

STATEMENT OF  
**ANTHONY R. FOXX**  
SECRETARY  
U.S. DEPARTMENT OF TRANSPORTATION

BEFORE THE  
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS  
U.S. SENATE

HEARING ON

*The Importance of MAP-21 Reauthorization: Federal and State Perspectives*  
January 28, 2015

Chairman Inhofe, Ranking Member Boxer, and Members of the Committee, thank you for the opportunity to appear before you to talk about the importance of reauthorizing MAP-21. This is a critical issue for our Nation, and it is critically important that we work together to enact a long-term, robust bill that makes much-needed reforms to our Federal surface transportation programs.

Last year, I traveled across the country – to engage with local officials, business leaders, and everyday people about the state of our transportation system. In the Spring last year, I spent a week traveling by bus from Ohio to Texas stopping in cities and one-stoplight towns along the way. In October I was pleased to travel to Tulsa to spend the day with Chairman Inhofe looking at unmet needs in his State and talking to key officials and businesses. What we saw on all of these trips – and what we heard from people around the country and in State Departments of Transportation – demonstrated to me that people outside the Beltway desperately want us to find a way to work together in Washington and fix the serious transportation problems we have in America.

Transportation is a critical engine of the Nation's economy. Investments in our transportation network over the country's history have been instrumental in developing our Nation into the world's largest economy and most mobile society. Over time, however, our level of investment as a percentage of the gross domestic product has dropped significantly, as it fails to keep pace with our growing economy and population. The costs of inadequate infrastructure investment are exhibited all around us. Americans spend 5.5 billion hours in traffic each year, costing families more than \$120 billion in extra fuel and lost time. American businesses pay \$27 billion a year in extra freight transportation costs, increasing shipping delays and raising prices on everyday products. Also, 65 percent of our Nation's roads are in less than good condition; one in four bridges require significant repair or can't handle current traffic demands and 45 percent of Americans lack access to basic transit services. Underinvestment impacts safety too. There were over 32,000 highway traffic fatalities in 2013, and roadway conditions are a significant factor in approximately one-third of them. Such fatalities occur disproportionately in rural America, in part because of inadequate road conditions. For a Nation that is expected to have 70 million more citizens by 2050 and an increase in the volume of freight traveling on our highways, railroads, waterways and aviation systems, the current investments we put into our transportation system will not be sufficient to address these competing but urgent needs.

Worse still, in recent years, the surface transportation enterprise – and the millions of jobs that come with it – has been thrown into a continuing period of uncertainty due to the numerous short-term spending “patches” that we use to fund our Federal transportation programs. The inability to pass long term surface transportation funding bill creates uncertainty for local project sponsors and inhibits their ability to plan effectively. Since 2009, our surface transportation programs have been operating under short term extensions 11 times, including a two day lapse in March 2010. In addition there have been 21 continuing resolutions, forcing programs to operate under a CR for 39 of the last 72 months, not to mention a 2 ½ week stretch where the government was shutdown. Governors, mayors, city and county councils, and tribal leaders can’t plan because they don’t know whether the Federal program and payments will be suspended – again – in just a few weeks’ time.

Increasingly, we are seeing State and local officials abandon planning on the more ambitious and expensive projects that will move our economy forward. Instead, these officials are targeting available dollars on smaller preventative maintenance and repaving projects while worrying whether Congress will allow spending authority from the Highway Trust Fund to expire four months from now – precisely when the construction season should be heading into full swing. Just recently, the Commissioner of Tennessee’s DOT announced he was delaying \$400 million in highway projects because of the funding uncertainty in Washington, saying “this piecemeal funding of projects and programs is having a significant impact on how and when State DOTs and municipal planning organizations deliver much needed investment in our transportation networks.” This is similar to the Director of the Arkansas State Highway and Transportation Department deciding to delay \$100 million in highway construction projects because of uncertainty over the Highway Trust Fund. We may not see it directly, but failure to act on a long-term bill is actually making investments in critical infrastructure more expensive – and more difficult - for all of our State DOTs.

Finally, the Federal programs that govern how we deliver projects must be modernized. Too often, projects undergo unnecessarily lengthy reviews, and we need to be able to make the types of reforms that will expedite high priority projects and identify best practices to guide future efforts without undermining bedrock environmental and labor laws or public engagement. We also need to reward States and local communities that coordinate their decision making with their neighbors and prioritize funding for freight projects that will benefit the Nation’s economy.

For these reasons, I hope that the Administration, this Committee, and the many other Committees in Congress who must be heard from, will agree that we must bring this period of short-term patches to a close. We must give the American people and the American economy a well-funded, multiyear authorization bill with new programs and reforms that are focused on the Nation’s future needs.

The Administration sought to provide a vision for the future last March, when we formally transmitted the Generating Renewal, Opportunity, and Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout America – or GROW AMERICA - Act to Congress. This is a long-term surface transportation reauthorization proposal that would provide both sizeable funding increases and needed policy reforms for our Nation’s highways, transit, and rail programs, while providing the long-term certainty called for

by our State DOTs. The GROW AMERICA Act will build ladders of opportunity to help Americans get to the middle class by providing transportation options that are more affordable and reliable and by improving their quality of life through greater access to education and new job opportunities. While I cannot speak to the particular details of the President's budget that will come out in the next few days, I can say that the central elements of GROW AMERICA that I will discuss now will be front and center.

Most importantly, the GROW AMERICA Act will put into place a program structure and funding stream focused on the transportation needs of the future. Through both funding increases and critical policy enhancements, the GROW AMERICA Act advances my key priorities: protecting the safety of the traveling public; closing the nation's infrastructure deficit, and modernizing the U.S. Transportation system through technology and process innovation.

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

- Harsher penalties for manufacturers that refuse to address defective and dangerous vehicles and equipment that endanger the public.
- Authority to require manufacturers to cease retail sale and/or require repair of vehicles or equipment that pose an imminent hazard to the safety of the motoring public.
- Authority to require rental car companies and used car dealers to participate in recalls of defective and unsafe vehicles.
- Streamlining federal truck- and bus-safety grant programs to provide States with greater flexibility to address regional and evolving truck- and bus-safety issues.
- Increased funding to the Highway Safety Improvement Program to help engineers identify hazards and prevent the next crash and help implement lasting safety improvements.
- Authority to make greater progress on eliminating drunk and distracted driving and other key safety concerns by giving States additional funding and flexibility.

The GROW AMERICA Act also includes a number of new safety proposals that build on lessons learned the previous year and continue the Department's focus on its safety mission.

***Closing the nation's infrastructure deficit:*** The GROW AMERICA Act proposes important policy improvements and makes critical investments to close this nation's infrastructure deficit, including:

- *Strengthening policies and increasing investment in our Nation’s highway system:* The proposal will increase the amount of highway funds well above current levels, emphasizing “Fix-it-First” policies and reforms that prioritize investments for much needed repairs and improvements to the safety of our roads and transit services, with particular attention to investments in rural and tribal areas.
- *A dedicated grant program for projects that benefit the Nation’s commerce:* The U.S. transportation system moves more than 52 million tons of freight worth nearly \$46 billion each day, or almost 40 tons of freight per person per year, and freight tonnage is expected to increase 62 percent by 2040. The GROW AMERICA Act includes dedicated funding for a new multi-modal freight program that will relieve specific bottlenecks in the system, strengthen America’s exports and trade, and give freight stakeholders a meaningful seat at the table in selecting funded projects. The new initiative encourages better coordination of planning among the Federal government, States, ports, and local communities to improve decision-making.
- *Strengthening policies and increasing investment in transit systems to expand transportation options:* The proposal places a heavy emphasis on transit investment, which will enable the expansion of new projects that improve connectivity, such as light rail, street cars, and bus rapid transit, in suburbs, fast-growing cities, small towns, and rural communities, while still maintaining existing transit systems. These transit investments will play a critical role in supporting communities around the country – for example, providing transportation options in rural communities that have growing numbers of seniors.
- *Expanding and strengthening of DOT credit programs to spur innovative financing and increase overall infrastructure investment:* The GROW AMERICA Act expands financing options under the Transportation Infrastructure Finance and Innovation Act (TIFIA), which leverages federal dollars by facilitating private participation in transportation projects and encouraging innovative financing mechanisms that help advance projects more quickly. The Act also makes it easier for smaller projects to use TIFIA. In addition, the Act increases the accessibility of the Railroad Rehabilitation and Improvement Financing Program, and the availability of Private Activity Bonds.
- *Strengthening domestic manufacturing:* The GROW AMERICA Act will strengthen existing “Buy America” requirements to ensure that taxpayer investments for public transportation translate into American jobs and opportunities for innovation. The Act allows for an orderly phase in by transit suppliers by raising the current sixty percent threshold to 100 percent over multiple years to bring the “Buy America” requirements for transit in line with the requirements in other modes.
- *Expanding access to markets and strengthening rural communities:* America’s rural communities are the critical linkage in the nation’s multimodal transportation network. From manufacturing to farming, freight logistics to energy production and more, rural America is home to many of the nation’s most critical infrastructure assets including 444,000 bridges, 2.98 million miles of roadways, 30,500 miles of interstate highways. Specifically, the GROW AMERICA Act will encourage safety on high-risk rural corridors, provide workforce

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

***Modernizing the U.S. Transportation System through technology and process innovation:***

Technological changes and innovation have the potential to transform vehicles and infrastructure, logistics, and delivery of transportation services to promote efficiency and safety. Likewise, process innovation has the potential to improve the way that the government operates in the service of the American people. To that end, the GROW AMERICA Act is focused on:

- *Encouraging innovative solutions through competition:* The Act more than doubles the size of the highly successful Transportation Investment Generating Economic Recovery (TIGER) competitive grant program and cements it in authorizing statute. In addition, the Act would establish the Fixing and Accelerating Surface Transportation (FAST) program to create incentives for State and local partners to adopt critical reforms in a variety of areas, including safety and peak traffic demand management. Federally-inspired safety reforms, such as seat belt and drunk-driving laws, have saved thousands of American lives and avoided billions in property losses.
- *Improving project delivery and the Federal permitting process:* The GROW AMERICA Act will help projects break ground faster by expanding on successful Administration efforts to modernize the permitting process while protecting communities and the environment. The Act will institutionalize capacity within DOT to improve interagency coordination and implement best practices, such as advancing concurrent, rather than sequential, project review, and using the online permitting dashboard to improve transparency and coordination and track project schedules. The Act will also increase flexibility for recipients to use Federal transportation funds to support environmental reviews, and help to integrate overlapping requirements and eliminate unnecessary duplication.
- *Encouraging regional coordination and local decision making to improve outcomes.* The Act includes policy reforms to incentivize improved regional coordination by Metropolitan Planning Organizations, which are local communities' main voice in transportation planning. The GROW AMERICA Act also strengthens local decision making in allocating Federal funding so that local communities can better realize their vision for improved mobility.

The President is committed to ensuring that critical transportation investments are fiscally sustainable. Because rebuilding our transportation infrastructure is an urgent need, the Budget uses Highway Trust Fund revenues anticipated under current law in combination with revenues generated from pro-growth, business tax reform to fully offset the cost of the GROW AMERICA Act.

Thank you and I look forward to your questions.