, local, and non-Federal investment in infrastructure, and it will address infrastructure development in both urban and rural areas in ways that are supportive of a wide range of funding options and sensitive to funding challenges faced by some communities. We hope to broaden and expand participation in infrastructure funding so that more projects can be undertaken overall and so that we do not supplant existing state, local, or private funds already dedicated to infrastructure. The goal is to increase the total amount of infrastructure investment, while delivering better transportation outcomes for Americans.

Conclusion

Thank you again for the invitation to appear before you today. I welcome the opportunity to work closely with you on these issues of critical importance to our country's infrastructure, so our economy can continue to grow and create good jobs for America's working families. Thank you.

Responses to Questions for the Record
The Honorable Elaine L. Chao
Secretary of Transportation
Senate Committee on Environment and Public Works
Hearing entitled, "Improving America's Transportation Infrastructure: The Road Forward"
May 17, 2017
Submitted June 20, 2017

Ranking Member Carper:

1. In your speech to the U.S. Chamber of Commerce, you mentioned that a key feature of Administration's infrastructure plan will be "unleashing billions of dollars in private capital available for investment in infrastructure." As you develop your plan to incentivize more public private partnerships, what safeguards will the Administration pursue to protect taxpayers from bad deals?

***Response:** The Department is committed to protecting the interests of taxpayers in the development and delivery of public-private partnerships (P3s). The Department, through its Build America Bureau, develops and promotes best practices in innovative finance and P3s and provides extensive technical resources for states, municipalities, and other public and private sector entities that are considering P3s. The Bureau provides advice and expertise to project sponsors that seek to leverage private sector funding. This includes P3 toolkit materials, training opportunities, project-specific technical assistance, peer knowledge exchanges, value for money evaluation tools, and other expert resources to support the knowledgeable and responsible implementation of P3 projects. Furthermore, P3 projects that seek a TIFIA loan, which includes many of the P3 transactions completed in recent years, are subject to very thorough creditworthiness evaluations, which increases the level of due diligence required for P3 projects. Additionally, projects funded through the infrastructure initiative would be subject to all of the accountability requirements that apply to DOT projects generally.*

2. In your testimony, you stated your commitment to working together to address the Highway Trust Fund solvency crisis. As you know, this is also an issue of great significance to me. When the Fast Act expires in 2020, Highway Trust Fund revenues will not be able to further support funding levels. Beyond then, we will face a \$115 billion cumulative funding shortfall through 2026, according to the Congressional Budget Office. You have indicated that "all options are on the table" for new revenue measures. Can you provide more details on which transportation revenue measures that you and President Trump might support as a means to address the long-term solvency of the Highway Trust Fund?

***Response:** Although the Highway Trust Fund will remain solvent until 2020, we share your concern about its long-term solvency. We will review the results of the pilot projects under the FHWA Surface Transportation System Funding Alternatives*

Program. Alternative funding mechanisms that are currently being piloted by States include vehicle miles traveled (VMT) fees.

3. Traffic fatalities continue to rise across our country. The latest estimates show that traffic deaths surpassed 40,000 last year for the first time in a decade. In my home State of Delaware, we have the highest pedestrian fatality rate of any State in the country. Unfortunately, we're not alone. The number of pedestrian fatalities in the United States increased 25 percent from 2010 to 2015 and it is estimated that that the number of pedestrian deaths increased by 11 percent in 2016 over 2015. In fact, nearly one in six deaths on our roads is a pedestrian. How is the Department responding to this crisis and what reviews and actions have you initiated to respond to increasing motorized and non-motorized fatalities?

***Response:** The Department of Transportation's (DOT) number one mission is safety. We are very concerned about the recent increase in traffic fatalities. In addition to continuing to promote highly successful vehicle safety and behavioral safety efforts, DOT is working to combat these increases in several new ways:*

- *DOT is working with the new Road to Zero Coalition that has gathered an unprecedented range of safety constituents to pursue collaborative road safety strategies.*
- *The Federal Highway Administration partners with State and local agencies to deliver a data-driven, performance-based approach to save lives on all public roads.*
 - *The agency has developed a wide variety of resources to help States develop, implement, evaluate, and promote their Strategic Highway Safety Plans under the Highway Safety Improvement Program.*
 - *State DOTs and metropolitan planning organizations are also accountable for targets associated with fatalities and serious injuries, including nonmotorized fatalities and serious injuries, under the Safety Performance Management Rule, issued pursuant to MAP-21.*
 - *The agency has also focused additional resources on the cities and States with the highest pedestrian fatalities and/or fatality rates.*
- *DOT's National Highway Traffic Safety Administration (NHTSA) is working closely with State partners to identify specific traffic safety problems at the State and local levels and apply appropriate countermeasure that will stem the increases, using highway safety grant funds.*
- *NHTSA is working closely with the industry to encourage adoption of technologies that will prevent crashes from happening in the first place. For example, in 2016 NHTSA and the Insurance Institute for Highway Safety worked with 20 automakers to gain their commitment to make automatic emergency braking standard on virtually all light-duty cars and trucks by 2022.*

DOT's concern about the sharp rise in pedestrian and bicyclist deaths led to the creation of the Pedestrian and Bicycle Coordinating Committee. The goal of this Committee is to identify cross-modal opportunities for research and program development and to engage new partners to improve the safety of bicycling and walking. The Committee brings together the five modal administrations that have a role in

pedestrian and bicyclist safety to coordinate their efforts and address the rise in fatalities with strategic actions. Most recently, NHTSA, Federal Highway Administration, Federal Motor Carrier Safety Administration, and Federal Transit Administration have all produced technical assistance material aimed at increasing pedestrian and bicyclist safety. Specific examples include:

- *Creation of a clearinghouse to improve community access to the latest research and information on effective practices for engineering, education and law enforcement;*
- *Starting a technical assistance program targeting States that receive funding under the new NHTSA Non-Motorized Safety Grant Program established under the FAST Act; and*
- *Conducting new research analyzing the demographics of alcohol-impaired pedestrians killed in motor vehicle crashes, assessing the risks associated with walking-while-texting and pedestrian use of other electronic devices, and evaluating the effectiveness of enhanced enforcement of motorist violations of bicycle safety laws.*

4. After promising to invest a trillion dollars in infrastructure, President Trump's FY18 budget proposed to eliminate the TIGER competitive grant program, which funds many multimodal projects, and to cut funding for new transit lines as well as for long-distance passenger rail lines. As a member of the Trump Administration, can you reassure us that funding for multimodal projects, including for transit and rail, will continue to remain a national priority?

Response: *The Department takes a holistic approach when considering how best to make national infrastructure investment decisions. The TIGER program, first enacted as part of the Recovery Act in 2008, has not been formally authorized as part of a long-term surface transportation bill. Many projects funded by TIGER are also eligible under DOT's other mandatory highway and transit formula programs. Furthermore, the Nationally Significant Highway and Freight Projects discretionary grant program provides DOT the ability to award competitive grants to projects of national or regional significance, including freight rail and port projects that have public benefit. The program is authorized at \$4.5 billion dollars through 2020. DOT's credit and finance programs also have additional capacity for financing many of these rail, transit, and multimodal projects. However, as Congress has appropriated \$500 million in FY 17 for the TIGER program, the Department will continue to utilize all currently available funding mechanisms and programs, as well as working to develop new approaches to ensure we properly address our national infrastructure needs as efficiently and effectively as possible.*

5. I would like to thank you for the Department's quick response to the I-85 bridge collapse in Atlanta, enabling the bridge to be reopened May 15, just six weeks after it collapsed. The project benefited from strong local, State, and Federal leadership and used existing legal authorities. What can we learn from this successful experience that might be applied to the rest of the nation? Do you feel that your experience in this project may lend itself to revising your earlier statement that "the problem is not the money" but rather the permitting delays?

Response: *The Department prides itself on the ability to respond quickly to emergency situations such as the I-85 collapse in Atlanta, to assist States to restore critical transportation infrastructure expeditiously. Fortunately, the vast majority of transportation projects are not the result of an emergency situation. For this majority of projects, emergency procedures cannot be used. Additionally, while the Atlanta project was limited in scope to restoring the facility to its pre-emergency condition, other projects typically have additional scope. For the most complex projects, the environmental and historic preservation review and permitting processes can delay project delivery.*

We continue to believe in the importance of improving the efficiency and effectiveness of environmental review and permitting. It is critical that limited Federal funds are spent in an efficient manner, delivering the best return on investment to the American taxpayers. Reducing project delivery times by improving these processes will reduce costs and help create the certainty necessary to encourage private-sector, State, and local investment in infrastructure.

6. As part of the FAST Act, the Department of Transportation was directed to establish a Tribal Transportation Self Governance Program through the negotiated rulemaking process. Though the negotiated rulemaking committee had begun its work, we understand that all work has been postponed. When does the Department anticipate resuming the negotiated rulemaking process? Will the Department and the rulemaking committee be able to meet the statutory deadline imposed in the FAST Act to complete the mandate?

Response: *The Department is still evaluating, pursuant to Executive Order 13771, the statutory directive contained in 23 U.S.C. 207 which directs the Department of Transportation to engage in a negotiated rulemaking process to establish a Tribal Transportation Self Governance Program and issue proposed regulations not later than September 5, 2017 (21 months after the date of enactment of the FAST Act). This deadline, as well as the deadline to issue a final rule may each be extended one time up to 180 days. The Administration continues to review this regulatory undertaking. If an extension is deemed necessary, the Secretary will submit such a request in accordance with 23 USC 207(n)(1)(D).*

7. In 2005, SAFETEA-LU included a provision in that law that created a Deputy Assistant Secretary for Tribal Government Affairs within the Office of the Secretary of Transportation at DOT. However, although statutorily required, the position remained vacant for more than a decade, until last year. That position is yet again vacant. Will the Department commit to appointing someone to this role?

Response: *It is our intention to fulfill our responsibility to Tribal governments by designating a Deputy Assistant Secretary to serve as their liaison with the Department.*

8. In 2010 and 2012, the Obama administration brought together automakers, environmental and consumer organizations, and the state of California in support of agreements to almost double the fuel economy standards of cars and light trucks. This was a win for consumers who now spend less money on gas, a win for the environment because less global warming pollution is being emitted by the transportation sector, a win for national security and the trade deficit because we don't import as much foreign oil, and a win for the auto industry, which got a predictable set of national regulations and the end to years-long litigation. This outcome was only made possible because everyone worked together and agreed on what the standards should be. Will you commit to convening the same set of stakeholders to try to reach agreement on the CAFE standards for 2022-25 and beyond?

***Response:** NHTSA will continue to engage with stakeholders as it works to develop the upcoming Notice of Proposed Rulemaking (NPRM) to set CAFE standards for MYs 2022-2025. By statute, that rulemaking must be "de novo," which means that NHTSA must start fresh and consider all relevant factors based on the best and most current information. Toward that end, NHTSA is working and will continue to work carefully with stakeholders to make sure that it is getting the best information possible.*

9. Provisions of the FAST Act allow metropolitan planning organizations (MPOs) to create congestion relief plans by working with employers and transportation management associations (TMAs). The recently passed 2017 omnibus appropriations language includes direction from the Senate Committee on Appropriations for FHWA to provide technical assistance to MPOs on ways to improve engagement with employers, TMAs and mobility providers. Can you describe how the Department plans to help MPOs engage employers and TMAs as part of the transportation planning process? What steps are the Department taking or planning to take to directly engage stakeholders such as employers and mobility providers in order to improve our nation's congestion problems?

***Response:** The FHWA is working with MPOs on their congestion relief plans by providing technical assistance and resources. Some of these efforts include:*

- *Sharing information across FHWA Division Offices on how Metropolitan Planning Organizations responsible for Transportation Management Areas (TMAs) are using the Congestion Management Process (CMP) to inform programming and project selection.*
- *Updating the CMP Guidebook to assist MPOs as they implement CMP and suggest approaches for integrating the CMP into metropolitan transportation planning processes.*
- *Highlighting case studies and notable practices of the CMP and how MPOs have structured their CMP processes; their data collection and analysis methods and tools; their integration of the CMP with the metropolitan transportation plan and other planning processes; and effective practices for documentation and visualization of congestion information.*

- Updating planning courses to provide current information on public involvement and coordination practices to help MPOs and States coordinate with the public, transportation management agencies, and employers.
- Implementing final performance management rules required by MAP-21 and using performance goals and targets to address regional congestion.
- Emphasizing how intermodal facilities can support intercity transportation, including intercity bus facilities and commuter van pool providers, through the statewide and metropolitan multimodal transportation planning processes.
- Sharing resources such as Integrating Demand Management into the Transportation Planning Process to serve as a reference and integrate demand management into the transportation planning process. This resource discusses how demand management relates to key policy objectives that are often included in transportation plans, such as congestion and air quality.
- Supporting a Commuter Choice Decision Support System designed to help employers explore commuter choice options.
- Producing resources on transportation demand management approaches.

10. The Administration's budget proposal suggests rewarding "self-help" localities that bring their own financial resources to match federal funding. However, many counties around the country are limited by state law in their ability to "self-help" through local tax measures. Does this Administration support change at the State level for expanded local authority to encourage self-help as a source of transportation revenue?

Response: The Administration believes that state, local, and tribal governments are better equipped than the federal government to understand the right level of investment needed in their communities, including how best to finance those investments.

11. The Administration's proposal to cut or eliminate both the Capital Investment Grants program and the TIGER program targets two programs with the some of the strongest requirements for departmental analysis of project quality, benefit cost analysis, risk and readiness assessment, and overall project competitiveness. What is the Department's position on the value of benefit cost analyses and other technical assessments of project quality?

Response: Benefit-cost analysis is a valuable tool for project evaluation because it assesses how a project's expected outcomes match up with the project's intended goals. Ensuring that the taxpayers' dollars are spent wisely and on high impact projects is a top priority for the Department, and the Department greatly relies on the results of benefit-cost analysis and similar technical evaluations to inform project selection through many of its discretionary grant programs, including the Nationally Significant Freight and Highway Projects program.

Senator Duckworth:

12. At a May 16th hearing of the EPW Committee regarding "Leveraging Federal Funding; Innovative Solutions for Infrastructure," we heard testimony from Virginia's

Transportation Secretary, Aubrey Layne, who highlighted the challenges that his state faced in assessing the complexities of high value infrastructure projects with private entities.

Private entities that invest in P3s have a fiduciary duty to their shareholders. As public servants, we have a responsibility to taxpayers. I'm concerned about the ability of States and municipalities to assess the value of P3 projects for local taxpayers to ensure they get the best deal possible.

Will you commit to working with me to ensure policies are put in place that ensure local decision-makers have the tools they need to ensure their taxpayers are protected in P3 infrastructure deals?

***Response:** Yes, we will work with you to ensure that local decision makers have the tools they need to ensure that taxpayers are protected in P3 deals. The Department's Build America Bureau develops and promotes best practices in innovative finance and P3s and has developed a variety of technical assistance tools that local decision makers may find helpful.*

13. It is no longer uncommon to see electric vehicles on Illinois roadways and U.S. highways. This is helping innovative technologies make their way into the marketplace and it benefits the environment – a win-win. Currently, federal regulations only allow vending machines at interstate rest areas. Many State DOT's, including the Illinois Department of Transportation, interpret these regulations as prohibiting the installation of electric charging stations at rest areas.

What is USDOT doing to encourage the development and use of electric vehicles and will you commit to working with me to advance policies that support a more robust national network of electric vehicle charging stations?

***Response:** We are working with our State partners to address the practical issues that are arising as electric vehicles are being used more widely and for longer distances. In accordance with the FAST requirements in Section 1413, the Federal Highway Administration released a report that designates national electric vehicle (EV) charging, hydrogen, propane, and natural gas fueling corridors along the National Highway System. This includes designations for the state of Illinois. That report is available here: https://www.fhwa.dot.gov/environment/alternative_fuel_corridors/resources/section_1413_report/fhwahep170.pdf*

Senator Harris:

14. Question about Los Angeles Metropolitan Transportation Authority Purple Line

The recently released Annual Report on Funding Recommendations identifies and rates 13 projects in the New Starts pipeline, including Section 3 of the Westside Purple Line Extension in Los Angeles. Sections 1 and 2 of this project have separate Full Funding Grant

Agreements (FFGAs) and are currently in design and/or under construction. A third FFGA for Section 3 is required to complete this project that will provide badly needed transit service between downtown Los Angeles and the Veterans Affairs West Los Angeles Healthcare Center.

However, it was troubling that the President's budget request only sought funding for projects that currently have FFGAs in place. This request level is far below both the FAST Act authorization and the FY17 appropriated levels.

How will the Department complete work on the Purple Line and others that are currently in the Capital Investment Grant (CIG) process, and what assurances can you provide that any funding appropriated to this account in excess of the President's request will be obligated for the projects in the CIG approval process consistent with Congressional intent?

Response: As required by the FAST Act, the FY18 Annual Report on Funding Recommendations for the Capital Investment Grant (CIG) program contains ratings for all of the projects currently in the CIG program that requested such ratings, including the Westside Purple Line Section 3 project. However, the Annual Report did limit funding recommendations to projects with existing full funding grant agreements and specified that future investments in new transit projects would be funded by the localities that use and benefit from these localized projects.

The Department is continuing to implement the CIG program in accordance with program provisions as authorized in statute, including advancing projects through the various phases of the program. In April 2017, the Los Angeles County Metropolitan Transportation Authority submitted a request for the Westside Section 3 project to enter the Engineering phase of the CIG program, which is currently under review.

Lastly, the President and his infrastructure team are currently reviewing the country's pressing infrastructure needs. In the coming months, the infrastructure team will develop a comprehensive proposal that will accelerate project delivery, spur private sector innovation and investment, and ensure that the Government effectively invests Federal infrastructure funding.

15. Question about California priority projects and the President

In January, President Trump issued Executive Order 13,766 to speed up the review of high priority infrastructure projects. I support the goal of moving projects quickly consistent with applicable federal law. The Executive Order stated that the White House would decide within 30 days whether a project qualifies as "high priority." On February 24, California Governor Brown wrote to the President to identify ten projects that California considers high priority. Nine of them are transportation projects.

More than 120 days have passed – four times what the Executive Order promised – and the State has not received an answer. Have you had any conversations with the White House about these projects? When will the Governor receive a response?

***Response:** The President's Executive Order on "Expediting Environmental Reviews and Approvals for High Priority Infrastructure Projects," together with other Administration efforts, will help deliver critical infrastructure projects in a more efficient and effective manner. The Executive Order identified the Chairman of the White House Council on Environmental Quality (CEQ) as responsible for deciding whether an infrastructure project qualifies as a "high priority" infrastructure project. As CEQ explained in its April 21, 2017 response letter, CEQ is working with other Federal agencies, including the Federal Permitting Improvement Steering Council, and Administration officials to align various permitting improvement and infrastructure initiatives. Information on the identification of high priority infrastructure projects will be made available as this interagency process moves forward. We look forward to working with CEQ, and others federal agencies, to implement the Executive Order and carry out other permitting reforms to improve the delivery of all infrastructure projects.*

16. Question about Workforce Development

Workforce development in the transportation sector is extremely important both to ensure the safe and efficient operation of our transportation and transit systems and to make sure that Americans can fill these good, high-paying jobs. For example, Los Angeles County Metropolitan Transportation Authority, one of the nation's largest transit agencies, estimates that around 40% of its employees will be eligible to retire within the next few years. The GROW AMERICA Act, which was signed into law in December 2015, included \$369 million in workforce development over the six years to support and enhance the size, diversity, and skills of our nation's transportation workforce. What are you doing within the Department to help make sure that people are properly trained to fill important jobs in the transportation sector?

***Response:** DOT currently has several programs to support workforce development in the Federal Transit Administration, Federal Highway Administration, and Federal Motor Carrier Safety Administration. We are continuing to work to improve our coordination within DOT.*

The transportation industry is experiencing unforeseen pipeline gap across all career paths, professional, skilled and unskilled. This issue is national and not one that DOT can address alone. Therefore, in partnership with the Department of Labor, DOT has launched the highway construction workforce sector-based pilot project to bring together key stakeholders in the public workforce system, including the public and private sectors, to effectively address staffing and training needs in highway construction. This industry-led approach to identify, train, and place individuals in high demand highway construction occupations, or to upskill and retain the current workforce, is being led by the State and local workforce development boards in partnership with the Department of Labor's Employment and Training Administration and DOT's Federal Highway Administration.

Combining growth and separations, transportation industry employers will need to hire approximately 4.6 million workers by 2022, of which 2 million of the 4.6 workers are truck drivers. In 2014, 53 percent of the transportation workforce was 45 years or older. Transit (at 35 percent) and Railroad (at 29 percent) currently have the highest percentages of workers over the age of 55.

In addition to providing funding for organizations to address their specific workforce needs, DOT continues to partner with Department of Labor and Department of Education to gather, analyze and interpret data to better understand the transportation workforce needs. We will continue to coordinate and collaborate with all of our stakeholders to address this very important issue.

17. Question about Freight Bottlenecks and Santa Barbara

I also want to ask you a question about freight bottlenecks. For example, the project to widen Highway 101 in Santa Barbara County will combat congestion locally and also, as one of two main north-south arteries in our state, have significant benefits to California and the nation. It is critical to the nation's movement of goods and agriculture and provides access to Vandenberg Air Force Base. Santa Barbara plans to apply for a TIGER Grant and a FASTLANE Grant this year. Do you agree that programs like TIGER and FASTLANE provide federal resources that are valuable investments to projects like the 101 widening that would solve our nation's freight-movement bottlenecks?

***Response:** As authorized by the FAST Act, the Nationally Significant Freight and Highway Project (NSFHP) Program is specifically designed to address projects on the National Highway System that can help alleviate freight bottlenecks such as those that are experienced on Highway 101. The TIGER program that was funded in the FY 17 Omnibus bill provides broader eligibility and serves as another mechanism to fund important road projects in our nation. For both programs, the Department seeks the most competitive applications. The Department believes a merit-based approach that holds project sponsors accountable for delivering results, leverages non-federal sources of funding to expand the number of infrastructure projects that DOT can support, and implements new and innovative approaches will allow us to address our nation's infrastructure needs at the lowest cost and in the shortest time possible.*

18. Question about Riverside & Orange counties and Timely Department Reviews

I also want to ask about Transportation Infrastructure Finance and Innovation Act (TIFIA) loans. Within California, multiple agencies are seeking to use the financing provided under TIFIA to provide low-interest loans that allow local agencies to implement projects in an efficient manner, while limiting taxpayer expense. For instance, Orange County is seeking a \$627 million loan for its Interstate 405 project, an expansion project in one of the nation's most heavily congested corridor. Similarly, Riverside County is considering a project to add express lanes to Interstate 15, and the County is hoping to apply for a TIFIA loan. These types of projects are consistent with the President's call for increased investment in public

infrastructure. These projects also do not increase the federal deficit. What is currently being done to ensure that TIFIA financing agreements are being reviewed in a timely manner?

Response: *A low-interest, long-term TIFIA loan is an important tool for state and local governments seeking to modernize their infrastructure. The Department has been working to make the evaluation and approval of TIFIA loan applications more efficient and timely, while also continuing to protect the interest of taxpayers. With the establishment of the Build America Bureau, in accordance with the FAST Act, there has been a focused effort to identify inefficiencies in the TIFIA process and to reduce the time required for certain steps. For instance, the Bureau now includes an Outreach and Project Development team, which is responsible for working with potential TIFIA borrowers during pre-credit phases to ensure that key issues are resolved as early as possible and to avoid any potential delays during final approval steps. Final approvals of TIFIA loans also now require fewer meetings of the Council on Credit and Finance than previously required. The Bureau has also developed and piloted a streamlined application process for certain projects that meet higher credit standards. With all of these changes, it is still important to ensure that the TIFIA loan evaluation process continues to accurately determine the creditworthiness of projects, along with effective identification and mitigation of key projects risks. The Bureau has recently closed two projects that completed the full creditworthiness and application processes in approximately 6-8 months, which is a significant improvement over the typical timeline of more than a year. The Bureau's streamlined loan review and credit processes will continue to result in more timely financings for the future.*

Senator BARRASSO. Thank you very much, Madam Secretary. I appreciate your testimony. As we know, the Administration has committed to a comprehensive infrastructure bill. As you mentioned, and as did I, the highways, roads, and bridges need to be a central component of any infrastructure bill.

Could you talk a little bit more about the Administration's view on ensuring that a major portion of the funding in any infrastructure package is used to do things to maintain and upgrade the nation's highways, roads, bridges, and the fundamentals that we are focused on here?

Ms. CHAO. As mentioned, the President's top priority—one of the President's top priorities is obviously restoring, rebuilding, refurbishing, repairing the infrastructure of our country. This is a huge task, which involves the entire executive branch.

There has been an interagency work force that has been established. There are 16 different agencies and departments that are part of this task force to ensure that we are looking at the infrastructure proposal from a holistic point of view and including also all the stakeholders involved.

So this infrastructure task force includes, for example, the Treasury Department, Commerce, OMB, Transportation, of course, Agriculture, Interior, Department of Defense, Department of Labor, FCC, Veterans Affairs. So the proposal will include not only transportation infrastructure, which includes, of course, airports, roads, rail, highways, ports, inland waterways, but also energy, water, possibly broadband, veterans' hospitals. So it would be a very comprehensive approach.

To that end, there is also a great deal of attention given to two parts of this effort: the front end part of permitting and then the latter part about pay force. So this has been a very significant undertaking by the whole, entire executive branch.

Senator BARRASSO. In terms of using resources in a better way and a smarter way, one of the things I talked about in my opening statement were some of these one size fits all approaches. When I see some of the proposals on measuring and combating traffic congestion, in New York, New Jersey, California, they may make perfect sense. But in Wyoming, they don't, in terms of the amount of money we would have to spend to do the kinds of things, to monitor things. The road between Casper, Wyoming, where I live, and Cody, Wyoming, 214 miles, there is one traffic light, kind of half-way in between, in Thermopolis. Pretty much, people don't ever worry about the amount of traffic. The reason they put the traffic light there was not that felt they needed it many years ago, but they were just concerned that when students went there to the University of Wyoming, Laramie, they wouldn't know how to work a traffic light when they were driving until they got to the university. So they put a traffic light up.

So are there ways we can look together to look for some common sense regulations in terms of rural America?

Ms. CHAO. Absolutely. You mentioned your concern earlier in your testimony; we take note of that. As you know, I come from a rural State myself. So as we go forward, the Administration wants to be very, very emphatic that it will understand the concerns of rural America.

Senator BARRASSO. Could you please provide us with a bit of an update of the Administration's timeline for the infrastructure package?

Ms. CHAO. The Administration's timeline was in part based on the congressional timeline. And it was anticipated that third quarter of this year would probably be a time that both House and Senate would be able to pick up this proposal.

In the interim, obviously the President is very impatient, and he has asked the principles be released around the latter part of May. So the principles for the infrastructure project should be coming out shortly.

Senator BARRASSO. I want to talk also about the way that funds are distributed in current formula programs. It seems to be working, people agree. Is that your thought as well, that that would be the right way to go, rather than creating a whole new way to distribute the funds?

Ms. CHAO. We have certainly talked a great deal about formula funding. That certainly has been one way in which the various demands and requirements of the Members of Congress are addressed. So we are still talking about that as well.

Senator BARRASSO. And given your existing authorities, could you talk a little bit about your vision to streamline the regulatory process to accelerate the delivery of some of these projects?

Ms. CHAO. All of us care about the environment, and we care about all construction projects, and that they should be conducted in a way that is responsible.

But as we examine the permitting part of construction projects, we find that sometimes there are—many times, there are duplicative and redundant requirements which impede and slow down the approvals for a construction project. So we are looking at those redundancies, and seeing whether there are some ways, sometimes, where it would be appropriate to do things concurrently as well, and not so much sequentially. So those are a couple of examples of the things we are looking at.

Senator BARRASSO. Thank you, Madam Secretary.

Senator Carper.

Senator CARPER. Thanks so much, Mr. Chairman.

When you were good enough to visit with me, I mentioned one of my core principles, and that is that things that are worth having are worth paying for. When I was Governor of Delaware, I took the lead, we did huge investments from 1993 to 2001 in our transportation infrastructure. We also paid for them. And we did it through an increase in user fees and a variety of other ways. But we didn't just charge more stuff on the State's credit card.

I mentioned to you a couple of different things. One is user fees. The baseload for transportation funding for roads, highways, and bridges has been user fees for as long as I can remember. I think 65 percent of the funding for Federal highway programs today comes from gas tax. It is about 18 cents a gallon. We have not raised it for like 23, 24 years. About 25 percent of the moneys come from diesel tax. We have not raised that, again, for 23, 24 years.

Some of us proposed, George Voinovich, who used to serve with us on this Committee, in Bowles-Simpson, as part of an overall program to reduce deficits and grow our economy, we proposed raising

gas and diesel tax for 4 years and index it growing forward. That was made a part of Bowles-Simpson, not enacted here by the Congress.

In States across the country where the States have gone ahead, 20 States have gone ahead and raised their user fees. Amazingly, the legislators who voted to do that got re-elected. Ninety percent of Democrats got re-elected, 95 percent of the Republicans. People said, you can't vote to do this stuff and get re-elected. Well, that's not really true. You can do the right thing and actually be rewarded by your voters.

We do a lot of tolling in Delaware. If you have ever been up I-95, you probably know what I mean. We apologize for that. But when you combine tolling with the EZ Pass and similar kinds of programs, you make it kind of easy. People go through the toll highway speed and it charges up on their credit card.

Three-P, you mentioned to me when we talked earlier today about harnessing, if you are the private sector, for these public-private partnerships. The idea of tying together new construction that does tolling, that works in some places. In densely populated areas along the coast, maybe it works better than in the middle part of our country.

But the idea of tying in tolling on new construction and using that to harness and incentivize the private sector to be involved, I think is a good idea. Other people who are smarter than me think it is as well. The trucking industry, which is a big advocate of the user fee approach, doesn't like tolling on existing highways, but they're willing to support tolling on new highways.

But the idea of those who say we are going to solve this problem on the funding side just by doing 3-P—public-private partnerships—I would just remind us all, in the last 20, 30 years, there have been 30 public-private partnerships. Thirty. And some of them are pretty big. But that is out of tens of thousands of projects, 30.

And as you know, in a lot of parts of our country, it doesn't work. But in some parts of our country, Texas, and 35 States, they have never had a public-private partnership. Thirty-five States. Texas, I think they just basically voted to take it off the plate, off the table. So it is not a panacea, but it is part of what can be done.

Oregon has its road user charge thing that they have been doing for 10 years. Ten thousand vehicles are covered. I think we have to move quickly toward VMT, vehicle miles traveled. And by combining road user charge, as they are doing out in Oregon, with EZ Pass, highway speed EZ pass, and as I call it, could RUC and roll.

If we can develop vehicles, cars, trucks, and vans that can drive from the Atlantic Ocean to the Pacific Ocean without a driver, we ought to be able to come up with a way to do vehicle miles traveled in a way that is respectful of privacy.

Those are just some of the ideas. I am happy to go out on a limb and say, we need an all of the above approach. There is no silver bullet, a lot of silver BBs. Some of them that I just mentioned are bigger than others.

Talk to us about funding these projects, please.

Ms. CHAO. Senator, you are exactly right.

These projects, as valuable as they are, as important as they are to our country, yes, they have to be paid for. But the question is whether or who pays for it. So that is the difficult part.

In the past, there has been government funding. And in this particular environment, 100 percent government funding is probably not realistic, given the tremendous amount of resources that we need to devote.

Therefore, as you mentioned, as cars become more fuel efficient, the gas tax per vehicle mile has been decreasing. And the integrity of the Highway Trust Fund is very important, and distributions have now exceeded inflows.

So the good news is, nothing is off the table. We are looking at all of these things. Public-private partnerships are one way in which financing of needed infrastructure projects can occur. We are also hoping to have, through that vehicle, through that channel, more innovative, creative ways of financing. But nothing is off the table.

Senator CARPER. Thank you.

Colleagues, our President put on the table a week or two ago the idea of user fees, raising user fees, something Senator Inhofe and I have been big proponents of for a long time. I immediately put out a press release supporting what he was doing. Then it was taken off the table.

We need presidential leadership. As Governor, I tried to lead on these things. When Jim was mayor, he tried to lead on issues like that. We have other recovering Governors here at the table, as you know. We need presidential leadership. If the President will lead on this, making some tough choices, and not pull them off the table, we can get something done.

Thank you so much.

Senator BARRASSO. Thank you, Senator Carper.

Senator Inhofe.

Senator INHOFE. And let me remind Senator Carper, I can remember when I first was involved, I was in the House at that time, it was back in 1987, my first year here. At that time, Madam Secretary, the biggest problem we had with the Highway Trust Fund was that we had too much surplus in it. Of course, those days are long gone.

At that time, I had said we had better prepare now and put in an escalation clause, so you have it indexed in some ways. This is something that very likely is going to be looked at.

At the end of the Obama administration, Madam Secretary, the United States Department of Transportation solicited applications for FastLane grants. I know there are two of those that are established in the FAST Act. And I know that we have a couple of them in my State of Oklahoma.

People are always calling me up and asking me the question that I am about to ask you, and that is, do you have an update that you can provide us as to when we can expect some type of announcement concerning those grants?

Ms. CHAO. The Administration came in, as you well know, less than 3 months ago. So we are in the process of evaluating those. Some, I hope pretty soon that we will be releasing a tranche. Then we will be taking a look at the others. We are very much aware

of the needs of rural America. So we are reviewing all this with an eye toward, in particular, the needs of rural America.

Senator INHOFE. Thank you. I think the Administration has made it very clear, and you have made it very clear that we are looking at the streamlining that was put together in both the '21 bill and the FAST Act. That was a timeframe, during that timeframe I chaired the Committee, and Senator Boxer was the Ranking Member. We worked together on these streamlining things. There were a lot of time when she would put her foot down, but we always ended up realizing that you have to compromise when you are putting one of these things together.

I say that because one of the concerns I have is that some of the previous streamlining that we have achieved might not have been implemented to the truest intent of Congress. For example, we provided a categorical exclusion for projects in the existing operation of right of way. However, the implementation of this provision still requires paperwork from our State DOTs and approval, Federal Highways, that a project can receive a categorical exclusion.

Is the Department reviewing guidance issued by the previous Administration to ensure that our streamlining efforts are being implemented to their fullest? Everyone out there who is a contractor, is working and participating in what we are going to be doing, you and us in concert. They are interested in streamlining, because you can get so many more miles out of it. And that was an agreement from the Democrats and the Republicans.

Ms. CHAO. What you just mentioned is very important in terms of helping the permitting process along. That is a categorical exemption. This effort has been—has started. We are taking a renewed look at it and making sure that indeed, we are implementing it in the speed and in the way that the Act requires.

Senator INHOFE. That is music to my ears and to the ears of a lot of other people who have already started participating. Even though projects right now are not ongoing from the FAST Act itself, they know what our intent was, and our intent was clearly to get as many miles out of that as possible.

Yesterday I chaired the Transportation and Infrastructure Subcommittee, and we looked at innovative solutions for public sector funding and private sector financing of infrastructure projects. We had State and local witnesses talking about the different initiatives that they are taking to prioritize infrastructure, including working with the private sector.

But there was an overall agreement that the Federal Government must remain the lead in our infrastructure investment. Is that the view of the Administration as well?

Ms. CHAO. We are certainly very concerned about this. We are taking the leadership on it.

Senator INHOFE. Most of us out there are very, very excited about the prospects. I have had a lot of my good Democrat friends who have a different philosophy than I have on most other issues saying, this really is what we are supposed to be doing. I have often said, there is an old, worn out document nobody reads anymore; it is called the Constitution. We are supposed to be doing two things here: defending America, and they called them post roads

back there, but they are talking about infrastructure. So we are all looking forward to working with you in a very effective way.

Ms. CHAO. Thank you.

Senator BARRASSO. Thank you, Senator Inhofe.

Senator Booker.

Senator BOOKER. Thank you, Mr. Chairman.

Thank you, Secretary Chao, for coming before us.

I want to bring particular attention to my gratitude for the letter that Senator Schumer, Senator Menendez, Senator Gillibrand, and myself sent you regarding the Gateway Project and the real crisis we have. Your letter, which I have here, was just really gracious. You put forward an intended hope that either before the major infrastructure announcement by the Administration or after, you would be willing to come up and visit. That is actually really, really assuring.

It was also nice to hear that you, yourself, travel on Amtrak through the Gateway area as well.

Ms. CHAO. I have been delayed as well.

Senator BOOKER. Yes. Well, that is really the crisis we have right now. As you probably heard, we now have delays that are stranding literally hundreds of thousands of Americans. It has become, in one of Planet Earth's most economically productive regions, literally the busiest river crossing in all of North America. We now have a system of rail that connects between Boston and Washington, DC, that has hit a critical chokepoint.

It is so bad now that it is costing our region millions and millions of dollars in productivity every week in what is happening now. And the outrage of people, I literally have people from the State of New Jersey talking about moving back into New York, just 12 miles away, because of the unreliability of service. People calling my office, writing my office about lost time with family, not able to take the children to school. It is really a crisis throughout the area. Probably the biggest calls that Senator Menendez and I get into our offices, one of the biggest reasons is just this failing infrastructure that we have right now.

It is outrageous, and this is really what our President's remarks have said as well, that in the 1960s you could move along the same rail half an hour quicker between Boston and DC, because that is how much more efficient this rail line was back then.

So with commuters facing delays that are unconscionable, with crews desperately trying to fix this without causing even more delays, we have what I consider—we are teetering on the edge of a traffic Armageddon in the northeast region. If we don't begin work on these new tunnels soon, what that is going to mean is that we are going to have to take one of these over 100-year-old tunnels, and that is a tour I hope to take with you, where I actually went into the tunnels in a glass car, and was astonished. You could see the physical damage done by Hurricane Sandy still.

If we have to pull one of those tunnels out of service, that will literally cause a traffic Armageddon in the region, in one of America's—I think it is like the jugular vein of all the arteries we have in America, the most economically productive region. That would cause a nightmare like we couldn't believe. That is the level of urgency that we have before us.

So I guess the first sort of question I have is, given sort of what the failure of one of these tunnels would mean, I am sure, again, I hate to do this to you when you have only been in office about 3 months, but are you taking this, at least what the last Administration called the greatest transportation crisis in the country, are you looking at this and figuring out what a strategy to prevent the crippling, really, of that region, should one of those tunnels have to go down?

Ms. CHAO. Absolutely. Senator, as you may know, actually, I grew up in New York. So I know that area very, very well. The President is a New Yorker; he understands the issue there very well.

We have kept a very close eye on this, and FTA's safety inspectors have been down at Gateway, in that whole tunnel area. We just recently sent someone there again to make sure that our oversight of safety responsibilities is totally focused on the tunnel there. That is not to say that it is unsafe.

Let me also bring to your attention, I want to work with you on this, the governing structure. Because the governing structure is quite complicated, as you well know. The Department of Transportation has one seat in a quasi-governmental, local-State-Federal governing structure, in which the Governors of both States, New York and New Jersey, are involved.

So the governing structure is something that is one that dictates all the parties involved need to work on this. So I would like to work with you on that. Please be assured that Gateway is an absolute priority in terms of our focus. We understand what is happening there. I have been a passenger myself, as mentioned, I have been delayed. I know the New York area very well; the President is a New Yorker. So this is a priority, and I look forward to working with you on it.

Senator BOOKER. I appreciate it. My time is expired. I look forward to talking with you about the governing structure. The two Federal positions are, as you said, the Department as well as Amtrak. Amtrak is such a critical agent as well; I hope we can have conversations about Amtrak funding.

You know that the Amtrak rail between Boston and Washington, DC, more people travel on rail than they do on plane. That is another area where there is continuing degradation of services. So we have a lot to talk about. I am grateful for your focus. I know you are a New Yorker, I just want to remind you—

Ms. CHAO. A Kentuckian.

Senator BOOKER. A Kentuckian. Excuse me.

[Laughter.]

Senator BOOKER. I know you have New York roots. I just want to remind you that most of the New York professional sports teams play in New Jersey. So thank you very much.

Ms. CHAO. Just as a last point, I have also met several times with the Amtrak board and also with the President on this particular issue.

Senator BOOKER. Thank you, Mr. Chairman.

Senator BARRASSO. Thank you, Senator Booker.

Senator FISCHER.

Senator FISCHER. Thank you, Mr. Chairman.

Secretary Chao, thank you for testifying today and discussing the importance of infrastructure to our economy. I also appreciate your highlighting some of the proposals the Department of Transportation is reviewing to include in this infrastructure package. I look forward to working with the Administration in order to enhance our mutual priorities for the benefit of all American families.

As you know, our national infrastructure is in a critical condition. The most recent report card from the American Society of Civil Engineers rated the United States infrastructure as a D+. This is unacceptable.

Members of Congress must work together on a common sense solution to keep our country moving. The FAST Act was an important first step to address our infrastructure needs. It was the first long-term highway bill in more than a decade. However, as you know, the work is not done.

That is why I happen to have introduced a bill that is going to look at solving two of the major challenges facing our transportation system. The first is that near-term solvency of the Highway Trust Fund. The second is the lack of flexibility for States in starting and finishing major transportation infrastructure projects.

As we know, any infrastructure package must recognize that States know their own transportation needs best, not the Federal Government. Programs like the National Freight Program work for all States without leaving any behind. The National Freight Policy has also robust bipartisan support. Expanding this freight program should be an idea that is on the table when we discuss infrastructure.

I would stress that as we think about the infrastructure package, we should avoid falling into the trap of a stimulus style spending. Infrastructure is an investment in the future of this country. That is how we need to think about it; that is how we need to plan for it.

Finally, any infrastructure package must address how unintended regulatory consequences can impact our freight network, whether it is a delay to a critical highway project or a new requirement that alters the supply chain, burdensome regulations can hinder progress.

So I would ask you, Madam Secretary, will you commit to working closely with my colleagues and I on priorities like these as the Administration and Congress continue developing a national infrastructure policy?

Ms. CHAO. Yes, of course.

Senator FISCHER. Thank you. And as we have already discussed, States are currently facing real challenges regarding infrastructure project completion due to those excessive procedural costs and delays in the permitting process. Earlier you called that the front end part.

In response to the permitting delays, the Nebraska Unicameral unanimously passed legislation to allow the Nebraska Department of Roads to pursue assumption of the NEPA permitting process. The Nebraska Department of Roads has sent a letter to the Federal Highway Administration to begin the implementation of this program. I understand it could take up to 18 months.

So Madam Secretary, do you have any updates on that program that you could share with me at this time?

Ms. CHAO. I think Nebraska has done very well, and your leadership on this issue is very much appreciated. The Governor acted in March, your legislature acted very quickly thereafter, and in the State Department of Transportation. So it was the Governor, the State Department of Transportation. The State Department of Transportation issued the letter on May 7th.

So we know this issue, we are tracking it. We understand it is a concern of yours, and we are going to pay attention.

Senator FISCHER. OK, thank you very much.

Also, the FAST Act requires the Department of Transportation to develop a National Freight Strategic Plan to assess that national freight network and help to plan for the future growth in that movement of freight. States are required to develop their own freight plans, and that is happening within Nebraska, with our Department of Roads. They are devoting significant time and resources to ensuring that we do have a comprehensive plan in the State of Nebraska.

Can you elaborate on the importance of ensuring that we do have a thorough strategy to address the growing movement of freight across our country?

Ms. CHAO. Freight is a very important part of our overall commerce. It helps to keep our economy vibrant and our work force prosperous. So we want to do everything we can to facilitate commerce so that it brings greater vitality and prosperity to our country.

Of course there are other—sometimes concerns expressed by other groups. So we want to work with all these groups. But there is no understating the importance of freight to the economic vitality of our country and the part the transportation infrastructure plays into that.

Senator FISCHER. Thank you. On the Commerce Committee, Senator Booker is Ranking Member, and I chair the Surface Transportation and the Merchant Marine Safety and Security Subcommittee. We look at the connection between the different modes of transportation, whether it is the roads, ports, rail, trucking. So I look forward to working with you on these issues as we look at how we are going to make sure that intermodal connection is also put together.

Thank you.

Ms. CHAO. Thank you.

Senator BARRASSO. Thank you, Senator Fischer.

Senator Merkley.

Senator MERKLEY. Thank you, Mr. Chairman.

And welcome, Madam Secretary.

One of the questions that keeps arising is when the Administration is going to present an infrastructure plan. The President talked about possibly accelerating it. There was another discussion of it moving further back in the year.

Do you have a sense now of when we will have a detailed proposal from the Administration?

Ms. CHAO. Actually, the two timelines are actually in sync and coordinated. The President would like the principles to come out in

May, and then the legislative package will come out sometime later in the year, probably the third quarter.

Senator MERKLEY. One of the things the President—so principles in May and details third quarter. OK, thank you. One of the things the President had said in some interview was that he recognized that the public-private partnerships didn't work in a lot of situations, and sometimes were more expensive. Certainly, we have found in the west that often toll roads end up taking a lot more money out of people's pockets than does public financing.

Are you looking at the details of really how to get the most bang for the buck in terms of dollars spent? And I don't mean just total dollars, but I mean the total investment by citizens. Because if you have to pay for a road three times over, over 30 years of tolling, to get a 15 percent or 20 percent return for a middleman, that is much more expensive than if we just financed it directly.

Are you taking a look at how to get the most cost effective projects done?

Ms. CHAO. One of the reasons why the proposal is taking some time as well is that we in the executive branch, in all of our departments and at the White House are engaged in consulting with Members of Congress, with other stakeholders outside our Government, to ensure that mistakes of the past are not repeated. There are some very smart people at the White House who are former investment bankers who understand a great deal about financing. They have been giving their own expertise, but also listening to other people as well.

So on your point about getting the most bang for the dollar, that would certainly be a reasonable and a logical thing to do. We hope that we are doing that adequately, yes.

Senator MERKLEY. I would really encourage that. Because sometimes when I listen to the conversation it sounds like how to minimize the public dollars, talking about leverage and so forth. But sometimes that involves tolling that takes a tremendous amount more of our working Americans' pockets than if we just finance something directly. The President's comments seemed to reflect that recently. I was heartened by that, but I wanted to make sure that that is really getting the attention it needs.

Ms. CHAO. We are very open minded, as I mentioned. It is a large, consultative process underway with Members of Congress as well. So it will be in collaboration with the Congress.

Senator MERKLEY. As I go from community to community, and I hold a town hall in every county in Oregon every year, and beforehand I meet with the county and local officials. The most common commentary on infrastructure isn't actually roads and bridges. It is water, clean water supply and waste water treatment. That is because you have changing Federal standards, you have old infrastructure wearing out, and you have new demands, for either a growing commercial sector or a growing residential sector.

Will water projects be a big piece of an infrastructure package?

Ms. CHAO. The short answer is yes.

Senator MERKLEY. Great. I love to hear it.

Are you familiar with the WIFIA program, Water Infrastructure Finance Innovation Act strategy? You mentioned TIFIA; it is basically the parallel on the water side.

Ms. CHAO. Yes.

Senator MERKLEY. Might that be piece of how we tackle that?

Ms. CHAO. You have made an excellent suggestion. That is not within my lane. But that is why we have 16 different Cabinet secretaries and agency heads around the interagency task force, to address issues like where there are infrastructure funding programs in different departments, how do we work together. Water is certainly a major topic within the infrastructure proposal.

Senator MERKLEY. Great. I want to turn to Buy America. The President has said we will have two simple rules on the massive rebuilding effort: Buy America and Hire American. Are you supportive of those principles?

Ms. CHAO. It is the President's agenda, yes.

Senator MERKLEY. Thank you. I am pleased to hear that.

I think for those of us who have seen the dumping of foreign steel in our market and the impact it has had on domestic production and the importance of steel in our national security, certainly there is a lot of support for making sure we keep that principle. We are cheering the President on on that topic.

I wanted to turn to the issue of the CAFE standards and the conversation about loosening those. I see my time is up, so you are spared this question. So perhaps I will follow up on it later. My concern is, and I will just state it this way, is that if we don't stay on the cutting edge of innovation, it makes it much harder for our products to be sold around the world, and to keep the innovation here in America. The rest of the world is pushing hard forward on this issue of more efficient strategies for transportation, and I hope we will, too.

Ms. CHAO. Thank you.

Senator BARRASSO. Thank you, Senator Merkley.

Senator Rounds.

Senator ROUNDS. Thank you, Mr. Chairman.

Good morning, Secretary Chao.

As a Kentuckian, I suspect that you recognize the need to balance both the urban and rural States' needs when it comes to infrastructure repair, development, and so forth.

I am concerned by the President's proposed, as we call it, the skinny budget, which provided no funding for TIGER grants for fiscal year 2018. However, many States, including South Dakota, have benefited from TIGER grant programs. We have received funds for innovative transportation projects. Just an example would be, in 2016, the Rosebud Sioux Tribe, which is in a very rural area, received a \$14 million TIGER grant for a highway project. It was an improvement project, and in 2015, we received a \$6 million grant for a freight capacity expansion project.

These projects are difficult to fund through other Federal funding sources. But they really are important to job creation, particularly in rural areas. They are also important for transportation safety and efficiency and the economic growth of rural States.

I am just concerned, can you share with us a little bit about what you see as the future of the TIGER grant program and the benefits that the program has to infrastructure projects and what your thoughts are in general about the lack of funding for TIGER grants?

Ms. CHAO. I know how popular TIGER grants are with Members of Congress. This is the first budget done by a new Administration. And the OMB Director, Mick Mulvaney, had not been on board yet. So this particular issue about the TIGER grants is something that we are discussing. The thought was that going forward there would be a more holistic approach to infrastructure, and perhaps these TIGER grants would be recast in some way in the future. So we are still talking about it.

Senator ROUNDS. I am glad to hear that. A lot of these TIGER grants, they are small in nature compared to a lot of the costs involved in some of the more urban areas where there is significantly greater cost for any project to be completed. In this particular case, these TIGER grants really are very well appreciated. They are highly competitive. So only the best projects are really funded with these TIGER grants themselves.

But I am glad to hear that it is a work in progress. Rest assured we would love to provide additional input and advice as you come to making the decisions in this particular case. It is a very good series of projects, and we have seen some real benefits within our rural States.

That is all that I have.

Senator CARPER. Would the Senator from South Dakota yield for just 10 seconds, please?

Just to follow up on your point, it is a really good point. One of the advantages of TIGER grants, as you know, is it helps leverage other moneys. One of the principles of the Administration, if we want to leverage private sector moneys and those kinds of investment moneys from other sources, that is one of the beauties of TIGER grants.

Senator ROUNDS. Absolutely. Not only does it impact some very rural areas that are able to obtain some Federal dollars in this process, but in all of these cases you are finding that there is a partnership provided. Because in a lot of cases, it is an economic development plan in an area where you can either get additional commodities to market or in some cases, you are improving highways that we simply didn't have the resources to improve in some very rural areas. Particularly for our Native America populations in rural areas, some of the poorest counties in the entire United States, this is one project that really did impact those areas and provided the resources to actually improve some very dangerous roads.

With that, Mr. Chairman, I will yield back.

Senator BARRASSO. Thank you very much, Senator.

Senator Duckworth.

Senator DUCKWORTH. I want to thank the Chair and Ranking Member for convening today's hearing. I definitely want to thank Secretary Chao for participating in this very important conversation.

Thanks to the determined bipartisan leadership of this Committee, Congress passed the FAST Act in 2015. Several provisions of the law are still making their way through your agency. I look forward to working with Chairman Barrasso and Ranking Member Carper, Senators Inhofe, Cardin, and others to ensure that the law is fully implemented.

More than anything else, States and municipalities count on multi-year authorization to provide communities with the certainty needed to plan effectively and implement critical infrastructure projects. Secretary Chao, do you agree that the FAST Act has been effective in providing local decisionmakers with funding certainty for planning purposes?

Ms. CHAO. Senator, I think if you are referring to what I think you are referring to, you and I have talked about the regional planning districts. Sometimes they work, and sometimes they don't work so well in others. Senator Durbin has also weighed in with you as well. So we are looking at the whole planning part of that, and we are actually making progress in changing it to the way that I think you will like.

Senator DUCKWORTH. Thank you. I was actually referring to the FAST Act and the FastLane grant programs, to know that you have the certainty of those dollars coming in, those grant dollars coming in allows local municipalities to really plan out into the future. It is a great tool for municipalities to help figure out what they are going to do next.

Ms. CHAO. Thank you.

Senator DUCKWORTH. Under the bipartisan framework of the FAST Act, the FastLane grant program was created to advance projects of regional and national significance. At every meeting I have had with the freight rail industry, I am asked about the 75th Street Corridor improvement project as a component project of the CREATE program, a unique public-private partnership.

All seven Class I railroads agree that the 75th Street project will improve regional freight shipping and benefit the entire freight network. Stakeholders are confident in the project's national significance. State and local funds combined with significant rail company dollars are waiting patiently for FastLane funding to advance this critical project.

I just want to say that it takes 48 hours to get freight from California to Chicago, and then it takes an additional 30+ hours just to get from one side of Chicago to the other. That is what this project will address.

Secretary Chao, can we expect US DOT to move expeditiously in finalizing FastLane grant applications and not waste valuable time and resources re-opening the application process?

Ms. CHAO. We have just been in office for a relatively short time. I understand what you are saying, but we need to understand what these FastLane applications and grants are. We are working very hard to try to get them out as quickly as we can. We will probably do a first tranche, and then for the remainder, we are probably still going to go out with some applications de novo, to see, as we assess, on what the criteria is for reporting on these FastLane grants.

Senator DUCKWORTH. The sooner you can get them through, the better. As I said, this is holding up the commerce of the entire nation, not just the Chicago area or Illinois.

Another linchpin freight project that is ripe for Federal support through the FastLane program is the replacement of the 127-year-old Merchant's Bridge. This project is critical to the St. Louis region and represents another critical step toward improving our national freight network.

As you know, Illinois has received over \$327 million in TIGER grant funding. So I was pleased to hear the discussion we just had in committee. TIGER-funded projects in Illinois create thousands of jobs while upgrading key components of the State's infrastructure. That is why I was troubled to learn that President Trump's budget blueprint does eliminate TIGER programs.

The skinny budget also cuts investment in new transit projects, like the CTA's Red Line extension to 130th Street, ends Amtrak long haul service, and hamstring essential air service. Illinoisans are bracing for another blow to job creation efforts when the President's full fiscal year 2018 budget is released next week.

Can we expect more cuts to transportation programs? Or will the budget more closely reflect the promise the President made to invest in infrastructure?

Ms. CHAO. No. 1, I don't know what is in the budget that will be coming back. It will not be released until May 23rd. No. 2, as I mentioned, we understand, I understand how popular these TIGER grants are, and we are hoping to work in some way with the infrastructure project to find a more holistic way in which to provide the needs for the States and communities.

So the moneys that will be taken out hopefully will be put back in the infrastructure project. I will not know that until May 23rd when it is released.

Senator DUCKWORTH. We are quite anxious. People all across Illinois are; I have heard from them, and they would like to keep the dollars in the FastLane grant program.

I yield back, Mr. Chairman.

Senator BARRASSO. Thank you very much, Senator Duckworth.

Senator Ernst.

Senator ERNST. Thank you, Mr. Chair.

Thank you, Madam Secretary, for joining us today.

Because of Iowa's location in the center of the country, our interstate routes handle a lot of cross-country freight. For a lot of this freight, Iowa is not the origination, and it is not the final destination. It simply just passes through Iowa. This pass through traffic takes a major toll on our roads, and of course, drives up the maintenance costs for Iowa DOT.

Nationally, Iowa ranks 5th in the number of bridges and 12th in the miles of roadway. Yet the State ranks 30th in population and 23rd in overall land area. Central States like Iowa, which are overwhelming rural, are responsible for supporting the infrastructure that moves cross-country freight. Do you think that this point is something that Congress should take into consideration when working on future transportation bills, and if so, in what ways?

Ms. CHAO. This is an issue that we have discussed in the inter-agency work force. We do not have any conclusions on that yet, but clearly, this is a very important issue. Internally, we are discussing the very same issues that you are bringing up here.

Senator ERNST. Very good. I know a number of other Senators have mentioned, or course, the rural areas and how important it is that funding mechanisms are reflective of those situations on the ground. So thank you.

I did see some news recently that you had attended the U.S. Chamber. At that event, you mentioned projects that can't access

private sector funding, and that there will be a few special projects that will likely be identified and funded directly.

You also mentioned that this category of projects would either have the potential to significantly increase GDP growth or to lift the American spirit. Can you explain further what types of projects might these be?

Ms. CHAO. We will not specify any list of projects or anything like that. My remarks wanted to confirm and to reassure that this Administration understands the needs of rural America. As we go forward, we need to find some way to address the needs of rural America in a way with other financing mechanisms that may not work, that may work for urban areas but not for rural areas. So that is also one of the topics that we are working within the taskforce on trying to address.

Senator ERNST. Certainly. I do hope that you reach out to rural legislators, Members of Congress, and receive input from our offices as well. We would love to assist in any way that we can to help our rural areas.

And then finally, as you mentioned in your testimony, nearly 73 percent of our country's public roads are located in rural settings with populations under 5,000 people. I live on a gravel road outside of Red Oak, Iowa. Red Oak is a lot like the rest of rural America. We have about 5,700 people that live in Red Oak.

Our network of farm to market roads and bridges, they are an integral link for our food supply chain. I have heard from farmers all across the State, as I am out on my 99-county tour, about their declining state of repair. So we do have about 4,900 bridges that are considered structurally deficient.

What will you do as Secretary to ensure funding and attention are dedicated to these rural projects? Are there any specific guiding principles that you would operate under?

Ms. CHAO. That is why the President has made infrastructure repair, rebuild, and refurbishment such a priority.

Let me also point out structurally deficient does not mean the bridge is unsafe, or the road is unsafe. What structurally deficient means is that there will be more frequent inspections. If a bridge or road is unsafe, it will be shut down immediately. So I do want to make that clarification. Thank you.

Senator ERNST. Absolutely. Thank you very much.

Thank you, Mr. Chairman.

Senator BARRASSO. Thank you, Senator Ernst.

Senator Gillibrand.

Senator GILLIBRAND. Thank you, Mr. Chairman, and thank you, Madam Secretary, for being here.

On Friday, Senator Schumer and I wrote to you to raise the issue of funding for maintenance backlogs that exist for Amtrak's northeast corridor. As you may be aware, there have been significant infrastructure issues at Penn Station in Newark over the past few months. Because commuter trains use Amtrak's rails, this has impacted not just Amtrak, but the Long Island Railroad and the New Jersey transit as well.

Last month, there were two derailments, and just last week, there were service disruptions on Monday, Tuesday, and Wednesday, causing significant hardship for New Yorkers who rely on the

Long Island Railroad to travel between Long Island and New York City. These disruptions have become unbearable for many of my constituents. It boils down to the fact that we have not done a good job in maintaining our infrastructure over the past several decades.

What assistance can you and the Department of Transportation provide to Amtrak to help them to move forward quickly with the repair work at Penn Station and reduce further impacts to riders?

Ms. CHAO. We have actually met with Amtrak, with the board and also with the President on this issue. It is a very complicated real estate play, if I may, play being movements. Because Penn Station is located right below Madison Square Garden. There is Moynihan Station which is being contemplated. So it is a very complex real estate.

Nevertheless, I understand your concern. I am concerned about it. I just had a discussion back and forth with Senator Booker about Gateway and the tunnel there, the condition thereof, and how that is also delaying Amtrak.

So as we go forward, I look forward to working with you and Senator Booker on the New York as well as the New York-New Jersey issues.

Senator GILLIBRAND. Do you think that the Administration's infrastructure plan will include additional funding for passenger rail and the Gateway project?

Ms. CHAO. There will not be a specific list of projects. The infrastructure proposal is being put together with a much greater view of principles. Given the decentralized nature of our transportation infrastructure overall, there will seeding of Federal dollars that hopefully will leverage other moneys from perhaps the private sector, State and local, to the \$1 trillion. State and local I take back, but to the \$1 trillion.

What we have found is where there is Federal Government funding that that often displaces State and local funds as well. So we believe that the infrastructure concerns and needs are so great that all entities need to collaborate.

Senator GILLIBRAND. I agree. Concerning back to the trains issue, Congress has extended a deadline for railroads to implement the positive train control in the FAST Act. Implementing positive train control is essential to preventing future derailments and collisions due to operator error, which we have unfortunately experienced too many times in the northeast.

What is the current status of the Department's efforts to work with the railroads to implement positive train control requirements, and will you ensure that congressionally enacted deadlines are enforced?

Ms. CHAO. Absolutely. We just got the omnibus passed, thanks to the Congress. We now have the money, and we will be beginning to give them out.

Senator GILLIBRAND. OK. My last question is, we have another issue in New York about the transport of crude oil by rail. It is a growing concern to a lot of our communities in our State, particularly along the Hudson River and cities upstate. During your confirmation hearing, you were asked whether you would support ongoing work by the Department of Transportation and Energy on

the volatility of crude oil. At that time, you could not comment until you had been confirmed and had an opportunity to be briefed.

Have you had a chance to be briefed on this topic, and will you support continued work by the Department to address the safety risks of crude oil transport by rail in a meaningful way through regulation?

Ms. CHAO. No. 1, safety is always No. 1, it is my top priority. No. 2, I have been briefed on it, it is a complicated issue. We are not quite sure how to go forward with it yet, but definitely, since you have brought it up again, we will go back, not that we have not been paying attention, but that we will give it a renewed effort again.

Senator GILLIBRAND. Thank you.

And then just a comment from the last exchange with Senator Duckworth, and with Senator Ernst, I really appreciate this interest in rural America. We have huge issues in New York, as you know, a lot of rural areas. Not all projects are economic, so you do need Federal investment. But there are some impediments also in cities. They can't do P-3s, for example, in New York City. It is not allowed by New York State law.

So sometimes you will need Federal funding as well, even for projects in urban areas. Because they don't have the facilities to do all things that are possible.

Thank you, Madam Secretary.

Ms. CHAO. Thank you for bringing that up.

Senator BARRASSO. Thank you, Senator Gillibrand.

Senator Shelby.

Senator SHELBY. Thank you, Mr. Chairman.

Of course, everybody can tell I am the junior member of this Committee.

[Laughter.]

Senator SHELBY. I came on this Committee for one reason. I knew how important the infrastructure challenge was in this country and in this Congress.

We all have our parochial interests, State by State, whether it is Iowa, whether it is my State of Alabama, everything. We know that a lot of our infrastructure is crumbling. We know that a lot of our ports are inadequate. The question is, Madam Secretary, and you have been a Secretary of Labor before, and I appreciate your commitment to public service. I think you bring a different wrinkle to the transportation challenges as Secretary.

But we have to create a critical mass here, this year, if there is any way to do it. And it is not going to be easy. And we have to look at the macro challenge that we have.

How are we going to do it? This Committee will play a big role. Obviously, the Finance Committee will play a role. The Appropriations Committee will play a role ultimately in this.

But if we are going to grow our economy and create the jobs, and I think the President is right on this, we have to address our infrastructure inadequacies. You are in the forefront of it.

I do believe, and we have talked about all this today some, but it is complex. I am sure it is not all worked out yet. There has to be a combination of other things. But there is so much more money in the private sector, if we figure out a way to leverage it up here.

But we are going to have to get more money for the public sector. It is not going to be easy. But I think it is going to be incumbent upon us to create that critical mass. We have to do it.

I would be interested, and I am not going to ask you this today specifically, but how do we leverage the private sector? There are a lot of creative minds in this country in the finance area. How do we do this? We do it everywhere else. But if we could do it in the transportation sector, you can drive around, or you can ride a train, you can do this and see, or you can go to a port and see what good infrastructure does and what it attracts in the private sector.

We have to do this. Sixty years ago, more or less, we started the interstate highway system. God knows, that was a monumental thing. But we can't rest on that. A lot of it is crumbling, as you know. Our population is growing. I am looking at the Senator from California, the most popular State and the biggest challenge for infrastructure. But all of us, my State is 23rd, nearly 5 million people, and we have those same problems everywhere.

I am going to go back to this. We have to find out a way to do critical mass, have we not, Madam Secretary?

Ms. CHAO. I couldn't agree with you more. The President does as well. Thank you for bringing up that infrastructure creates good paying jobs as well, because that is another topic that the President constantly talks about and is very concerned with as well.

Public-private partnerships is not one way of doing things, but it is a method by which the private sector would be allowed to participate in public sector financing. As we have just heard, New York State does not allow public-private partnerships. So huge swaths of the private sector are unable to invest in a very critical part of our country by people who, one might say, are actually the most prosperous of all in one of the States to do so.

So we also need to be incentivizing and discouraging, we need to be incentivizing State and local entities to engage more the private sector, do not discriminate against the private sector in their desire to help finance, where they can, the infrastructure.

Senator SHELBY. But there is so much capital looking for good investments in the private sector, a solid investment. Infrastructure could be, if it is done right, a solid investment for a long time. A lot of our endowments, our universities, are looking for a good return on their money. Everybody is. Look at the savings accounts today.

We have a lot of money in this country. But we have to marshal it and put it together. You and the leadership, that is going to be one of our challenges. But we have to do it. If we don't, we are failing American people, are we not?

Ms. CHAO. Absolutely.

Senator SHELBY. Thank you.

Thank you, Mr. Chairman.

Senator BARRASSO. Thank you, Senator Shelby.

Senator HARRIS.

Senator HARRIS. Secretary Chao, thank you for being here.

I have a few questions that relate to California specifically. I know you are familiar with the transportation challenges that California faces and the actions we are taking to address those challenges. The Transportation and Infrastructure Subcommittee met

yesterday and heard about how Californians are investing substantial amounts of their own money in the State's transportation future. We need Federal support to continue. The Mayor of Los Angeles was here yesterday.

So I want to ask you about the Department's involvement in a few of those projects. One is our State—a real high priority for the State is the CalTrans Peninsula Corridor Electrification Project. This is widely supported. It has already raised \$1.3 billion in matching funds. It was highly rated by your Department and is ready to start construction immediately.

In fiscal year 2017, the spending bill that the President just signed into law, Congress passed \$100 million for this project. The law, however, requires that the Department of Transportation enter into a full funding grant agreement for projects to receive the funding. Now all that is needed for construction to start and for 10,000 jobs that will be part of this project to actually be hired into and filled is for the Department to execute the FFGA, as it is known.

As you know, the contract to begin construction expires on June 30th, so in a very short period of time. Senator Feinstein and I sent you a letter last week urging that we execute this agreement so the project can begin. The project could be in jeopardy if the full funding grant agreement is not executed very soon.

Can you give me a status on that?

Ms. CHAO. We have been very much focused on CalTrans. So please let me assure you that this is a subject that we pay a great deal of attention to. I have met with the Mayor, when he was here yesterday. I met also with Governor Brown. We have spoken with—I have spoken with Senator Feinstein and also Minority Leader Nancy Pelosi. Fifty percent of the new starts in the budget, if I am not mistaken, goes to California. So there is a lot of money going to California; there are a number of projects there.

The fiscal year 2017 budget, the omnibus gave about \$100 million. That has helped. Going into fiscal year 2018, we will hear the rest of it, it is another \$118 million. But California and in particular CalTrans is not the only project that is waiting for this money. So I am about \$107 million.

So the \$100 million in fiscal year 2017, that can go out because I have just been given the money by the omnibus bill.

Senator HARRIS. The 2017?

Ms. CHAO. Right. It is \$100 million. Then in 2018, fiscal year 2018, it is \$118 million. But the funding required is \$225 million. So I am about \$105 million short. But the money from 2017 will go out.

Senator HARRIS. So then how do you recommend we address the deadline that we have of June 30th? We have a requirement that we get the full funding agreement by that date in order for the work to begin and the jobs to be filled.

Ms. CHAO. It is a tough problem. I understand the deadline. But there is no funding. So that is a problem.

Senator HARRIS. How do you suggest we solve the problem?

Ms. CHAO. I wish I knew. We have been in discussion with your office, I believe, and Senator Feinstein's, the House minority leader's office, I met with Governor Brown. So it is an issue I think the

California delegation needs to come together and discuss. There appears to be split opinions on this project as well.

Senator HARRIS. So are you saying that the Department of Transportation cannot issue the FFGA?

Ms. CHAO. So far, it has not been issued. I cannot issue it if the funding is not there.

Senator HARRIS. So you cannot issue it if the funding is not there. How do we account for the out-year funding?

Ms. CHAO. We can't commit to the out-year funding. How do we work on it together? And it is a big problem. We don't have the funding for it.

Senator HARRIS. So I would urge your Department, under your leadership, to help us resolve this before June 30th. Because again, we are talking about thousands of jobs and infrastructure concerns that California has around transportation.

I would also like to ask you about the West Side Purple Line Extension project in Los Angeles. Perhaps you talked with the Mayor about that. They have requested funding in this year's report and are seeking to enter an engineering phase later this summer.

Can you commit that this year's project will follow the FAST Act's expectations and rate projects and recommended projects for funding? Are you familiar with that?

Ms. CHAO. I am very familiar with it, because the Mayor and I talked about it. He needs \$1.3 billion in Purple Line funding. I understand the significance of it, because it is tied into the project that he is working on.

I promised—I said to him that I would look at it, but that is for out-years, that is not 2017.

Senator HARRIS. Right, that is correct.

Is there any work that we can do through this Committee to follow up with you on that?

Ms. CHAO. I am always willing and eager to work with you and your office. I will continue to do so. I will let the Mayor know as to what the prospect is.

Senator HARRIS. I appreciate that. Thank you.

Ms. CHAO. Thank you.

Senator BARRASSO. Thank you, Senator Harris.

Senator Capito.

Senator CAPITO. Thank you, Mr. Chairman.

It is nice to be here with you, Secretary Chao. Thank you for what you are doing and for coming before the Committee.

I would like to begin by just asking a commitment, as we all have, appreciate a commitment to work with my office on West Virginia's last priority, or our priority infrastructure projects, but the completion of Corridor H. As you know, it is the last bit left of the Appalachian Development Highway System. It has been under construction for 52 years, all throughout the Appalachian region. So I would hope that you all, and you have been, the Department in the past has, and I assume you would continue that commitment to finish that last little very difficult-to-build part of that system. I see you shaking your head.

Ms. CHAO. I hope so.

Senator CAPITO. Good. That sounds good.

On the King Coal Highway, another project in West Virginia, I want to really highlight the great work that the Federal Highway Administration has done. They have been leading the way with drawing together the Corps, the EPA, Fish and Wildlife on the project, and have been very responsive to State and local stakeholders.

A few weeks ago, I joined Congressman Evan Jenkins for a roundtable on how to move forward on one stretch of the highway. The FHWA, led by Acting Executive Director Gloria Shepherd, was very responsive on the need to coordinate environmental reviews. It is a very different project, basically it is a coal project where at the end there will be a highway after the land is reclaimed. It has been a project that has been in the mix for a very long time and very stalled out.

So we are trying to find a way, when the mining is completed, to have a pave-ready State. It would save the private stakeholders, it would save the public taxpayers a great deal of money in terms of almost \$110 million. That is how much it would save on a 5-mile stretch. So I want to thank you, your Department and particularly the FHWA for their work on this. Thank you for that.

This goes to the P-3 project, and I am not going to ask you to repeat, because I know you have been asked about this a lot. You have talked a lot about the possibilities and some of the drawbacks. So I would encourage you, as you are moving forward with this infrastructure package, to look at other creative P-3 projects, such as this King Coal Highway project as we are moving forward.

So I don't really have a question there, but I do have a question, second, because one of my biggest priorities, and you and I have talked about this, is rural broadband deployment. My State of West Virginia ranks 48th. I am on a bill that Senator Hatch has, that Senator Ernst and Senator Fischer are on, that would allow broadband deployment along existing rights of way on Federal lands.

I am curious to know, is this part of the discussion in the infrastructure? You said principles are going to be coming out in the next several weeks. It seems to me this would be a great principle to include in this. Do you have any comments on that?

Ms. CHAO. I think the simple answer is yes. Yes, that is an area that we have discussed. While the final set of principles has not been finalized for release, that is certainly an area that we have talked extensively about.

Senator CAPITO. I was in a meeting yesterday where the highlight was on infrastructure and this package, and the excitement of cities and businesses and the Administration and others. A question came up, well, a request came up, there were three large cities there, L.A. was one of them, the Mayor of L.A. was there, Denver, and Nashville. And one of the comments that they made was, don't make the State the pass-through for all the Federal dollars.

What is, in the general scheme of things, how many of the dollars that come through that are road issues does pass through the State? In our case, I would say it is a great deal, a large percentage.

Ms. CHAO. A hundred percent, in my understanding, goes through the State, and they allocate it on a formula basis.

Senator CAPITO. So in that aspect I disagree with the mayors of a large city, being from a smaller State, that we don't have the critical mass in any of our cities to be able to put together large projects. I think our State, along with other stakeholders and our State legislatures and our State DOTs and our infrastructure councils and water and sewer and all that, are really in good positions to be able to prioritize where projects—because we don't want to put a dollar here, a dollar here, a dollar here; we want completed projects, and I am sure you do, too.

So I will be interested to see how that debate goes forward.

Ms. CHAO. It is understandable that mayors would hope that the money goes directly to them.

Senator CAPITO. Right. I didn't blame them for that.

Ms. CHAO. But whatever is the will of Congress in having the Department distribute those funds is what we will follow.

Senator CAPITO. But traditionally it has been through the State.

Ms. CHAO. Right.

Senator CAPITO. Thank you.

Senator BARRASSO. Senator Whitehouse.

Senator WHITEHOUSE. Thank you, Chairman.

Secretary Chao, welcome. I hope that you see this Committee as a resource for you. Under the leadership of Chairman Inhofe we did a number—

Ms. CHAO. Barrasso.

Senator WHITEHOUSE. No, no, I am going back in time. We did a number of big infrastructure bills; we did the last highway bill and a couple of WRDA bills. Chairman Barrasso, I think, has the intention to have the Committee work in just as powerful and bipartisan a way.

I haven't had the pleasure of having Chairman Inhofe on my side, and having had the experience of having him not on my side, I can tell you he is very powerful either way. It has been great when we have been able to work together. I think this Committee provides that opportunity, in the past under him and now under Chairman Barrasso.

One can foresee considerable tumult ahead in Washington, in a whole variety of areas. But I think in the relative bipartisan calm and quiet of our interest in infrastructure and the traditions of this Committee, you can find considerable support. I hope you will see us that way, and I hope that the Administration will not try to jam Congress on an infrastructure bill, but rather work in a bipartisan, bicameral fashion to get something that everybody can celebrate when the day is done.

Ms. CHAO. Thank you, to your first point, and the second point, yes, of course, we would like to collaborate with Congress. Because without your cooperation, there will be no bill, and that, as you mentioned is one of the few vehicles in which we hope to have bipartisan cooperation.

Senator WHITEHOUSE. Good. And of course, where private capital wants to come in, it has to be an investment, and the investment has to have a return, and that means there has to be a revenue stream. And for a considerable amount of our infrastructure requirements, there is no present revenue stream. In many cases, it would be hard to figure out how to generate one.

I was at the Factory Bridge in West Warwick just a few days ago. It was built in the 1950s. It needs to be rebuilt. You are never going to put a toll on it; it is not going to be that big of a bridge. You actually need real money in order to get those kinds of infrastructure projects done.

I am sure I am emphasizing what a lot of my colleagues have said, but in addition to creative financing and regulatory elements, there has to be a strong core of real spending for those types of projects. Otherwise, they simply won't get done. I hope you understand and accept that.

Ms. CHAO. We do.

Senator WHITEHOUSE. So the last thing I will mention is that as you may know, Rhode Island is a coastal State. Everybody lives within half an hour of the shore. We don't have a ton of coastal States here, but our Ranking Member sure is a coastal State. On our side, there are a bunch. I think Senators Wicker and Sullivan are two coastal Republicans, if I am not mistaken. Coastal States are seeing a particular problem, particularly with the sea level rise projections that NOAA and that State coastal officials are predicting.

Senator BARRASSO. Senator Whitehouse, I think Senator Shelby would consider his State a coastal State as well.

Senator WHITEHOUSE. So he would. So he would.

Senator BARRASSO. Yes, sir.

Senator WHITEHOUSE. So we have some issues about this problem, because the sea level rise projections are accelerating fairly fast. In many cases, local communities don't have the resources to do the planning and do the updating, so they can understand what the conditions are that they need to build to. There is no point building to a set of conditions that are not going to be the case in 20 years, not if you are building infrastructure.

One of the things we have seen, in Rhode Island, at least, is that the FEMA mapping for flood risk is badly erroneous. So one of the things I will be pressing you all on, and I hope my coastal colleagues will be able to do so in full bipartisan fashion, is that as we are investing in coastal infrastructure, we need to also make sure we are investing in the planning and the data so that we know to what conditions these things must be built. That is often beyond the capability of the local community.

To the extent that the FEMA mapping is as erroneous in other places as it has proven to be in Rhode Island, then actually a lot of people are being misled about what the conditions are going to be.

If you could put an asterisk next to my comments, the takeaway being, remember this coastal problem, and trying to make sure that part of this bill helps get the planning right, so that the infrastructure is built efficiently and in the way it needs to be, and in a way that defends from the encroachment of seas and bays whose waters are measurably rising.

Ms. CHAO. Thank you very much. I am not aware of this issue, but I will certainly be aware, be educated about it, and also mention it to the White House.

Senator WHITEHOUSE. It is kind of like the Federal Government, FEMA is telling people one thing, and it just isn't accurate.

Ms. CHAO. Thank you.

Senator BARRASSO. Thank you, Senator Whitehouse.

Senator Markey.

Senator MARKEY. Thank you so much.

Thank you, Madam Secretary.

Can you talk a little bit about transit oriented development and the role you feel that is going to play in the long-term transportation plan that you have for the country?

Ms. CHAO. I grew up in an urban area, so I have always used public transit. I would expect to be very supportive of that as well. I have also lived in a rural area, in a rural State, and they have different needs as well. But overall, I am very supportive of transit.

Senator MARKEY. Senators Schatz and Merkley and I worked hard to make sure that there was a provision in the FAST Act a couple of years ago that was included in terms of developing guidance on the development of a transit oriented development strategy for the country. Have you got any idea what the status is of that provision in the law in terms of implementing a plan?

Ms. CHAO. I do not, and I am remiss in that. But after this hearing, I will go immediately and find out.

Senator MARKEY. The issue of fuel economy standards is very important to me as well. In 2007 I was the House author of the law to authorize the increase in the fuel economy standards of the vehicles which we drive in our country. There is now a point in time where there is a reevaluation that is apparently going to take place of those regulations, heading toward that goal of reaching 54.5 miles per gallon by the year 2025.

If we do that, then we back out 2 million barrels of oil a day that we import. We are still importing 3 million barrels of oil a day from OPEC. Clearly that is the best way that we can use in order to back out that oil, so that are not sending young men and women over to the Middle East to protect oil tankers coming to our country, but rather that we are ensuring that are not consuming oil unnecessarily here in our own country.

Can you talk about that reevaluation of the rule and what the status is at the Department of Transportation?

Ms. CHAO. In 2011, when the initial rule was promulgated, there was supposed to be a mid-year review. That mid-year review, to my understanding, was accelerated, which is why we reinstated it again. So the Department of Transportation and EPA are working on this. We should be on target in terms of coming up with a mid-year review by 2018. Mid-term review.

Senator MARKEY. Do you think that it is in America's best interest to try to meet that 54.5 mile per gallon goal? It was tied mostly to national security backing out that oil, creating an energy independence for our country. Do you have a general philosophy about how rapidly you would like to see a transformation of our automotive sector?

Ms. CHAO. While I was Deputy Secretary for Transportation in 1989, I worked on the CAFE issues back then. Certainly, those standards were much lower, and we have certainly improved on them.

But back then, there was also the discussion on how to balance protection of our environment, increasing the fuel economy of auto-

mobiles while not providing any dampening or hampering of economic growth.

So I think those discussions are still ongoing. We of course all care about the environment. We want to do the right thing. What is reasonable, what is feasible, I think these are all discussions which we need to have with you and other Members of the Congress, the Senate and the Congress.

Senator MARKEY. Thank you. The industry itself, year after year, has enjoyed historic increase in sales. I think that is a reflection, actually, of how welcoming the public is to this automation, this cool factor that is being built into these vehicles, the additional fuel economy standards. And the Elon Musk review, which I think every auto manufacturer is going to have to make in 2018, as he sells 400,000 all-electric vehicles at \$35,000 apiece. I think we should ensure that that gets factored in very clearly into any re-evaluation that takes place. I think that is in and of itself going to trigger a “game over” for traditional ways of looking at automotive technology in our country.

So we thank you for your service. I just want to say, Mr. Chairman, to you and the Ranking Member, and to the Secretary, that I am ready to go anywhere, anytime, to work on a bipartisan infrastructure bill. I am ready to work with anybody at any time. I think it is absolutely imperative for our country that we have a bill that passes and passes this year. Hopefully we can do so quickly.

Thank you, Mr. Chairman.

Senator BARRASSO. Thank you.

Senator Carper, any closing thoughts or questions?

Senator CARPER. Again, thanks so much for joining us today and for your responses to our questions and for your leadership.

Mr. Chairman, I would like to ask unanimous consent to submit a letter from the Coalition of Road Safety Advocates for the record, please.

Senator BARRASSO. Without objection, so ordered.

[The referenced information follows:]

May 16, 2017

The Honorable John Barrasso, Chairman
The Honorable Thomas Carper, Ranking Member
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Dear Chairman Barrasso and Ranking Member Carper:

As you prepare for tomorrow's hearing, "Improving America's Transportation Infrastructure: The Road Forward," our broad and diverse coalition would like to express our opposition to any efforts to increase federal truck size and weight limits including the creation of any "pilot programs" or special interest exemptions to evade current limits. We respectfully request that this letter be included in the hearing record.

This hearing is very timely considering it is "Infrastructure Week 2017," which brings critical attention to the urgent need for our country to invest in a safe and efficient multimodal infrastructure system. Current trends show that truck crashes are too frequent and too often are fatal. In 2015, 4,067 people were killed in crashes involving large trucks. According to data from the U.S. Department of Transportation (DOT), this is an increase of more than 4 percent from the previous year and a 20 percent increase from 2009. Furthermore, this is the highest fatality number, and the first time truck crash deaths have exceeded 4,000, since 2008. Truck crash injuries are also rising significantly. In 2015, 116,000 people were injured in crashes involving large trucks. This is the highest number of injuries since 2004, and there has been a 57 percent increase in the number of people injured in large truck crashes since 2009. The annual number of deaths and injuries is completely unacceptable and would not be tolerated in any other mode of transportation.

In addition to this massive death and injury toll, our nation's roads continue to receive a grade of "D" from the American Society of Civil Engineers. The report revealed that one of every five miles of highway pavement is in poor condition and that there is a significant and increasing backlog of rehabilitation needs. Additionally, one in eleven of the nation's 615,000 bridges in the National Bridge Inventory were structurally deficient.

Any proposals that would allow heavier and longer trucks on our nation's roads and bridges will further endanger the safety of motorists, and inflict even more damage and destruction to our infrastructure and should be rejected.

In fact, attempts to increase truck size and weight limits were defeated during the last Congressional session by both the Senate and the House in strong bipartisan votes. In addition to documented safety and infrastructure problems, the American public consistently and overwhelmingly rejects bigger and heavier trucks in countless opinion polls.

Furthermore, Congress directed the U.S. DOT to conduct a Comprehensive Truck Size and Weight Study in the 2012 MAP-21 law (Moving Ahead for Progress in the 21st Century Act

(MAP-21), Pub. L. 112-141). In April of last year, U.S. DOT transmitted the completed study to Congress and recommended that no changes be made to federal truck size and weight laws.

Trucks heavier than 80,000 pounds have a greater number of brake violations, which are a major reason for out-of-service violations. Alarming, trucks with out-of-service violations are 362 percent more likely to be involved in a crash, according to a North Carolina study by the Insurance Institute for Highway Safety (IIHS). Tractor-trailers moving at 60 mph are required to stop in 310 feet – the length of a football field – once the brakes are applied. Actual stopping distances are often much longer due to driver response time before braking and the common problem that truck brakes are often not in top working condition. In 2016, violations related to tires and/or brakes accounted for five of the top ten most common vehicle out-of-service violations. Moreover, increasing the weight of a heavy truck by only 10 percent increases bridge damage by 33 percent. The Federal Highway Administration (FHWA) estimates that the investment backlog for bridges, to address all cost-beneficial bridge needs, is \$123.1 billion. The U.S. would need to increase annual funding for bridges by 20 percent over current spending levels to eliminate the bridge backlog by 2032.

The study also found that introducing double 33 foot trailer trucks, known as “Double 33s,” would be projected to result in 2,478 bridges requiring strengthening or replacement at an estimated one-time cost of \$1.1 billion. It is important to note that this figure does not account for the additional, subsequent maintenance costs which will result from longer, heavier trucks. Moreover, double trailer trucks have an 11 percent higher fatal crash rate than single trailer trucks. They also require more stopping distance, take more time to pass, have bigger blind spots, cross into adjacent lanes and swing into opposing lanes on curves and when making right angle turns. Simply put, bigger trucks mean bigger safety problems.

We strongly oppose any so-called “pilot program” to allow heavier trucks in a select number of states because it opens the flood gates to widespread disregard for well-researched and well-supported national policies. The piecemeal approach also makes enforcement and compliance more difficult, burdens states with reasonable truck weights to succumb to pressure for higher weights, and creates deadly and costly consequences for highway safety and infrastructure.

Despite misleading claims to the contrary, research and experience shows that allowing bigger, heavier trucks will not result in fewer trucks. Since 1982, when Congress last increased the gross vehicle weight limit, truck registrations have increased 95 percent. The U.S. DOT study also addressed this assertion and found that any potential mileage efficiencies from use of heavier trucks would be offset in just one year.

Annual truck crash fatalities are equivalent to a major airplane crash every other week of the year. Any change overturning current truck size and weight laws will further strain and erode our crumbling infrastructure, present dire safety risks and disrupt efficient intermodal freight transportation. It is critical that any proposals which would increase the size or weight of trucks be rejected, including pilot programs and measures to preempt state limits. Thank you for your consideration of our position.

Sincerely,

Joan Claybrook, Chair Citizens for Reliable and Safe Highways and Former Administrator, National Highway Traffic Safety Administration	James P. Hoffa, General President International Brotherhood of Teamsters
Jacqueline Gillan, President Advocates for Highway and Auto Safety	Thomas D. Simpson, President Railway Supply Institute
Georges C. Benjamin, MD, Executive Director American Public Health Association	John Risch, National Legislative Director SMART-TD (UTU)
Chuck Baker, President National Railroad Construction and Maintenance Association	Karen Wiley, MSN, RN, CEN, 2017 President Emergency Nurses Association
John Lannen, Executive Director Truck Safety Coalition	Linda Bauer Darr, President American Short Line and Regional Railroad Association
David Tennent, Executive Director and CEO Railway Engineering-Maintenance Suppliers Association	Steve Owings, Co-Founder Road Safe America
Jack Gillis, Director of Public Affairs Consumer Federation of America	Daphne Izer, Co-Chair Parents Against Tired Truckers (PATT)
Andrew McGuire, Executive Director Trauma Foundation	Brad Roseberry, Vice President Coalition Against Bigger Trucks
Mike Drudy, Executive Director Railway Systems Suppliers, Inc.	Janette Fennell, Founder and President KidsAndCars.org
	Michael Brooks, Acting Director Center for Auto Safety

Linda Wilburn
Weatherford, OK
Board Member, PATT
Mother of Orbie Wilburn
Killed in a truck crash 9/2/02

Gary Wilburn
Weatherford, OK
Volunteer, Truck Safety Coalition
Father of Orbie Wilburn
Killed in a truck crash 9/2/02

Larry Liberatore
Severn, MD
Board Member, PATT
Father of Nick Liberatore
Killed in a truck crash 6/9/97

Kate Brown
Gurnee, IL
Volunteer, Truck Safety Coalition
Mother of Graham Brown
Injured in a truck crash 5/2/05

Julie Branon Magnan
South Burlington, VT
Volunteer, Truck Safety Coalition
Injured in a truck crash 1/31/02
Wife of David Magnan
Killed in a truck crash 1/31/02

Tami Friedrich Trakh
Corona, CA
Board Member, CRASH
Sister of Kris Mercurio, Sister-in-Law of Alan
Mercurio, Aunt of Brandie Rooker &
Anthony Mercurio
Killed in a truck crash 12/27/89

Santiago Calderon
Arcata, CA
Volunteer, Truck Safety Coalition
Injured in a truck crash 4/10/14

cc: Members of the Committee on
Environment and Public Works

Ed Slattery
Lutherville, MD
Board Member, PATT
Husband of Susan Slattery
Killed in a truck crash 8/16/10
Sons Matthew & Peter Slattery critically
injured

Morgan Lake
Sunderland, MD
Volunteer, Truck Safety Coalition
Injured in a truck crash 7/19/13

Peter Malarczyk
Hastings-on-Hudson, NY
Volunteer, Truck Safety Coalition
Injured in a truck crash 12/29/15
Son of Ryszard and Anita Malarczyk
Killed in a truck crash 12/29/15

Monica Malarczyk
Hastings-on-Hudson, NY
Volunteer, Truck Safety Coalition
Injured in a truck crash 12/29/15
Son of Ryszard and Anita Malarczyk
Killed in a truck crash 12/29/15

Alan Dana
Plattsburgh, NY
Volunteer, Truck Safety Coalition
Son of Janet Dana, Uncle of Caitlyn &
Lauryn Dana, Brother-in-law of Laurie Dana
Killed in a truck crash 7/19/12

Michelle Novak
Delevan, NY
Volunteer, Truck Safety Coalition
Aunt of Charles "Chuck" Novak
Killed in a truck crash 10/24/10

Michelle Lemus
Los Angeles, CA
Volunteer, Truck Safety Coalition
Injured in a truck crash 4/10/14

Senator CARPER. Thank you.

When we met in my office earlier this month, we talked about a number of revenue options to actually pay for stuff, including transportation.

One of the options that we mentioned then, I didn't touch on it today, it was an idea that had a lot of support in the last Congress, deemed repatriation, an element of, to actually form corporate tax reform. Two trillion dollars of overseas profits by multi-national companies. The idea was to deem it repatriated, it is just sitting offshore, deem it repatriated and maybe tax it at 15 percent, not 35 or 40 percent. It would raise about \$300 billion. It is a big one-time, big one-time.

There are some who thought we could use that to fund transportation going forward. Actually, it is a big one-time. But it is big. We have all these projects of national importance. We talked about going to the east coast, in New York City. Well, if you go to New York City and come out in New York City you have to go through these tunnels that are 90, 100 years old. I have been stuck in those tunnels before; you probably have as well.

There is a tunnel that goes under Baltimore that was built in the Civil War. But there are all kinds of projects of national importance that I think could be funded by a big one-time, like the kind of money that we are talking about from deemed repatriation. It couldn't be used to fund transportation, roads, highways, bridges going forward. I don't think it is appropriate for lowering the corporate tax rate going forward, because it is a big one-time. Something could be in the base. But I wanted to mention that.

Also, you have indicated the Administration wants to be especially helpful and direct funding to rural communities, where they can't always have these public-private partnerships and tolling may not work so well. I would just ask you not to forget the urban areas. There are some urban areas where, frankly, they don't have the money, either; they don't have the wherewithal to raise the money.

As I said earlier, I think a third of our States actually have a prohibition on public-private partnerships. Thirty-five States, they have never had public-private partnerships, not even one. Texas, I think, just took the idea off the table. So I would just ask you, don't forget those urban areas.

As it turns out, Mr. Chairman—I was shocked to learn this, but 80 percent of the people in this country live within 62 miles of one of our coasts. Think about that. Eighty percent of the people in this country. That doesn't mean we should forget the folks who live in between the coasts. But that is a lot of people, with a lot of transportation needs.

I want to mention, the Department of Transportation apparently has delayed some important rules to require performance targets for our infrastructure, performance targets. I don't know if you have had a chance to get into this. But we put in legislation, and we said, we are going to fund what works. Fund what works. And in order to find out what works, we put in these performance targets to actually measure performance toward those targets.

Vince Lombardi, football coach, Green Bay Packers, he used to say, unless you're keeping score, you're just practicing. And he

never said this, but what you can't measure, you can't manage. So with that in mind, we put in these performance measures. I think the rules are now scheduled to be effective on May 20th. I think they have been delayed twice already.

I just want to ask if you can commit today to allowing those rules to go forward and go into effect as scheduled. Again, they have been delayed twice. The May 20th; are you familiar with this? You may not be.

Ms. CHAO. I am aware of the performance, of the requirements for performance evaluations. I am not aware that the deadline is May 20th. That is 3 days from now.

Senator CARPER. We will follow up with QFRs, questions for the record.

Ms. CHAO. Thank you.

Senator CARPER. We think it is a good idea, finding what works, do more of that. If you don't have performance measures, it is hard to know.

Finally, one of your major responsibilities, you mentioned three things you were going to focus on. One of them was safety. And just take a moment and tell us how the Department is responding to the safety crisis on our roads today, including the rising number of pedestrian fatalities. Delaware is very high in pedestrian fatalities, which causes great concern. Would you give us a glimpse into what you are thinking of doing on the safety side, particularly on the pedestrian safety side? Forty thousand people died on our roads, highways and bridges last year. Forty thousand. It is going up, not down.

Ms. CHAO. When I was Deputy Secretary of Transportation, the total number of fatalities on the highways was 51,000. So when I came back, in January of this year, I was so pleased to hear that the number has dropped down to about 39,000. Unfortunately, in the last 2 years, 2015 and 2016, that number has increased again, 7 percent, 8 percent respectively.

So we are very concerned about that. And we have asked a number of the agencies that are involved, Highways, NHTSA, to work together to see why this is happening and find out what the root is. Then we will have a clear course of action.

Senator CARPER. I close with this, Mr. Chairman and Madam Secretary. If we have good performance measures, and one of those is very likely to include safety, fatalities, that sort of thing, if we have good performance measures in place, and we are measuring performance, we ought to have an idea of which States are actually being more effective in reducing fatalities and the States where they are going up.

And the idea being, look at those States as laboratories of democracy, find out what is working to reduce fatalities, do more of that.

Thank you so much. Good luck. We were happy to be with you today.

Ms. CHAO. Thank you.

Senator BARRASSO. Thank you very much, Senator Carper.

Thank you, Madam Secretary. We are so grateful that you would spend your time with us this morning. Thank you for open answers that you have given to each of the questions. Some of the other

members of the Committee may have some written questions that they will submit, but I am very grateful for your testimony today.

With that, our hearing is adjourned.

[Whereupon, at 11:45 a.m., the hearing was concluded.]

