

Table of Contents

U.S. Senate Date: Wednesday, January 28, 2015

Committee on Environment and Public Works Washington, D.C.

STATEMENT OF:	PAGE:
THE HONORABLE JAMES INHOFE, A UNITED STATES SENATOR FROM THE STATE OF OKLAHOMA	3
THE HONORABLE BARBARA BOXER, A UNITED STATES SENATOR FROM THE STATE OF CALIFORNIA	5
THE HONORABLE ANTHONY FOXX, SECRETARY, UNITED STATES DEPARTMENT OF TRANSPORTATION	8
THE HONORABLE ROBERT BENTLEY, GOVERNOR, STATE OF ALABAMA	56
THE HONORABLE PETER SHUMLIN, GOVERNOR, STATE OF VERMONT	60
DARIN BERGQUIST, SECRETARY OF TRANSPORTATION, STATE OF SOUTH DAKOTA	66

THE IMPORTANCE OF MAP-21 REAUTHORIZATION: FEDERAL AND STATE
PERSPECTIVES

WEDNESDAY, JANUARY 28, 2015

U.S. SENATE

Committee on Environment and Public Works

Washington, D.C.

The full committee met, pursuant to notice, at 9:30 a.m. in room 406, Dirksen Senate Building, the Honorable James Inhofe [chairman of the full committee] presiding.

Present: Senators Inhofe, Boxer, Vitter, Barrasso, Capito, Crapo, Boozman, Sessions, Wicker, Fischer, Rounds, Carper, Cardin, Sanders, Whitehouse, Merkley, Gillibrand, Booker, Markey.

STATEMENT OF THE HONORABLE JAMES INHOFE, A UNITED STATES SENATOR
FROM THE STATE OF OKLAHOMA

Senator Inhofe. It is great to have all our visitors here from Oklahoma. I came in last night and they were having a dinner, I thought two or three people. I knew Gary Ridley would be there; he is always there. And I looked over and there were all familiar faces there.

So we have this concern, there are a lot of things about what is government really supposed to be doing. Quite often, and the reason I got on the committees that I did 20 years ago was because this is what we are supposed to be doing. Defending America and building infrastructure that is it. We all understand that in Oklahoma. We know that we have gone through a process that most of us, some of us remember, most of us have not been around that long. But I do recall when I was over in the House, on the T&I committee over there, at that time, Secretary Foxx, do you know what was the biggest problem we had in the Highway Trust Fund? Too much surplus. That was the problem that we had.

Now, we all know what happened since that time. We all know that we can't continue to do as we have done in the past. I do have an opening statement which I will submit as a part of the record. I think the significance of this meeting, I say to my friends on the left and right, is that we want to do it right this time. We have done patchwork and we have put together things that we think are a good idea, and I have to say this: we

have had successes.

I didn't like the way things went back in the 27-month bill that we had. I didn't like the idea that a lot of Republicans, my good friends, were demagoguing it and not realizing that what they were doing, they were thinking they were doing the conservative thing, because it was a big bill. But it is not. Because the conservative thing is to pass a bill instead of having the extensions. Secretary Foxx has been out in Oklahoma and we have talked about this at length, the cost of extensions. We have never calculated it, but I think it is somewhere around 30 percent off the top.

Well, the good news is that the House, when we went over right after this bill and told them, talked to them about this thing about our constitutional responsibilities, every one of the 33 Republican and the Democrats on the House T&I committee voted for it. That is a major breakthrough at that time. I see that happening again here.

So we are going to be doing the right thing now and as we know, we decided to do, that we are going to make one change in this committee. We are not going to have everyone have an opening statement, because we have so many witnesses coming in and we spend all of our time listening to each other.

So with that, I will just yield to Senator Boxer, and then we are going to continue this hearing.

[The prepared statement of Senator Inhofe follows:]

STATEMENT OF THE HONORABLE BARBARA BOXER, A UNITED STATES SENATOR
FROM THE STATE OF CALIFORNIA

Senator Boxer. Mr. Chairman, thank you so much for making this your first hearing. Nothing could please us more, because know this is an area that there is bipartisan support for. I think Senator Vitter and I, it is no big secret, we don't see eye to eye on much, but we were able to get a good bill done through this committee. And I have to make a point, Mr. Chairman, we were the only committee to act last Congress. No committee of the Senate or the House but this committee. And with your leadership, we are going to be working together here to get this done.

I am going to ask unanimous consent to put my statement in to the record and I am going to make four very brief points. First, we can do nothing more important for jobs, for businesses, for this economy, for this middle class, than passing a multi-year highway bill. That is the first point. There is nothing better that we could do.

Secondly, we have a great record of bipartisanship on that issue. So nothing should stop us. And again, I point to last year, when we acted, when no other committed acted in the Senate or the House. There was bipartisan paralysis, except for us in this committee. I am so proud of that. And we need to take the leadership again and hopefully this time it will be emulated.

Three, we have to have the courage in the Senate and in the House to fund a multi-year bill. We cannot leap over that idea

to an extension.

And that leads me to my next point. We are getting perilously close to the bankruptcy of the Highway Trust Fund, May 31st. Mr. Chairman, I would ask rhetorically, if you go to the bank and you want to buy a house, and the banks says, oh, great. We will lend you the money, but only for five months. You are going to walk away. You are not going to buy a house if all you know is you have credit - that is what they have done here. When I say "they," the vast majority of our colleagues punted this.

And this is awful. This is the greatest Country in the world. We will not remain so if our bridges are falling down, if our highways are crumbling and so many other ramifications of not investing. So we need certainty.

I do want to say, today I learned from my staff, I don't know if your staff has informed you, that the deficit in the trust fund is less than we thought it would be. We were anticipating \$18 billion a year over six years; it is \$13 billion a year over six years. Now it is a lot less than we thought it would be. It is \$13 billion a year.

Now, if we can't find that, I think it is a \$1.2 trillion budget, on discretionary spending, if we can't find that to build the infrastructure, we have failed as a Congress. So with your leadership and with all your strong support from Oklahoma, I think we are going to get things done here. I look forward to it.

[The prepared statement of Senator Boxer follows:]

Senator Inhofe. Thank you, Senator Boxer.

It is my honor to introduce and present, not really introduce, Secretary Foxx. He has been really a great Secretary of Transportation. It has been a very difficult job. We have had a chance to break ground on a lot of great things out there in my State of Oklahoma. So I am so thankful that you are doing what you are doing and you are going to be in on the big kill and we are going to do it together.

Secretary Foxx?

STATEMENT OF THE HONORABLE ANTHONY FOXX, SECRETARY, UNITED STATES
DEPARTMENT OF TRANSPORTATION

Mr. Foxx. Thank you very much, Mr. Chairman, for your kind words and for your leadership as well as the leadership of Ranking Member Senator Barbara Boxer. The work you all have done and will continue to do on this issue is vitally important. I want to tell you that we appreciate your service.

I also want to thank the entire committee here. We are in a new year with a new Congress. But I am here to discuss an old issue: the need for a new Transportation Bill. As has been said, a multi-year transportation bill with funding growth and policy reforms, focused on America's future.

America is in a race, not just against our global competitors, but against the high standards of innovation and progress our Nation has shown for generations. We are behind in that race. And when you are behind, you must run faster and do more than just keep pace.

The transportation system itself does not care about the political challenges of addressing its needs. From its perspective and from mine, we are either meeting those needs or we aren't. In the past year, I have been to 41 States and over 100 cities. Mr. Chairman, you were kind enough to invite me to Oklahoma, where we saw a stretch of I-44 just south of Tulsa that needs to be widened. But the funds just aren't there.

There are thousands of miles of highway projects in Oklahoma that the DOT has said are critical. But they are either not

being built or they are not being repaired.

Unfortunately, Oklahoma is not alone. I have also visited the Brent Spence Bridge that connects Kentucky and Ohio. It is well over 50 years old and is carrying more than twice the traffic it was designed for. Chunks of concrete are now falling from the bridge's ramps on cars parked below. It must be replaced. But there is no real plan right now on how to pay for it.

Or you could look at Tennessee. The State DOT here has actually postponed \$400 million in projects and the thousands of jobs that come with them because of "funding uncertainty" here in Washington. Now, Tennessee is not the only State to slow or stop projects. But it may be the first State to tell the unvarnished truth about what is happening to our transportation system, about how gridlock in Washington is now creating gridlock on Main Street.

Last year we sent you a comprehensive, multi-year proposal, the Grow America Act, which included 350 pages of precise policy prescriptions and substantial funding growth, all focused on the future. What America received in response was a 10-month extension with flat funding, which, while averting a catastrophe, falls short of meeting the Country's needs.

It was not the first short-term measure or patch that has been passed. It was, by my count, the 32nd in the last six years. As a former mayor, I can tell you that these short-term measures are doing to communities across America what the State

DOT says they are doing in Tennessee, literally killing their will to build.

At this point, we must concern ourselves not only with the immediate situation that confronts us in May, but also with the cumulative effects of these short-term measures and the policy uncertainty. I urge you to make a hard look at it now, from the rear-view mirror to the front windshield. Look at our aging system. Look at the opportunity we have to grow jobs and the economy. Look at our own children and grandchildren. In order for the system to be as good as the American people, we must do something dramatic. To hell with the politics.

That is why we sent you the Grow America Act last year, and why we will send you a new and improved Grow America Act this year. We certainly know that the Grow America Act is not the only approach to solving the infrastructure and mobility challenges of the future. We look forward to full engaging with this committee and others on both sides of the aisle to chart this path together.

But we believe there are some essential principles that any bill must have. First, we are going to need a substantially greater investment. We are also going to need a greater level of investment over time, not just six months or even two years. If we want communities to build big projects that can take, in some cases five years or more, we need to ensure funding for roughly that same amount of time. I think Senator Boxer's analogy of trying to buy a house with a five-month loan is a great analogy.

There are important policy changes that need to be dealt with, like streamlining the permitting process, so projects go from blueprint to steel in the ground as fast as possible. We believe we can do that while ensuring better outcomes for the environment. We also believe in opening the door to more private investment and in giving communities and MPOs and freight operators a louder voice in what gets built.

We believe in strengthening our Buy America program to make sure the American taxpayer dollars are being invested in American projects built by American hands with American products. And we believe we must do everything possible to keep Americans safe as they travel in 2015 and beyond. That includes obtaining the resources and the authority we need to combat threats we might not expect in this new century.

In the end, both I and my entire department have great respect for what this committee has done and the challenge ahead of it, including, as we look back, getting MAP-21 passed, a huge achievement. Now it is time to build on that work.

When I was sworn in, I took the same oath that you did, to protect and defend. For me, that means protecting and defending Americans' fundamental ability to move, to get to work, to get to school, to get goods from the factory to the shelf. But I can't do that, they can't do that, and we can't do that unless we take bold action now.

So I am here to work with you and I am also looking forward to your questions. Thank you very much.

[The prepared statement of Mr. Foxx follows:]

Senator Inhofe. Thank you, Mr. Secretary. I have often thought in that particular job, in your job, there is no better background than to have been a mayor of a large city. You and I have talked about that in the past.

When you see the things that you know work, you wonder sometimes how can we build on these and do even a better job. I know the press, when we walk out of here, the only thing they are going to want to talk about is, how do you pay for it. We don't know yet. We are going to have all of the above and try to work on it.

But there are some areas that are sometimes controversial. I have to appreciate both sides working together on some of these enhancements. You mentioned the enhancements and some of the streamlining. We have done a lot of good things already. What more is out there that is obvious to you that would make it go faster, get more done for less money and get off the ground quicker?

Mr. Foxx. Thank you, Mr. Chairman, it is a very important question. We do have experience in the recent past building on some of the work of MAP-21, of doing concurrent reviews in our permitting process, which effectively allows all of the Federal agencies to sit at the table at the same time at an earlier point in the design and construction of a project, to comment on that project at a point at which the project can still be changed to respond to the permitting.

I will give you an example. There is a project in New York

called the Tappan Zee Bridge, it is a \$5 billion project. We applied concurrent reviews to that project and we were able to reduce the permitting time from what could have been three to five years to 18 months, as a result of doing that concurrent process.

Senator Inhofe. That was really a direct result of the changes that we made in coming to this point.

Mr. Foxx. It was building on a lot of the work that MAP-21 contained, and there was also some administrative work that went into putting that on our dashboard and ensuring the agencies worked together. We think there are additional tools that could be provided to enable that to happen more.

The good news there is that when you do concurrent reviews, you are not sacrificing the environment. You are actually putting the environment in an earlier stage and you are actually getting better results there too.

Senator Inhofe. That is right.

Senator Boxer?

Senator Boxer. Thanks, Mr. Chairman.

Mr. Secretary, I am going to just press you on what is actually happening on the ground right now. We have failed as government to give any certainty to this process.

We know that Tennessee and Arkansas have already delayed hundreds of millions of dollars in highway projects for this year. Last summer, over two dozen States had taken similar preemptive action as the Highway Trust Fund neared insolvency.

This whole game of waiting and then somebody steps up in the House or Senate and says, oh, I am going to save this for five months, this is a disaster. Can you discuss the likelihood that we are going to see these cutbacks continue if we don't take action soon to shore up the trust fund?

Mr. Foxx. Thank you for the question. This is a crisis that is actually worse than I think most people realize. Your point is very well taken.

We have until May 31st, 2015, the point at which the funding of the 10-month extension runs out. But the State departments of transportation are having to figure out what their plan of work is going to be during the height of construction season, which starts right about the same time that the extension runs out.

So I predict that over the course of the next few months, you are going to see more State departments of transportation start to slow or stop projects because they don't know what is on the other side of May 31st. So from a timing perspective, I think we have a problem sooner than May 31st in terms of the situation on the ground. I think what you are going to see is States pulling back even before May.

Senator Boxer. That is basically my question. I am not going to take any more time.

One point I am going to make over and over again to anyone who will listen. Some will and some won't. This is our duty, this is our job, this is the best thing we can do for the Country. This is the most bipartisan thing we can do. And this

committee, I am urging, and I know the chairman feels as I do, that we need to step out here. I would say to colleagues here, we have a really great role to play by stepping out again and doing the right thing. We have the blueprint, Senator Vitter and I put it together with all your help. That may not be the exact blueprint we go with. But it is a definite start.

So thank you for, in your very calm and collected manner, for letting us know that lack of action is already happening, having a result and impact on the ground. And the impact is bad. It is bad for businesses, it is bad for jobs, it is bad for communities, for our local people. That is the point I think I wanted to make and you made it very eloquently.

Thank you, Mr. Chairman.

Senator Inhofe. Thank you, Senator Boxer.

Senator Vitter?

Senator Vitter. Thank you, Mr. Chairman. I want to echo the comments that have been made about the bipartisan work of this committee on infrastructure. Last Congress, this committee, on a completely bipartisan basis, produced a really good water resources bill, water infrastructure bill that was very important for our ports and waterways and that infrastructure, maritime commerce. And as Senator Boxer mentioned, we put together a very good highway bill in this committee.

Now, we have the easy part, quite frankly, so I don't want to overstate it. We put together the transportation part of the highway bill, a good bill, very bipartisan basis. But the

Finance Committee has the hard part, which is the financing part. I want to cut right to that, so let's cut right to the chase. I agree with you, we need to get this done. We need to get it done on a medium to long-term basis, not another band-aid approach.

My suggestion for all of us who truly want to do that is to cut right to the chase and to really dive in to those discussions about how we finance it in a realistic way. Folks on the left, including the Administration, may have ideas that are perfectly valid ideas that just objectively are going nowhere in this Congress. Folks on the right in this Congress may have ideas that are perfect valid ideas that are going nowhere with this Administration. My suggestion is we blow past that, don't waste time, and cut to the chase of where we may find a common solution.

I believe realistically there are three realistic categories to focus on. One is, the traditional gas tax, a traditional means of financing the Highway Trust Fund. I believe that is only realistic, only a possibility, in my opinion, this is just my political judgment, I can't prove this, but I think it is only a possibility if we give all middle class and lower middle class taxpayers a tax offset, something off their income tax or withholding, something, so they are held harmless, so they do not pay a higher Federal overall tax bill.

Second big category, I believe, is tax reform, maybe focusing on business tax reform and using elements of that, namely repatriation, to have a significant amount of money for

the Federal highway program. That is not a truly permanent solution, but those are big dollars that could fund a significant bill of a significant duration.

And then the third big category is some domestic energy production with the additional royalty and revenue dedicated to the Highway Trust Fund. I would like to see that to a much greater extent than I am sure is realistic, given the sensibilities of folks on the other side of the aisle and the Administration. So in the spirit that I began with, I am not suggesting David Vitter's lease plan for the OCS, which is a great one, by the way, but I am suggesting some expanded production which is good for American energy independence, good for our economy and would produce significant new revenue at least when the price of oil gets to a better place, a more stable place that could be dedicated to the Highway Trust Fund.

So my question is, what is the Administration doing to cut to the chase, as I said, and explore those three categories?

Mr. Foxx. Thank you for the question. Let me answer your question directly and also make a point. The Administration has put forward a proposal to use pro-growth business tax reform to pay for our infrastructure. What we would basically do is put, in addition to what the gas tax is currently spinning off, of course it is less than what the Highway Trust Fund needs to be level, but we put another amount of a like amount into our infrastructure to not only replenish the Highway Trust Fund but to do more than that.

Which leads me to the point I want to make, which is that I think there needs to be a conversation about what this is. What number are we trying to get to and what is it going to get us. If you think about me and our department as contractors, we can try to go out and build what Congress urges us to do. But I want to make it very clear that we can't go out and build a great big mansion if we have the resources to build a hut. I think that our system right now really needs a substantial injection of a long-term bill, but also substantial growth to counteract the cumulative effect of the short-term measures in the recent past.

Senator Vitter. And Mr. Secretary, just one follow-up, real quickly, on that specific point. Is there a version of that proposal you are talking about that doesn't have the big tax increase on successful folks as part of it? Because going back to the spirit of my comments, I am suggesting that we get real and we cut to the chase so we actually solve this in a meaningful way by May. So if we are just talking about that version, in all due respect, I don't think that's sort of meeting my test.

Mr. Foxx. Well, the Green Book last year published three specific ideas about pro-growth business tax reform that I think potentially would meet your test. One was eliminating LIFO, another one was eliminating accelerated depreciation. And a third one was pulling some of the untaxed corporate earnings overseas and bringing those back home. And those there ideas, very specific ideas, are ones that seem to be within the parameters that you have mentioned.

Let me also extend to you, Senator, and to the committee, and to the entire Senate and House, the full measure of my attention to help you get to yes on a solution here. Because I think it is vital for the Country.

Senator Vitter. Thank you.

Senator Inhofe. Thank you, Senator Vitter.

Senator Carper?

Senator Carper. I am happy go after Senator Cardin.

Senator Inhofe. All right, Senator Cardin?

Senator Cardin. Thank you, Mr. Chairman. I appreciate that.

Secretary Foxx, thank you for your work. I strongly support a robust reauthorization, long-term, of our transportation needs. It needs to be long-term. As has been pointed out, our States and counties cannot plan without the long-term commitments from the Federal Government as their partner. It needs to be robust because it is not only the new roads and bridges and transit systems that we need, but it is also maintaining the infrastructure we have. So we have to focus on this.

I do want to maintain, and I think this is the important part, the flexibility. I represent Maryland. The Baltimore-Washington area is the most congested area in the Nation. We need to invest in transit and we have a game plan to do that. We want to stay on that game plan.

But a large part of it depends upon the ability of a sustained Federal partner and that requires a long-term

reauthorization of a robust bill.

I also want to emphasize the need for giving our local governments flexibility. I have worked with Senator Cochran on the Transportation Alternatives Program that allows locals to make decisions, our mayors, our county people to make decisions as to what is in their best interest, so we have livable communities where you can walk and bike and keep cars off the roads when they are not necessary.

And then you emphasized safety. I want to emphasize that point also. We had a tragic bike accident in Baltimore just recently. It is critically important that our local governments have the ability to keep their people safe. Of course, we just recently had another tragedy on the Metro system here in Washington, and we have been working with your staff to make sure that we find out as soon as possible how we can make the Metro system safe. In other words, we don't want to wait a year for the full review before we implement changes to make sure that the passengers are as safe as possible.

So I just really wanted to underscore the points that you have made, that we do want to work with you in partnership. This is a bipartisan committee. We want to have the resources to modernize our transportation systems. I have the honor of living in Baltimore and commuting to Washington every day. I never know whether it is going to take me one hour or three hours to get in.

So it is a challenge for people in our region, people in our Country. I urge you to be bold. I think this committee is

prepared to be bold. It just seems to me with the price of energy today we should be able to get the resources we need in order to do what our constituents want us to do, have a modern transportation system, be able to maintain that, and create the economic engine that will create jobs for the people of our communities. That is our goal, that is what we are trying to do.

I just want you to know we appreciate your commitment to this. You have a lot of partners on this committee.

Thank you, Mr. Chairman.

Senator Inhofe. Thank you.

Senator Fischer?

Senator Fischer. Thank you very much.

Thank you, Mr. Secretary, for being here today. I appreciate it.

In your testimony you state "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." I couldn't agree with you more.

As you know, in Nebraska, our department of roads, our cities, our counties, they have been very frustrated with the Federal Highway Administration's what I would call unpredictable approach to the environmental review process. You know that we have been trying to work on that. I don't believe that it comports with the performance based, data-driven approach of MAP-21. I think those reviews need to be performance-oriented, not

solely process-based and certainly not inflexible.

I appreciated your earlier comment about a concurrent review process, where you can cut it down from three to five years to 18 months. That would be great. That would be great if we can do that. I hope that the Federal Highway Administration is going to continue to work with Nebraska so we can get there. As you know, limited resources become even more stretched and stressed when we have a process that I believe is not working the way it is supposed to.

What do you think we can do to be sure that that state of good repair projects within existing rights of ways are exempt from what I would call a counterproductive consultation with regulatory agencies? And what is the value added to environmental protection by conducting even a CE level review on a resurfacing project or another project in an existing right of way where a transportation facility already exists? Do we have to study and document things over and over and over again and just pile up paper?

Mr. Foxx. Thank you for the question, Senator. I know that specifically with respect to Nebraska, the Federal Highway Administration has been working very closely with the Nebraska Department of Roads, making a lot of progress on making greater use of categorical exclusions to expedite projects. I think you are going to see some good news occurring there over the next several months.

But more generally, the work of MAP-21 did some very

important things to give the Department tools to make greater use of categorical exclusions. In addition to that, we have begun to take a look at the State review processes. If they are redundant and essentially at the same standard the Federal review would be, we have begun allowing some States to substitute their State review processes for the Federal review processes. Texas has just gone through that process. So we are working to expedite where we can.

I want to emphasize that I think that through our new bill, Congress could give us additional tools to enable us to operationalize concurrent reviews. Again, I think we get perhaps even better environmental outcomes by doing it that way, because the environmental considerations get brought up early and dealt with early.

Senator Fischer. I would be very happy to work with you on those, with my office, especially so we can stop the redundancy that I believe is happening.

If we can move on to TIGER grants. Do you think they are being distributed in an equal manner? I know that when we look at rural America, open country, small towns, it seems that we are not getting really TIGER funds in those areas. Can you tell me why that would be?

Mr. Foxx. A couple of points. The TIGER program requires a minimum of 20 percent of each round to be distributed into rural America.

Senator Fischer. And the definition of rural America at

that point is?

Mr. Foxx. I would have to have my staff confirm this, but I believe it is a community of 50,000 or fewer people.

Senator Fischer. I am talking about very sparsely populated areas, where in many cases there is one person per square mile. But yet in a State like Nebraska, we have miles and miles of roads that are necessary for commerce, for safety. And I would think we could look at maybe a new definition of rural America.

Mr. Foxx. You know, we are following the statutory definition, but if there is a new definition, we will follow what this Congress tells us. What I would also say are a couple of other points. We in the last round exceeded that 20 percent minimum. We think of it as a floor but not a ceiling. We are looking constantly to make sure that we see good transformational projects across the Country wherever they happen to come from.

Secondly, we have done more outreach to extend technical assistance to rural communities, because in some cases, it is communities that have fewer tools, aren't able to hire fancy consultants to help prepare their applications, that sometimes don't get through. So we want to make sure we are being as equitable as possible from that standpoint.

So we will continue to work with you and others. I also want to applaud Nebraska for Omaha's TIGER grant this last round, for a bus rapid transit system, the very first in the state of Nebraska.

Senator Fischer. Yes, it was great.

Thank you very much, Mr. Secretary. I appreciate your work.

Senator Inhofe. Thank you, Senator.

Senator Booker?

Senator Booker. Thank you, Mr. Chairman.

First and foremost, I want to echo some of what has already been said. You are an extraordinary public servant, one of the best Cabinet members the President has. I say that with no particular bias, I am also your friend for many years and a fellow former mayor.

[Laughter.]

Senator Booker. I just want to thank you also for your numerous trips to the State of New Jersey and for your partnership on a number of very specific, important projects. As you know, New Jersey is the most densely populated State in America. It is home to the most valuable freight corridor in this Country, it is home to the busiest airspace in this Country. It has the third busiest seaport in the United States. We have 39,000 miles of public road, 6,500 bridges and nearly 1,000 miles of freight rail. In many ways, when it comes to the economic prosperity of our State, New Jersey is the transportation hub that really drives our economy.

I don't want to restate anything that has been said already in terms of the importance of moving a long-term funding mechanism forward. But I do want to just for the record ask you some questions which are obvious but important to the State.

First and foremost, delays in adequately funding our

infrastructure actually cost the taxpayer more money. In other words, it will drive the expense of this transportation deficit even higher. So in other words, all the fiscal conservatives, and I include myself, having been a mayor, and you as well, having to be fiscally conservative, that we are delayed by our lack of funding, our short-term actions actually are driving more costs to taxpayers over the long run. Is that correct?

Mr. Foxx. Yes. Absolutely. We have estimates, American Society of Civil Engineers estimates on a State by State basis the cost of poor infrastructure on our roadways. In most cases, the amount people are actually paying into the Highway Trust Fund, for instance, is less than the costs they are experiencing as a result of poor road conditions, whether it be having to buy new tires or get a new axle fixed, or the cost of gasoline or whatever. Folks are paying more than they are getting.

Senator Booker. So it is the height of your responsibility, from just a dollars and cents balance sheet analysis, for us to do nothing, or short-term fixes, not just for the public treasury, but as you said already, motorists in my State on some estimates are spending over \$2,000 a year because of poor road conditions.

So our inaction makes people pay twice: once with our taxpayer dollars and then also with their own dollars out of their pockets, in addition, their own dollars for direct payments because of repairs to their cars, congestion, lost productivity because you are sitting in traffic. Actually, Congress is making

people pay twice.

Mr. Foxx. Yes. And money is one thing, but time is something none of us can create more of. When folk are spending 40 hours on average more a year in traffic, that is time they don't get back. That is a soccer game or a work hour or whatever. I think that we as a Country, we have stopped thinking about our transportation system as something that gets us there fast.

Senator Booker. Right. So I know the importance of finding the mechanism is really important, but it is almost like saying we either pay now or we pay much more later.

Mr. Foxx. Yes.

Senator Booker. So the last thing I want to ask you to comment on, one of my colleagues did something that many people might think is radical. Senator Sanders has called for a trillion dollar investment, far more than the Administration is asking for. Can you just give your opinion on that? Knowing that our deficit for transportation investments is far more than a trillion dollars, how do you view Senator Sanders' call for the trillion dollar investment?

Mr. Foxx. It is a bold step. It is a bold step and a statement about where we are as a Country. We need to invest more. I think everyone strains to figure out how to pay for it.

But to your further point, what happens if we don't? We are going to pay probably more anyway on an individual basis. We are going to lose opportunities to bring jobs to this Country. For

every billion dollars we invest, we estimate 13,000 jobs come as a result of it.

And in the transportation sector writ large, only about 12 percent of folk who work in transportation have college degrees. So you look at that versus the long-term unemployed, this is also a jobs issue. So we are not capturing opportunities as a Country, because we are not investing as we should.

So I think it is very, very important, and I applaud Senator Sanders for taking a bold step and actually talking about the needs we actually have.

Senator Booker. Thank you, Mr. Secretary. Thank you, Mr. Chairman.

Senator Inhofe. Thank you, Senator Booker.

Senator Capito, it is my honor to introduce Senator Capito for the first time in this committee. She will make great contributions here.

Senator Capito. Thank you, Mr. Chairman. Thank you, Secretary, for being here with us today.

I was able to meet you first when I was over on the Transportation Committee on the House side. And I was also on the Conference Committee with the Ranking Member when we did a lot of the streamlining of the environmental permitting for projects. I am glad to know it is moving along. I understand there are things still to be done. So I appreciate that effort.

Also I would tell my colleague, Senator Fischer, that in West Virginia, the rural community of Ranson was a recipient of

two TIGER grants for economic development. We are very appreciative of that, they have been very innovative with that. I think it is going to really grow that local and regional economy. So I am very appreciative of the set-aside for rural America. Because we were the beneficiary of that.

The big question is, how do we afford all this? We know that is the elephant in the room and what we are all trying to struggle with. I would ask you, in the TIFIA and the public-private partnership arena, are you finding across the Country that States and local communities and business entities are really stepping up for this public-private partnership? We see some of this in West Virginia. I am wondering how that is going nationally and what your perspective is on that. I notice in your written comments you talk about expanding the TIFIA opportunities.

Mr. Foxx. Thank you very much. We do see a lot of promise in public-private partnerships. There are some really clear examples just in the last few months of ones that we have been able to move forward. One of which that comes to mind is in Pennsylvania, where there were 500 some odd bridges that the State of Pennsylvania needed to update. Many of them were deficient. And not one of those bridges by itself would necessarily have attracted private capital.

But they pooled those bridge projects together, and we were able to issue, I think it was \$1.2 billion in private activity bonds to support getting all of those bridges done. So we are

looking at creative ways to move forward.

Having said that, I think we have some problems that I want to be very clear about. Number one, this issue of the cumulative effect of short-term measures has hurt us as a Country because it has hurt our planning process. States and local governments that haven't had the luxury of counting on Federal support over a long-term period have pulled back on their planning. So the big projects that are most likely to attract large scale private capital in many cases aren't actually being planned, they are not going through the review process, they are not teed up, if you will, to rapidly move into a public-private partnership.

The second challenge we have is that the programs that we have within USDOT are relatively stove-piped. TIFIA works through some agencies within DOT but not all. RRIF works through the Federal Rail Administration. PABs works through our Office of Policy. But we think one of the things that additional policy could do is help us pool those resources together so we could have a dedicated team to really focus on public-private partnerships.

Senator Capito. Thank you for that. I share your frustration. Certainly in West Virginia we had State transportation day, because the legislature has come in. There is a lot of frustration at the local level and the State government level about the inability here for us to do a long-term highway bill. I am certainly committed to that.

I think what happens and where the frustration for a State

like ours falls is because the money comes in smaller chunks, you end up really just doing maintenance. You don't do anything innovative, you don't do anything that really is telling your population that we are moving to the next century.

So we see that in our home State, and I think that is very frustrating to local citizens, businesses and people who are trying to grow the economy at the same time. So I share that frustration.

So I would join with you to try to make this work and to find the magic formula that we can give the confidence to the States and local folks that we really can get this done. I think there is a great impetus for this and I look forward to working with you. Thank you.

Senator Inhofe. Thank you, Senator Capito.

Senator Markey?

Senator Markey. Thank you, Mr. Chairman, and congratulations to you on this first and most important hearing that we will be discussing. I know that you and Ranking Member Boxer are working very closely together to advance this legislation. I think if we do it correctly we can have a great success this year, and I thank you for your work on it.

Mr. Secretary, if I may, I would like to talk first of all, transit-oriented development. You came up to the Ruggles Station in Boston, and we are having great success there with the help of the Federal Government to encourage development in an area that historically has been underserved, but which has potential to be

explosive in terms of growth and the use of public transportation.

Could you talk a little bit about that and the role that Congress can play in partnership with the Department of Transportation to continue to advance it? What role do you see that in terms of it being built into the legislation that we are considering?

Mr. Foxx. Thank you very much, and it is a very exciting project in Boston. What is happening in Boston and across many of the metro areas around the Country is population is starting to concentrate there. If you go to some cities, I was with Mayor Garcetti in Los Angeles, actually, and he mentioned to me that they literally don't have more highways that they can build. They need to integrate transit choices into what they do.

When you build a station like Ruggles, what that does is it captures the imagination of real estate developers and they start to build dense developments and bring amenities into communities that may traditionally not have them. I think the challenge for us is that right now, if we look at the amount of money we are putting into transit, I think the demand for it is going to increase substantially over the next several years because of sheer population movements. That is one of the reasons why I would urge a more robust investment in transit, first of all. Second, I would urge that we do more to partner with local communities, whether it is MPOs or mayors or even governors in some cases, to help them develop the tools to utilize the land

use opportunities that come about as a result.

Senator Markey. Boston had 800,000 people who lived there in 1950. It drifted all the way down to about 600,000. But now, with increasing transit-oriented development, Boston has gone back up to 640,000 and the arrow is straight up in terms of the number of people who now want to move back, use public transportation, live closer to all of the amenities of the city but also the jobs that are being created around these transit projects. Which then has reduced, as you know, the number of vehicle miles driven by automobiles all across the Country over the last five to six years. It is just going down and down and down because people want to live and work closer to their mode of transportation. And increasingly it is public transportation. So thank you for all of your work on that.

Could I talk with you a little bit about the Complete Streets program as well? I also find that to be very exciting, where pedestrians, bikers, children, seniors, everyone is included in kind of a project approach that ensures that all of these facilities can be used by everyone. Can you talk a little bit about that, and again, the role that the Congress can play in authorization and partnership with the Department of Transportation?

Mr. Foxx. Through our Transportation Alternatives Program, we have been able to be a bit of a catalyst in helping communities develop best practices around the greater use of Complete Streets. What that really means is creating ways in

which all users on a roadway can safely use those facilities. So you will have a lane for vehicular traffic, you will have places for pedestrians that are safe and bicyclists as well. And we have found that it not only helps with safety, but people actually use the entire roadway in different ways. It is healthier, it is cleaner in some cases.

I think that continuing to support the Transportation Alternatives Program and helping us build additional tools to support States as they measure safety of the bicyclists and pedestrians and really bringing bicycling and walking up to a standard that we expect of every other mode of transportation.

Senator Markey. Right now we are seeing that upwards of three-quarters of pedestrians who are killed are killed in urban areas. So the more that we can work together to create strategies that reduce those numbers and make the streets safe for everyone I think the better off we are going to be. I am looking forward to working with you. I think it is a very exciting area and by the way, I think you are just doing a fantastic job. I think you understand cities, having been a mayor. I appreciate all the work that you do.

Mr. Foxx. Thank you, Senator.

Senator Inhofe. That is great. Thank you.

We will recognize now Senator Rounds for his first introduction on this committee. We are delighted to have him serving on the committee.

Senator Rounds. Thank you, Mr. Chairman.

Mr. Secretary, thanks for the opportunity to visit with you just a little bit today. Coming from South Dakota, our home State, we are between 800,000 and 900,000, except during the time of the Sturgis Rally, then we bump up considerably. It seems as a former mayor of Boston, the discussion there in terms of, you have had the opportunity to work on transportation projects from a different point of view, a large metropolitan area, yet one in which you are dealing with the Federal guidelines and rules that are required in order to qualify for Federal funding.

In South Dakota, we have similar challenges but on an agricultural basis and a rural area basis. I am just curious as to your thoughts with regard to the projects that, as you indicated earlier in your statements, need to be modernized. We have to be more efficient if we are going to expect taxpayers to put more dollars in at some point in the future. How do you move forward, from the Federal side now, when you are working with communities, large and small, States large and small, differing expectations in terms of the quality and yet at the same time the need for modernization of different projects? What do we do to convince and gain the confidence of the individual taxpayers who look at a Federal operation here that under traditional operations, takes a huge amount of time just to get a project ready to go, approved and then actually built? What do we do to convince them that we have modern ways and more efficient ways to actually deliver those projects on a timely basis?

Do you have some ideas? Would you share your thoughts in

terms of what we can do to actually deliver, a simpler way of saying it, more bang for the buck when it comes to the dollars that we are going to be expected to invest in order to maintain the infrastructure?

Mr. Foxx. Sure. We have had some conversation already about project delivery and things that could be done to improve it. There is another idea that I haven't mentioned that I think is worthy. Essentially, I think we can greatly accelerate the delivery of projects, speeding them up, in other words, by having more concurrent reviews occurring at the Federal level.

I would also urge creating tools that incentivize the States to do the same thing. Because sometimes the delays that occur are not just Federal delays, sometimes there are State reviews that have to take additional time. Giving the States more tools to be able to accelerate is also useful.

In addition to that, there is a quirky thing in the Federal Government when it comes to multi-modal projects, ones that involve potentially highways or rail or transit. That is that the reviews are sometimes, they require separate reviews. So even within our own department, on a project that has different modes involved, sometimes we have to have two different sets of reviews occur. And it doesn't make sense to me that we do that. But it is a requirement that comes that I think could be fixed by legislation.

So I think cleaning some of that up would be useful. It would also allow us to move forward without compromising the

environment and ensuring project integrity.

The other thing that I would say though is that, I think the public has gotten used to a deteriorating system. I would urge that if you give us the tools to help speed up projects, which I would urge in the way that I just discussed, that we also look hard at making sure that we have the resources to make the kind of impact on folks' commutes and their ability to get goods from farm to market or whatever, and make sure that this counts. If you are going to go through the brain damage of trying to figure out how to get this done, make it count for America and make it so that people actually see it and feel it. I think another part of the bang for the buck issue is that if we are essentially managing a declining system, folks are also going to lose confidence even if we speed up projects.

Senator Rounds. Mr. Secretary, thank you. Thank you, sir.

Senator Inhofe. Thank you, Senator Rounds.

Senator Merkley?

Senator Merkley. Thank you very much, Mr. Chair, and thank you, Secretary Foxx. Thank you for the steady hand and detailed presentation and the points that you are hitting on certainly resonate in Oregon regarding movement of freight, urban transit, innovative financing, support of transportation for manufacturing, the connection between rural communities and markets, all of these. Well done, and thank you for coming out to Oregon to take a look at our Tilikum Crossing that certainly the Federal Government was a huge partner in. The network of

light rail and streetcars and rapid bus transit that is being utilized to try to address some of those job to work or home to work challenges, the lost time that my colleague from New Jersey was talking about.

Something that has really struck me and certainly resonated in my town halls across Oregon is the low percent of our GDP that we are investing in infrastructure. I think that is a point worth reiterating.

The numbers I have generally seen, but I have a feeling you have better, more detailed insights on this, is that the U.S. is now spending less than 2 percent of our GDP on infrastructure, that Europe is spending 5 percent, that China is spending 10 percent. And I was struck in two trips to China 10 year apart watching Beijing going from being basically a bicycle city to having a bullet train running 200 miles per hour. To be on that bullet train was one of the more surreal experiences of my life, given what I had seen just a decade previous. Massive change due to a huge commitment to infrastructure

Are those numbers in the ball park, and how does that reflect on the difference between the foundation we are building for the economy of the next generation and what our competitors are doing?

Mr. Foxx. It is a great question. Those numbers are in the ball park. There are several challenges, some of which you have pointed out. One of them is that our global competitors have the benefit of picking and choosing from the things we have done with

our system and figuring out which of those things they are going to engage in, whether it is rail or highways or ports or whatever. It then becomes a matter of, if you are a manufacturer, if you can get things from shop to port faster somewhere else, it creates a competitive disadvantage for us.

So one thing is that the rest of the world has looked at what we have done and they are building new stuff that in many cases is better than ours.

Secondly, we have an aging system. Some of the stuff that you are talking about in China is relatively new. We have two problems. We have new things we need to build that we are not building and we have old things that we built a long time ago that need to be fixed up. Both of those problems create a huge challenge for this Country.

The third issue that we have is, and I mentioned this before, but I think that we have allowed our system to be stove-piped. The reality is that if we are going to improve our ports, we need to improve our road systems and our bridges and our rail systems. If we are going to do all that, we need to also make sure that we are taking care of our inter-coastal waterways and ensuring free movement there.

So our system is a system of systems. But we can't starve it and expect it to perform for us. To your point, we are under-investing.

Senator Merkley. Thank you very much. Thanks, Mr. Chairman.

Senator Inhofe. Thank you.

Senator Carper?

Senator Carper. Thanks, Mr. Chairman. I want to applaud you and Senator Boxer for the spirit in which you approach this work. It is an inspiration to me and I think to all of us. And I hope it is an example to our colleagues in the Senate and the House.

Senator Inhofe. We will make it work.

Senator Carper. Mr. Secretary, a lot of nice things have been said about you this morning. Some of them really over the top. You have been referred to as the Mayor of Charlotte, Boston, I don't know what else you have in your background. There is an old saying in our State, it says flatter won't hurt if you if you don't inhale. So all these nice things that are being said about you, just don't breathe too deeply and you will be fine.

One of the takeaways from me, one of the major takeaways for me from the election last November was, really three things. One, people want us to work together and the spirit that Senators Boxer and Inhofe bring to these proceedings is, I think, what the folks are looking for across the Country. They want us to get something done, something real done, not just talk about it, not just bemoan the fact that we are having a hard time getting things done, but actually get things done.

The other thing they want us to do is find ways to further strengthen our economic recovery, which is now in almost its

sixth year and starting to move well. Still, people are hurting, there is still a good deal that needs to be done. But one of the best things we could do, and others have referred to this, a lot of people are sitting on the sidelines who would like to do construction work. I understand that a fully-funded, robust transportation plan would put 600,000 or 700,000 people back to work, including a lot of people who haven't worked for a while.

The other thing we have heard, there are any number of studies from people a lot smarter than me that have talked about it and computed what happened to the growth in our gross domestic product if we would actually do a robust transportation plan for America. It is not just a tenth of a percentage point, it is like between 1 percent and 1.5 percent growth in GDP. It is real growth.

I think it was Senator Capito who used the term the 800 pound gorilla in the room. I go back to those, there is an 800 pound gorilla in the room, and it is really our unwillingness to really pay for things that we want, or pay for things that we need. The energy policy we have, an all of the above approach would include generating electricity from gas, coal, nuclear, from wind, hydro, solar and other sources. I think what we need is maybe an all of the above approach in terms of providing transportation funding. Not just financing. There are a lot of ways we could finance stuff, which basically means we are borrowing money. But we need to fund it as well.

But through public-private partnership, there is room for

that, and infrastructure banks, there is probably room for that, repatriation could be helpful, especially getting one-time projects. I think for example, the tunnel I came through coming down the northeast corridor this morning under Baltimore was built in the Civil War. That is an example of a one-time project. It needs a lot of money and could be funded by something like repatriation where you have tolling, we have vehicles miles traveled. There are some interesting experiments in vehicle miles traveled, very slowly advancing. But I think it is a good example.

So all those are available. But the idea that we have not talked about a whole lot here is user fees. We have paid for our transportation infrastructure for years through user fees. The gas tax, as we know it, that was adopted 21 years ago, about 18 cents, it is worth about a time, the diesel tax was adopted around 21 years ago, it is worth about 15 cents. Meanwhile, our asphalt, concrete, steel, they have long ago gone up. And we need something like a baseload for our energy, coal, nuclear, gas, we need some baseload here for our transportation funding.

There is going to be introduced some bipartisan legislation in the House and Senate probably next month that would raise that user fee, the gasoline tax, three or four cents a year for four years, index it to the rate of inflation, raise about \$175 billion. It would be a real infrastructure investment program. And on top of that, we still need to do a whole lot more. Those other items that I referred to would be very helpful.

My question. You and I have had some good conversations of late. Some of my Republican colleagues have talked about, why don't we just offset an increase in the user fee by reducing personal income taxes for lower income people or others. The problem with doing that, we have a \$480 billion budget deficit. To the extent that we go about reducing the personal income taxes, we make the budget deficit bigger.

One of the things we talked about is finding savings with the way we do transportation projects. You have shared a couple here today, ideas how we could actually save some money to offset whatever increase we have in user fees. Could you just briefly talk about two or three of the most important ones, most doable ones you think we should focus on and what we could do to help?

Mr. Foxx. I think the project delivery work is an opportunity, done right, in a way that doesn't compromise the environment, I think it can be done very well. And it would save money, not just money at the Federal level, it actually would work downstream at the State and local levels as well.

In addition to that, I think in terms of saving money, I think the more we work to accelerate projects that move through the system at any given point, whether it is design, environmental review, or even as we work on become better with innovative financing tools like private activity bonds and so forth, those are places where I think we can also stand to accelerate and get projects done a little faster. We have worked very hard to make the TIFIA program move better and faster. I

think that has been a success.

But RRIF still needs some help, and I think the private activity bonds work could use some as well. We will continue working on those things.

Senator Carper. I realize you could help us build up to that list and be real partners in this. To the extent that we, as we raise monies, I hope through user fee increases, phased in over several years, modest, but real, and to find ways to offset those increased user fees through savings, and be able to find ways in how we are doing transportation projects to actually do them, not in a way that degrades our environment, we are not interested in going there, but help us define this. I know you are going to have some of your people do that, and we are grateful. Thank you.

Senator Inhofe. Thank you, Senator Carper.

Senator Barrasso. Thank you, Mr. Chairman. Thank you very much for being with us, Mr. Secretary.

In your statement you talked about we must expedite high priority projects. I agree. In Wyoming we have high priority projects which could be as small as replacing a single lane bridge and as big as replacing a segment of Interstate 80. So can I ask you to please share how your recommendations on expediting project delivery are going to benefit rural areas and rural States like Wyoming?

Mr. Foxx. What we would like to do is to operationalize the concurrent review process so that we are doing that on a more

routine basis, it is not just some of the high profile, big dollar projects. But it could be more on a routine basis for virtually all projects. I think working with Congress to develop those tools, again, to do it in a way that is environmentally sensitive, I think we can get that done and actually move the ball forward a good bit.

Senator Barrasso. Thank you.

Mr. Chairman, in light of the fact that we have a number of governors waiting, I will defer until they get here.

Senator Inhofe. Thank you, Senator Barrasso.

Senator Gillibrand?

Senator Gillibrand. Thank you so much, Mr. Chairman and Madam Ranking Member, for holding this hearing. This is an incredibly important issue for New York State.

Mass transit is critical to the economic viability of not only New York, but every State in the Country. On an average weekday, nearly 8.5 million Americans ride the trains, subways and buses in New York City, which generates significant economic revenue. Would you agree that it is critically important for mass transit to continue to receive designate funding through the mass transit account of the Highway Trust Fund? Can you discuss some of the negative impacts to our national economy and to regional economies across the Country if the Congress were to cut funding for public transit?

Mr. Foxx. Absolutely, I agree that we need to maintain resources for mass transit. It is vitally important, of course

in the State of New York and many other parts of the Country. There is also a very substantial rural transit program we have that is also vital to many rural communities as well.

If Congress were to eliminate that funding, what would happen is that our roadways in high-use areas of the Country would become inundated with traffic. Freight movements and commutes would actually stall. That would be a disaster for the Country.

What we really need is a Nation that moves more toward multi-modal movement, and one in which the users have choice. The more choices they have, potentially you get more cars off the road. That enables more bandwidth for trucks and other commercial activities to occur. So this is all symbiotic. If we lose the transit piece, I think we end up creating other problems.

Senator Gillibrand. Super Storm Sandy resulted in a whopping \$8 billion of physical damage to the region's transportation infrastructure and affected nearly 8.5 million public transit riders, 4.2 million drivers and 1 million air travelers. For nearly two years after Sandy, New York City has not only worked to repair and restore its transportation infrastructure from the storm's damage but is also taking steps to improve the resiliency of its transit network. However, there is much more work to be done.

Can you speak to some of the challenges with regard to constructing a more resilient transportation network, what has

been effective so far, and what policies would be most helpful to ensure that the DOT as well as State and local governments have the tools they need to improve resiliency and plan for future extreme weather?

Mr. Foxx. This is another very important topic, and it is one that cuts across many of the Department's programs, whether they are highway, rail, transit, maritime, etc. We learned a lot when we got involved with the Hurricane Sandy recovery. We are taking the learning we derived from that and trying to build into more of our programs routine resilient construction.

So for instance, we found that stoplights needed to be wedged into the ground deeper to be more resilient. We found that in the subways in New York, where the electrical wires had been under the trains, that putting them above the trains and encasing them in a thicker material would provide more resilience. So these best practices aren't being left in the Northeast. We are actually trying to see those get implemented in other parts of the Country, so that we are building more resiliently going forward.

Having said that, one of the challenges we are going to keep running into is, we are under-investing in our infrastructure overall. So in terms of actually building a more resilient America, the less funding we have available, the less we are going to be able to make an impact.

Senator Gillibrand. My last question, I know you addressed already but I will ask it, improving pedestrian safety is a

critical issue in New York and one that local leaders in my State are working very hard to address, whether it is Vision Zero in New York City or projects to improve sidewalks and crosswalks in upstate New York. Building pedestrian infrastructure into how we design our streets saves lives.

As this committee works to reauthorize MAP-21, we should make sure that we continue to invest in critical safety programs that protect the safety of pedestrians, including children and the elderly and people with disabilities. What would be the implications of failing to adequately address pedestrian safety at the Federal level?

Mr. Foxx. It is an incredibly important question, Senator. Between 2009 and 2013, we actually saw an uptick in pedestrian and bicycle deaths as well as accidents. It is one of the few areas in our entire Department where we are actually seeing that uptick. So we have to attack this as a Country. We have to use a multi-tiered strategy. Our Transportation Alternatives Program, which provides us resources to help support bicycle and pedestrian programs, has been useful. We have also made significant investments through TIGER to help promote best practices, including New York City's Vision Zero program.

Finally, we are working with mayors across the Country now to encourage them toward best practices in information sharing. A lot of the capital expenditure for road assets across the Country are at the local level.

Senator Inhofe. Thank you. Thank you, Secretary Foxx. We

are going to really enjoy this ride with you. I think you are the right guy at the most difficult time. We will make this happen together. Thank you for your service.

Mr. Foxx. Thank you, Mr. Chairman. Thank you, Ranking Member Boxer.

Senator Inhofe. I would like to ask the second panel to come in. I believe they are all in the anteroom. Our first introducer will be Senator Sessions. He is trying to get to another committee hearing. We will have our witnesses please come in and sit down.

Senator Sessions. Mr. Chairman, I think our new Senate is trying to get busy today. We have four major committees at this exact time going on that I am a member of. I know others are having conflicts, too.

Senator Inhofe. And on top of that, something like 16 votes. We are going to be busy.

At this time, I would like to welcome our panel. We have had a little bit of illness around, and it has changed the makeup of the panel a little bit. I would first like to introduce for introductory purposes Senator Sessions.

Senator Sessions. Thank you, Mr. Chairman.

I am honored to introduce Governor Robert Bentley, the 53rd Governor of the State of Alabama. He is a long-term practicing physician. It is reported he finished at the top of his medical class. I haven't asked him that under oath, but I would not be surprised. In fact, I am sure that is accurate.

He served in the Air Force, and he made job creation a priority with automobile, aerospace and manufacturing industries in Alabama, showing some real growth. He is Vice Chair of the Economic Development and Commerce Committee of the National Governors Association. He has a great understanding of the fiscal challenges facing our States. He was just re-elected despite having to make some real tough decisions to control spending. Had a big victory in this past election. He understands the fiscal challenges we face, what our States need to do to assure taxpayers' money is spent wisely. He has been leading a host of efforts to streamline and reduce unnecessary costs and spending.

Governor Bentley, thank you for coming. It has been a pleasure for me to work with you. I have the highest respect for you. I would say this, Mr. Chairman. I won't be able to participate in the questioning, I don't think. We will see how that works out. I hope to get back. But I share your view and that of Senator Boxer that we need a highway plan that we can pass that is soundly financed and paid for that allows our governors to rely on the future, so they can plan for their future. It is cost money, or reducing the value of the money we spent, because of the uncertainty that is out there. Even though you know I am a frugal budget person, somehow we need to make this one work. I will try to be positive in that regard.

Thank you for your leadership and thank you for inviting Governor Bentley.

Senator Inhofe. Thank you very much, Senator Sessions, for that fine introduction of the Governor.

We recognize Senator Rounds for his introduction. I believe I met your guest when I was up in South Dakota.

Senator Rounds. That is entirely possible, Mr. Chairman and Ranking Member Boxer. My opportunity today is to first of all introduce the Secretary of the Department of Transportation in South Dakota, Darin Bergquist. I have known Darin for years, and I had the opportunity to actually appoint him as the Secretary of Transportation when I was Governor. So I can share with all of you, he has seen the ins and outs and challenges of trying to work with limited funding and in a rural State in which there is always a challenge in terms of how you take the dollars and spread them out and literally deliver the best you can and yet come back to a legislative body who is always questioning how you are spending the money.

If I could, I just want to share with you, in South Dakota we have challenges like everyone else. But it is a rural State, we are 200 miles up and down and 400 miles east and west. We have 85,000 miles of highway. Local governments own 57 percent of the Federal aid highway miles within the State and 91 percent of the State's structurally deficient bridges. The Federal Highway program is vital to ensuring South Dakota has the funds that we need to manage our State's highways and bridges, thereby providing for economic growth and ensuring that all South Dakotans can travel safely throughout the State every single day.

I can share with you that I look forward to working with the other members on this committee and with you, Mr. Chairman, and Ranking Member Boxer. We do need an infrastructure bill, we need a Highway Bill, one that delivers for transportation needs across the entire United States. I just hope that as we move through this process, we find an appropriate way to fund it on a longer term basis, and we also recognize that we have to do this as efficiently as we possibly can, and that means cutting through as much red tape as we can when it comes to delivering these services.

Something else, and that is that we work through this in a positive way, rural and urban areas, recognizing that our needs are truly different in many cases. But we are going to have to find a way to keep all of us in the same game, and recognize the needs of both the rural and the urban States in this methodology.

With that, Mr. Chairman, thank you.

Senator Inhofe. Thank you for that very fine introduction.

Senator Sanders?

Senator Sanders. Thank you very much, Senator Inhofe. I apologize for not being here earlier, but I was in another committee.

Thank you very much for inviting Governor Peter Shumlin of Vermont to be with us today. As Senator Rounds just mentioned, I think everybody on this committee understands our infrastructure is in many ways collapsing. We used to lead the world in terms of infrastructure. According to the World Economic Forum, we are

now in twelfth place. That is not anything that anybody on this committee should be proud of.

In the State of Vermont, we have the same infrastructure problems as a rural State that every other State in the Country has. We have communities with a whole lot of potholes, we have congestion. We have bridges that are in disrepair. Some years ago, and Governor Shumlin played a very active role in helping us in that regard, we were hit with Hurricane Irene. Devastation to our infrastructure in parts of the State. We worked very hard to rebuild that infrastructure.

So I appreciate your efforts, Mr. Chairman, and you are going to be working with Senator Boxer. There is a lot of division in the Congress today but I would hope that on this issue there is a common understanding that we are doing our kids and grandchildren a great disservice if we don't own up to the infrastructure problems that we have right now, that we work with governors around the Country to go forward on this issue.

Mr. Chairman, thank you very much.

Senator Inhofe. Thank you, Senator.

Let me just make this comment. We are very proud to have all of you here. We had some illness, and the full panel is not here. But I appreciate very much your coming. It is important. And I do believe, when I look at this politically, it is going to be necessary to have a lot of pressure, a lot of pressure from the State in order to have the support necessary to get this through. It is going to be heavy lifting, but we know you guys

are available and able to do that.

We will start with opening statements. Governor Bentley, you will be recognized first.

STATEMENT OF THE HONORABLE ROBERT BENTLEY, GOVERNOR, STATE OF ALABAMA

Governor Bentley. Thank you, sir. And good morning, everyone.

It is a pleasure for me to be with you, Senator Inhofe and Senator Boxer. I appreciate Senator Sessions' great introduction of me. He is a good friend, and I appreciate all of you, all the members of this committee.

I am here on behalf of the National Governors Association and also the people of Alabama. Governor Tomlin and I are on the National Governors Association Economic Development and Commerce Committee. We serve together on a bipartisan basis. All the governors of the States have basically the same problems that have just been mentioned today.

I am here today to highlight some of these problems and some of the situations that we have. The first priority, when we look at priorities, is really to continue to maintain a strong partnership between the Federal Government and the State governments. There are selected projects across this Country that are of national and regional significance, that States and the Federal Government can partner together on that will benefit our entire Country.

One such project is in Alabama, it is our Mobile River Bridge, also known as the I-10 Bridge. Senator Sessions, who had to step out, he knows this very well. This is a project that reduces congestion in the tunnels that helps with the growth of

our great city there, Mobile. This is a major project that we need to be working on.

One of the second priorities that we need to look at is long-term funding, which has already been mentioned. Funding certainty at the Federal level is essential for planning and for budgeting for future projects. We as governors are CEOs of the States. We understand how important transportation infrastructure is to creating jobs in our States. Certainty allows governors the ability to plan and to execute long-term multi-year transportation projects.

Since I took office in 2011, we have recruited 63,000 new and future jobs for the State of Alabama. Good infrastructure is a key part of the environment that is needed to create the jobs in our State. In Alabama, we are witnessing first-hand the successful partnership of job creation and infrastructure improvement. The first week, my first term of office, I met and recruited a \$100 million company, Golden Dragon Copper Tubing, to Wilcox County, which is the county with the highest unemployment rate in the State of Alabama. This new facility will employ 300 people and not only will it change this community, but it will change those families that live there and it will change a way of life.

The State gave \$7 million of construction money to build roads to this plant. And it will make a difference in the lives of the people of that area.

The third thing that I would like to mention is the

flexibility that we need in Federal dollars. The earmarking of Federal dollars hurts the ability of governors to allocate funds within our States. I want to share also in my testimony very quickly, I want to share a program that I have started. It is an innovative program that we have started in Alabama. It is something we call the ATRIP program. We have put \$1 billion to repair the roads and bridges of every county in the State of Alabama. We use Garvey bonds to do this.

We have been able to borrow these at a very low interest rate. And the fact that have ourselves used our gasoline money to back these bonds, we have been able to save \$35 million more.

Every county in the State of Alabama, 67 counties, will receive projects. And the least any county will receive is \$6.6 million. This spring, Congress will have the opportunity to set a new vision for infrastructure investment in America.

As a Country, we must show that if we are serious about our economy, that we must get serious about investing in our roads and bridges. Governors urge Congress to pass a long-term transportation bill that provides the certainty needed to plan for future projects and the flexibility needed to tailor those projects to the unique challenges that faces each State. Governors look forward to working with you, Congress, and the Administration, to authorize long-term funding. I thank you today for the opportunity to come and testify before you.

[The prepared statement of Governor Bentley follows:]

Senator Inhofe. Thank you, Governor Bentley.

Governor Shumlin?

STATEMENT OF THE HONORABLE PETER SHUMLIN, GOVERNOR, STATE OF VERMONT

Governor Shumlin. Thank you so much, Chairman Inhofe. I really appreciate your inviting us down. To Ranking Member Boxer, thank you so much for hearing us out, and to the entire committee. I want to thank Senator Sanders for that introduction. It is a real honor to be here.

I am honored to be here too with Governor Bentley on behalf of the NGA. Governor Bentley and I have worked together on opiate addiction issues, lots of other issues. And I think he stated the case well in saying that governors in all 50 States, on a bipartisan basis, want to partner with you to get this job done. Because we all know that our economic prosperity, our national security, and our ability to improve the quality of life depends upon fixing our crumbling and aging infrastructure.

I know that I am looking forward to hearing from Secretary Bergquist as well. I know that his Governor wished to be here. I send the regrets of Governor Malloy of Connecticut. We got whacked pretty hard in the Northeast, a little bit of a snowstorm, and our transportation infrastructure. He would be here if he were not digging out. In Vermont we got hit, too, but our southern States are not as accustomed to snow as we are up in Vermont. So he is still digging. That is the deep South, too, Governor Bentley.

[Laughter]

Governor Shumlin. I am going to paraphrase a little bit,

because I know that my comments were put in. Governor Bentley basically just sent my message for me. We know that we can't prosper as a Nation unless we fix what Senator Sanders referred to, which is, we used to be number one, we are fourteenth. You all together with the U.S. Senate have the ability to fix this challenge for us with Congress.

I want you to know, sort of on the ground, as a governor, what this means to a small, rural State, and what it means to Vermont is not all that different than what it means to Wyoming or Alabama or Idaho or South Dakota or North Dakota or New Hampshire. Our challenge in smaller, rural States is that we sometimes forget that 80 percent of our transportation network, 3.1 million miles of roads and thousands and thousands of bridges, runs through our rural States.

So if you take Vermont as an example, when we talk about crumbling infrastructure, you can say, well, you know, Vermont doesn't have that many people. So why does it really matter to the Nation's economy? Well, it matters not only to Vermonters' quality of life, but we happen, as an example, and many other rural States are in the same boat, bordering Canada, we are the transportation conduit to our biggest trading partner in America, Canada.

Projections going forward are that in the next three decades we are going to see our freight transportation increase by 50 percent. And we have a crumbling infrastructure right now.

So in terms of jobs and prosperity, the rural States

actually carry a bigger burden, because we have more to maintain. And we all know that that infrastructure is crumbling and it has to be rebuilt.

So I just want to make the point that when you look at this challenge of reauthorizing the Transportation Trust Fund, it is important to remember that the rural States really have a special burden. Now, the Northeast States have an increased burden as well just simply because of climate. If you look at what we are facing together, we are dealing with a much shortened construction season. We obviously have freezing and thawing that takes an extraordinary toll on our pavement and our bridges. And we have to throw salt on them like there is no end to it, which is really terrible for steel, which is critical to bridges. It frankly doesn't help pavement much, either. So in a sense, the colder States, I would argue, but all the rural States are in this one together.

I want to just say a word about, in listening to the rural States' challenges, I want to say a word about the funding and what it really means for those of us who are in that challenge, as we are losing the battle. For me, and Governor Bentley just made reference to it in his Garvey bonds, he is in the same boat. We rely upon an ongoing funding stream from the Feds to do our work. What happens to a governor like me is that when there is uncertainty about funding or when the Fund is out of money and you are literally unable to send the match back to the States, we are in a terrible position of having to dig for cash that we

didn't anticipate we would need. Or turning to contractors and simply saying, we can't do the work that we contracted with you to do, because we are not sure we can pay the bill.

This is the reality for governors across America. So we have to remember that when we talk about getting this done, and we know that May is the drop-dead date, in my case, next month we will start letting contracts for the work to be done next spring. And remember, in a State like Vermont or in the Northeast, your paving season and your building season runs from mid-April, if you get lucky, early May, until October, somewhere around Thanksgiving it starts to freeze and you can't make pavement below 32 degrees, as you know. So those are the challenges that we face together, both timing and funding.

I just want to make a comment about funding. There is sometimes the perception that States can go it alone, that they can figure this out without the partnership of the Federal Government. I want to remind us that, particularly the small, rural States don't have the options for funding that some of the larger States might have. I go across the George Washington Bridge with the EZ Pass and I dream of having that kind of volume and that kind of passage to get over a bridge. We are often asked, when we hit our transportation challenges, why don't you do tolls in Vermont? Well, we don't have enough people to pay the tolls. We don't have enough traffic to go through. It literally would not be a great giving proposition for us, in all the studies that we have done.

So let's remember that while the small, rural States have a more intense infrastructure, more miles and bridges to maintain, we have fewer funding sources to do it. So I really appreciate the opportunity to be before you today, and we would love to answer any questions that you have.

I just want to make four quick recommendations, if I could.

[The prepared statement of Governor Shumlin follows:]

Senator Inhofe. I am afraid we can't do that, Governor.

Thank you very much for your presentation. Secretary
Bergquist?

STATEMENT OF DARIN BERGQUIST, SECRETARY OF TRANSPORTATION, STATE OF SOUTH DAKOTA

Mr. Bergquist. Thank you, Chairman Inhofe, Ranking Member Boxer, Senator Rounds and members of the committee.

I appreciate the opportunity to be here in front of this committee this morning on behalf of South Dakota Governor Dennis Daugaard. Governor Daugaard really wanted to be here himself to tell you our story, because he understands and appreciates the importance of strong transportation investment to our State. He sends his regrets that he was not able to be here today.

But on his behalf, I would like to highlight a few of the key points of his written statement. First of all, we thank you for holding this hearing early in this Congress. This tell us that the committee appreciates the prompt action to pass good Federal surface transportation legislation that will benefit the Nation. The Nation needs strong Federal transportation funding and long-term financial stability for the highway and transportation program in order to strengthen the economy and the Nation.

We believe the transportation program should continue to distribute the vast majority of funds to the States by formula. It should further simplify regulations and program requirements, providing States with additional flexibility to meet their unique individual needs.

The Federal transportation program must connect a Nation, including rural areas like ours. A rural State like South Dakota

is far from markets and population centers, but our contributions are important to the national economy. South Dakota and other rural States are the sources of products, resources and recreational opportunities that help define us as a Nation. Our highways connect cities like Chicago and to the west coast, enable agriculture and other goods to move to national and rural markets, and allow people to visit great places like Mount Rushmore and other parks and attractions that are located in rural areas.

Extensions and very short-term authorizations are a particular problem for a State like ours, with a cold climate and a very short construction season. Without a multi-year funding, we have to focus more than we would like on short-term and smaller projects.

I also want to empathize that the need for highway and transportation investment is apparent, and States are taking action. In South Dakota, Governor Dugaard just this week introduced a proposal to our legislative session that would significantly increase State investment in transportation in South Dakota.

While we are trying to do our part, States cannot do it alone. We need a strong Federal program. Large rural States like South Dakota have very few people to support each mile of Federal highway and be able to maintain our portion of the national highway system. The rural population of 7 billion people is expected to grow by 70 million a year, and we need to

export our crops and products to help feed them.

Sixty-five percent of the truck traffic in South Dakota is through commerce, meaning it does not originate in nor have a destination in our State. But it certainly serves the Nation.

Before closing, Mr. Chairman, we would like to encourage you to do what you can to simplify the transportation program and make it more flexible. We know there necessarily must be some requirements for the Federal program. But this is an area where, for the public interest, less is more. As an example, one proposed rule, States collect multiple data items for all public roads. As it turns out, this includes gravel and dirt roads, which make up the majority of the roads in our State. This is not a priority use of scarce funds. So we urge the Congress to simplify the program where it can so that program dollars can provide more transportation investment in projects that improve our system.

In summary, strong and stable Federal funding, along with flexibility that reduces requirements, will help States provide the transportation system that the Nation needs. Congress should continue to distribute the vast majority of program funds by formula and of course, Federal surface transportation legislation must continue to recognize that significant Federal investment in highways and in rural areas like ours is in the national interest.

Again, Mr. Chairman, thank you for the opportunity. I would be glad to answer any questions.

[The prepared statement of Mr. Bergquist follows:]

Senator Inhofe. Thank you, Secretary Bergquist, an excellent statement.

The Chair is going to take the prerogative to go ahead and start, if it is all right with the rest of you, with Governor Bentley, who has a particular scheduling problem. So I will recognize you at this time to respond to questions.

And I would only make this one comment, Governor Bentley. You talked about certainty. This is always a problem that you have when you are dealing with government. Right now, there is always the uncertainty of all these regulations that are out there that are creating hardships on people. Certainly it is true in this area, too.

Is there anything you would like to elaborate on concerning the certainty issue that you raised?

Governor Bentley. I think certainty probably is the most important thing that we are asking for on a State level. And if we have the certainty, whatever that certainty is, we can deal with it. It is so difficult for us as a State to not know whether or not we will get funding. If this ends in May, which it supposedly will, it makes it difficult for all of us.

One of the things that I have put in place in Alabama, that I have talked about, is we put \$1 billion into the repair of our roads and bridges. We need to repair what we already have. We can't just build new roads and bridges. We have to repair what we have and make sure that they are functional.

So we have borrowed \$1 billion and we have gotten it at such

a low rate simply because we have such a high bond rating in Alabama. But we need \$69 million every year to pay off those bonds over the next 18 or 19 years.

So we just need certainty, whatever that certainty is. Whatever the Federal Government can help us with. And we appreciate that partnership. That is one of the things, it is a partnership. All the States connect, obviously, so it is a partnership.

So the certainty to me is the most important thing, and that is what we need the most.

Senator Inhofe. Very good. Senator Boxer?

Senator Boxer. Thank you. I just want to thank our panel. Mr. Bergquist, I just want to make a quick point and then I am going to ask the Governor.

I am so for simplification and flexibility. I work with Senator Inhofe, and he will tell you that I came a long way on that point. But we do have to protect taxpayers here. So I think for me, I want to make sure I am protecting taxpayers. So just keep that in mind, that we have to find that sweet spot. That sweet spot may look a little different to you than it does through my eyes. But we are going to work together on this.

Governors, thank you. I know how hard it is to get here and to take you away from your States. Governor Bentley, I was so interested in your Alabama Transportation Rehabilitation Improvement Program. It is a \$1 billion dollar program, am I right on that point?

Governor Bentley. Yes, ma'am.

Senator Boxer. A billion dollar program. And the reason you can do this, you are counting on future Federal dollars. So you have the Garvey bonds, is that a correct explanation of how it works?

Governor Bentley. Yes, it is.

Senator Boxer. Yes. And so I just guessed, because I think your point about certainty is so key, we would like you in another way, in your very eloquent way, explain to us why certainty is so critical. And if you didn't have the certainty of this Federal bill, how it could impact you back home. Again, I know it is repetitious, but that is the message I would like to see go out of this hearing.

Governor Bentley. Again, let me say, I think certainty is the most important thing that we have to deal with. Over the last five or six years, we have not had that certainty, obviously. And so we need it to plan. If we don't have, we need five, six, ten, whatever the number of years that you decide, we just need to know what those are. And we need to plan accordingly.

And this program that I have put in place and was able to actually put in place without legislation, because the people of Alabama had allowed us to borrow the Garvey bonds. And so we are using future Federal dollars.

Senator Boxer. Right.

Governor Bentley. And so the certainty is so important for

me, because I have signed \$1 billion on bonds. And I want to make sure we pay it back. And we can pay it back in two ways. Number one is, if the Federal Government will help, continue to give us some certainty about what they are going to give the States. Plus the fact that we can do it better because in Alabama we have such a great bond rating. We have a better bond rating than the Federal Government.

So we were able to borrow this money at such a low rate, certainly lower than inflation rate for delaying the repairs on these roads and bridges. So certainty is just, it is essential to us.

Senator Boxer. Thank you, Governor. I know you speak for both governors here.

My last question to you is, it is interesting to learn about the I-10 bridge project. And you noted there are some projects of national and regional significance that are too large to be funded without specific Federal assistance.

Do you believe a Federal program to allow these types of projects to compete against one another, in addition to core highway formula funding, would be popular among the States, these projects of national significance?

Governor Bentley. Well, I would rather have them to compete than not have it at all.

Senator Boxer. I hear you.

Governor Bentley. Because I think that competition is always good. I think that as a Federal Government, and I am not

speaking for the Federal Government, because I run the State of Alabama. But I think that you do have to look at what is the most important for our security, for our economy, for our safety. All of those things you have to look at when you look at these types of projects outside of the normal funding stream.

Senator Boxer. Thank you so much.

Senator Inhofe. Thank you, Senator Boxer.

Senator Boozman?

Senator Boozman. Thank you, Mr. Chairman, and thank you all for being here.

In relation to this, can you tell us the impact of the two-year bill versus a five-year bill, what that does as far as certainty, the necessity of the longer bill versus the two-year bill? The other thing I would like for you to think about along with that is, one of the frustrations we have is, you mentioned that we were number one in infrastructure. I think if you look back, when we were number one, probably the percentage of what the States were doing was more than it is now, as opposed to what the Feds are doing.

I think one of the frustrations we have is that as we put money into the States, because of the fiscal constraints of the States with things like prisons and Medicaid and education and things like that, the States have a tendency sometimes to shrink back and things stay the same as opposed to increasing.

You mentioned, Governor Shumlin, about your small State. Arkansas is a small State. To our credit, we passed a half cent

sales tax to try and overcome the problems that you have. I wish coming across the 14th Street Bridge every day that we could give you some of our traffic.

[Laughter.]

Senator Boozman. That would make my life and many other commuters a lot easier.

But comment on the two versus the five-year bill. And then also the problems, how do we ensure that as we try and do the very best that we can do to get money into the States that that is actually an improvement versus the State shrinking back?

Governor Shumlin. So in terms of the two to five, the more certainty you can give us. Obviously five is better than two. I have to say that Governor Bentley and I have both served in an environment where we would love to have two, because we have been working month to month. Since we have been governors, we have been governors for four years.

So needless to say, the more certainty you can give us, the longer period of time, the happier all governors will be. Particularly in a situation where you are dealing with Garvey bonds, as Governor Bentley is. He said to Wall Street, we have an ongoing funding source from the Feds, so I can go to the folks of Alabama and say, with certainty, we are going to be all right. But we need it too, because obviously we make similar decisions. All governors do.

Senator Boozman. So the two versus the five actually drives the cost up. Not only is there a certainty issue, but with your

contractors, things like that, you are actually driving up the cost of the construction projects also.

Governor Shumlin. Absolutely, Senator.

The second piece is in terms of the partnership. My experience has been that we have had to increase our State contribution just to keep up with our Federal match. What I mean by that is unfortunately, the gas tax is a dwindling tax. Not so unfortunately, it is for good reasons. People are driving less miles and they are driving more efficient vehicles. But we all know that in the long run, we are going to have to figure out another way to drive revenue, both nationally and in the States. We are going to have to go to miles traveled or some other way of doing this. There is no reason why an electric car shouldn't be paying for the roads, too.

Having said that, in my State as an example, we could not keep up with our Federal match because of dwindling gas taxes without asking for more from Vermonters just to meet what we had already gotten in the past. In other words, I was about to give up \$40 million of Federal funding, which for me, an average transportation budget of about \$400 million, that is 10 percent, we are talking real money, having to cancel projects that are critically important as our bridges and roads crumbled.

So what I did is, and I don't like raising taxes, but we raised it from 20 cents to 26 cents. We triggered half of it toward volume and half of it toward sales, so that we would be able to play the price as they go up and down without obviously

in a period like we are in right now, where the price of gas is cut in half. We would have been totally demoralized if we hadn't based at least part of it on volume. But Vermonters are making a bigger effort to just, from a tax standpoint, to make that Federal match, than we were in the past. So I don't know if Vermont is unique, but I can tell you we are definitely not backing off on our residents' commitment to rebuild roads and bridges. We have been asking for more from them, and I think a lot of governors have.

Senator Boozman. Mr. Bergquist?

Mr. Bergquist. One of the challenges with the two-year to the five-year program is that due to the length of time it takes to deliver any project of any size, once we have that security of having a two-year program, by the time we can start planning and deliver a project the program is unfortunately over and we are back into a short-term situation like we are unfortunately accustomed to dealing with.

I agree with the Governor's comments, too, on some of the negative impact of the short-term, month to month type of business that we are doing now. It is resulting in not necessarily being able to do the optimal treatments to our roads. We are just doing what we can in a short period of time. Oftentimes it is a band-aid type fix that may not be the financially best thing to do, but the only thing that can be done at the time.

Senator Boozman. Thank you, Mr. Chair.

Senator Inhofe. Thank you. Senator Whitehouse? And we are trying to confine our questions right now to Governor Bentley, if we could.

Senator Whitehouse. Thank you, Chairman. These will certainly be governor-oriented questions. In Rhode Island, let me say what we are seeing, and if it sounds familiar to the governors, let me know. We are seeing the Federal formula highway funds increasingly subscribed over time. And we are seeing static revenue from that. We are not seeing big Federal increases that are funding growth in the highway program.

We are also seeing maintenance costs for the existing infrastructure climbing. That eats into the static Federal revenues. We are seeing debt service on our Garvey bonds eat up a chunk of what would otherwise be going out into roads and to bridges. And we are seeing uncertainty in the out years about whether that Federal funding is really going to be there.

What we get from all of that is a distinction between little projects that you know you can fund that can run for a year or two, you can get it done, and that you can fit into that shrinking remaining available portion of our highway budget, and the big projects that our transportation officials know are out there, know we have to grapple with some day. But there is no slug of money big enough to take them on. And if you are going to spread them out over many, many years, that raises the cost in many cases. It also takes you beyond your comfort level of whether the Federal funding is really going to be there, given

the uncertainty that has been created by all the fiscal and budget hijinks that have gone on here in Washington.

So what that leaves us with is some big projects that we really have no way to get into our highway program responsibly. Does any of that sound familiar to the governors? I see both heads nodding, let the record reflect. So what I want to make sure that we do, and this echoes a little bit the Ranking Member's question, is that there be a pool of funding for projects that are big and significant. Instead of giving them out, because I know a lot of people don't like earmarks, it should be a competitive grant program. But it would at least provide a vehicle for those big projects to be brought online before a big calamity happens, a very expensive bridge, a major highway overpass or intersection, things like that that just strafe small State budgets.

Does that seem like a sensible notion to you, that for these big projects there be a specialized source of funds that you could compete for to get them handled, where they can't be reached through ordinary funding?

Governor Bentley. I personally believe that what you said is exactly what I said in my testimony. There has to be a different stream of funding for those type projects. And they should be, they should be competitive. And we need to decide their national significant. We need to decide the safety of the area. For instance, I mentioned the bridge over the bay in Mobile. We have all the highways coming to one tunnel. We have

hazardous material that is transported through that. And so there are so many things that you have to look at. Competition is good. I think you shouldn't have a bridge to nowhere.

I personally am against earmarking just for the sake of earmarking for political reasons. I believe that the earmarking should be done for what you are talking about, and I believe I am talking about, which is national and regional significance. And you do have to compete, in order to get those funds.

Senator Whitehouse. Mr. Chairman, if I could make one final remark. One of the flaws in the stimulus program that we put together and passed in the depths of the recession was that our rush for shovel-ready projects meant the only ones we could get into the pipe were the ones that were already on the books of our transportation organizations. So those big ones that are waiting out there, which would have been a great opportunity, we missed.

So that is another reason, I think, that we need to make sure we do this projects of national and regional significance. I thank the Chairman for his courtesy.

Senator Inhofe. Thank you, Senator Whitehouse.

Senator Rounds?

Senator Rounds. Mr. Chairman, I will yield. I will just say it is refreshing to have governors come in and give that good dose of common sense. We appreciate it.

Senator Inhofe. At this time we will excuse you, Governor Bentley. I know you have a scheduling program. Thank you very much.

Governor Shumlin, I didn't mean to be discourteous to you when you were first talking. You had four points you were going to end up with which I did not hear, since I didn't give you time to express them.

Governor Shumlin. I think we have covered them, actually, Mr. Chairman. Thanks for that opportunity. I would like to respond to the question of competing for large projects. I would just add that I think that Senator Whitehouse is on target. A program like that makes sense. I do want to point out that the small, rural States who have 80 percent of the highways, roads and bridges to maintain, have a tough time competing with big State projects. So if you are going to do that, some kind of set-aside to recognize the difference in steel is important. Because while we have more miles covered and more bridges on those miles, we don't necessarily have the huge individual project that frankly, a heavily populated State would have.

Senator Inhofe. Yes, and Governor, that is something we are all going to be working on. Because it is very meaningful.

Let me just make one comment. When they were talking about the earmarks, there is a great misunderstanding here. One of the few, and this is my observation, one of the few things that really does work well with the Federal Government is the way the Highway Trust Fund is set up. It responds back to the needs of the State.

I think not many people knew that when we did our last, particularly the 2005 bill, we made an effort to listen to the

States, recognizing that they know more what is good for them, whether it is Alaska or anywhere else, than our infinite wisdom here in Washington. So I think it is something that has worked well. The problem was, if they would use another word when they are messing around with this thing, then we wouldn't be having the problems we are having now. There is a big difference between earmarks as most people think of earmarks and earmarks as they come from the States, from the departments of transportation. That is why I think it is great, and hopefully we can address this and take care of these problems we are talking about right now. That would be kind of fine tuning it.

The big problem is, though, we have all those issues out there, and we have to do it. I know a lot of people kind of forget, it always sounds good when you say, well, let's just keep all of our money in the State. Well, that is fine if you are in a position to do that. But if you are from Wyoming or South Dakota or North Dakota, you have lots of roads and no people.

So we are going to address this, and we are going to try to do this one right.

You have covered your four points?

Governor Shumlin. Yes.

Senator Inhofe. That is good. All right, Senator Whitehouse.

Senator Whitehouse. I will just second the Chairman's remarks. I am actually not an opponent of earmarks, I am a great fan of my senior Senator, Jack Reed, who is our Rhode Island

appropriator. I would think that his judgment about where Federal money should be spent in Rhode Island is probably a good deal better than the bureaucrats in all these various departments.

But my point was, we don't need to have that fight to have a good projects of national and regional significance portion of this bill. But I am with the Chairman on that fight, and particularly as it applies to these transportation issues.

I think my questions have been adequately answered. I would just put on the record that we got a full answer from Governor Bentley under the Chairman's request. Governor Shumlin was nodding vigorously throughout, but didn't have a chance to say anything. So I would just offer him a chance, if he had any comments to make on this, in addition. Otherwise, I think the record is clear that the Governors before us were in accord on this subject.

Governor Shumlin. I think we are in your court. The only point I would make that hasn't been made in terms of this conversation generally is, when we talk about reinvigorating the trust fund, which we all know was created in 1958, has served us well, that was a time when we were building infrastructure for the first time in America. It is what made this Country great. It is what made us the most powerful economy in the world. We couldn't have done it without that infrastructure investment, without that trust fund. I think governors are united on that.

Senator Inhofe. The first covered bridges, you are talking

about?

Governor Shumlin. The first covered bridges, you have it. And the challenge we face now from just big picture for a second, because sometimes we get into the weeds on how we should allocate the money, and I suspect that all 50 governors would agree on this one, is that we have two things facing us. The first is obviously the aging infrastructure, the fact that what we built so effectively in the late 1950s, early 1960s across the Nation is now crumbling.

But the other challenge I am facing, I can tell you, and I bet other governors are facing it too, is the weather challenges have made the transportation infrastructure more vulnerable than I believe it was when we built the infrastructure. I can tell you, as a governor who has served for four years now, I have managed three really devastating storms, the toughest storms that Vermont has ever seen in our history. We lost, in our teeny little State of Vermont, we lost hundreds of miles of roads. We lost 34 bridges. We saw infrastructure destroyed, not only in Irene, but in two separate, significant storms. This was created by just the kind of rain that we have never seen in Vermont, where we would suddenly get these what I call Costa Rican style deluges of 10, 12 inches of rain dumped on our little State in a matter of hours. Just didn't used to happen that way.

So we have to remember that we have crumbling infrastructure, we have a climate that is really putting additional pressure on all the assumptions we made about where we

put roads, where we put bridges. Suddenly we have flooding challenges in places that never had them before.

Senator Whitehouse. Governor, can I jump in on that? Because there is an interesting statistic, I think it comes out of the national property casualty insurance industry. If you look at the number of billion dollar storm and weather disasters that the Country has had in recent decades, in the 1980s, every year those billion dollar disasters numbered zero to five. That was the range in the 1980s. You had none or maybe you had as many as five. But that was the range.

By the 1990s, the range was three to nine billion dollar disasters every year. A minimum of three, a maximum of nine. By the 2000s, the range was two to eleven billion dollar disasters each year. In the 2010 decade so far, it has been six to sixteen.

So the point that the Governor is making about what he has seen in Vermont is one that we are seeing all across the Country and we have seen it in Rhode Island with 100-year storms appearing one after another, certainly not 100 years apart. I yield back my time.

Senator Inhofe. Senator Rounds?

Senator Rounds. Thank you, Mr. Chairman. I agree with the Senator from Rhode Island when it comes to the issue of who should be making the decisions. I like the idea of providing ample opportunity for the States and local governments to make those decisions about where the dollars should be spent.

I think we should be very liberal when it comes to allowing the States, recognizing their ability to make good decisions for their citizens about infrastructure development.

I was going to go to Secretary Bergquist just for a moment and talk a little bit about some of the common sense things that States do or would like to be able to do if provided the opportunity. I think when we go back to taxpayers, when we talk about additional revenue sources and so forth, one thing they want us to do is deliver as efficiently as possible those needed infrastructures or those needed bridges, roads and everything that comes with it.

Part of that means making good decisions about how we spend the dollars. Sometimes I think good advice coming from the Feds is just that, it is advice. But it shouldn't necessarily be requirements. There should be ample opportunity for States and departments of transportation to make good choices about what they want that infrastructure to look like.

I am just wondering if the Secretary could share a little bit about some of the efficiencies that might be able to be found if some of the red tape was eliminated, or at least some of the restrictions on the use of those funds, that could be examined. Would you care to comment on that a little bit?

Mr. Bergquist. Sure, if I might, Mr. Chairman. Two immediate things come to mind, Senator Rounds. One, I followed with interest your dialogue with Secretary Foxx earlier on the need to further streamline the review process that goes into

projects. As Secretary Foxx indicated, there were certainly improvements that were made as part of MAP-21. I would welcome the opportunity to continue to work with the Federal Highway Administration on further refining that process. I think there are still additional enhancements that can be made to that, to shorten that time period so we don't have the problem of the projects taking so long to deliver that can't actually start construction until, whether it is a two-year or five-year bill, until that bill is over. I think that is one of the areas of opportunity.

The other area that I see as an opportunity, and I touched on an example of that earlier in my statement, is the balance between the funds and resources that you invest in collecting data and reporting and those types of things versus what actually goes into asphalt and concrete and bridges. I mentioned the case, or the potential requirement to gather all the data on our gravel and dirt roads, which you are very familiar with. I am not sure that is the best use of those funds, when we have bridges, you mentioned the bridge numbers in South Dakota, we have over 1,000 that need to be replaced. That money may be better spent there.

Governor Shumlin. I think, Senator, your question on efficiency and how we can all work together to use our transportation dollars better is right on. I know that I for example have been successful doing a couple of things that really made a difference for how we spend our limited dollars in

Vermont. One, when I became Governor, I found that there was, frankly, a rivalry between, or lack of communication and often real annoyance between our Agency of Natural Resources folks and my Transportation folks. My Transportation folks would go out and get ready to build a bridge or build a road, and they felt like the ANR folks would come in and go searching for arrowheads or whatever, and they were all fighting and carrying on and it would take years to do anything. They would let the blueprints just pile up in the offices. I said, we have to end this.

So my State offices got flooded in Irene. So all the State offices were wiped out, destroyed. I used that as an opportunity when I reorganized them to put them in the same office building. They had to eat lunch together in the same cafeteria. And guess what? They found out they like each other. They are working much more effectively together to get the job done.

So now our ANR folk will go out with our engineers, they will go on the ground together and make the decisions on the ground that sometimes took t here years; they now take three days. So it is a big difference.

The other piece is technology. I just want to mention that. Governors are embracing across the Country smarter ways to do things, more efficient ways to do things. And residents are willing, if they understand it saves them tax dollars, to be more patient.

I will give you an example. We have cut the cost of our bridges, building bridges significantly by saying to citizens

wherever we can, instead of building a detour bridge, which you have to go through permitting, takes forever, huge costs. And I bet you anything Secretary Bergquist is doing the same thing. I have my Secretary Minter here, she could speak more eloquently about this. But we literally say to residents, if you would let us close that bridge for six to eight, twelve weeks, we can rebuild that bridge in that period of time. And you come in with these pre-fab bridges or you use the technologies for literally half the price or a quarter of the price and much less time.

So we are all interested in finding ways to be more efficient, to cut red tape. States can do it, the Feds can do it. Together we could use our dollars more effectively.

Senator Inhofe. That is good.

Senator Boozman. Very quickly, Mr. Chairman, following up on Senator Rounds. The committee worked really hard under Senator Boxer's and Senator Inhofe's leadership in trying to identify things to cut the red tape. The problem is that some of those things don't come under our jurisdiction. So we can cut red tape here. What I would really like for you all to do and our comrades is come up with the things you mentioned, the State problems that we have sometimes, and also other Federal problems that aren't under the jurisdiction of the committee, so that we can work with those committees in the next reauthorization, which hopefully will happen very soon. And then again make sure that we do that.

We have talked about the challenges of getting more money

into the system. This is a way to save tremendous amounts of money. We have examples. I got to go visit the bridge that fell down in Milwaukee. That thing was rebuilt in a year. That would be a 10- or 20-year project, probably. But again, because of the necessity the agencies worked together. We didn't have the "gotcha" attitude. It was, how can we help you get this thing done.

So we have great models. But we really would appreciate your input. I believe very strongly that the input needs to come from you all, you are on the ground fighting the battle. No one can tell us better, from your experiences.

If you would do some homework, I will give you a little bit of responsibility in that regard, that would be very, very helpful to the committee. And I hope, Mr. Chairman, that we can work with other committees that have some jurisdiction in that area and with the States and try and figure out how we can move the projects forward. Thank you.

Senator Inhofe. Senator Boozman, we had a similar situation right across your border into Oklahoma, when the barge ran into the bridge, you might remember that. We actually rebuilt that thing in one half the time it normally would have taken. And we have been making a steady case out of that also.

So necessity is the mother of virtue or something like that. Hopefully that will work.

I just want to make one further comment because I know there is misunderstanding here when we talk about the way this system

works. But there is a reason that we do it the way we do it. All the States don't do it exactly the same. In my State of Oklahoma, as those people behind you can tell you, we will list a number of projects. We will have people going out with eight transportation districts in my State of Oklahoma, make their own priorities, so that really, my job isn't so much to see what needs to be done in the State of Oklahoma, it is where those priorities come from the State. And people just overlook that.

So that is one of the systems that does seem to work well. Hopefully we are going to be able to do a really good job with this bill.

So any further comments you want to make, any closing comments?

Governor Shumlin. Mr. Chair, I want to thank you and the committee members. You have a tough job. And it is an incredibly important job. I just want to say that the governors, all 50 of us, on a bipartisan basis, will partner with you in any way that can be useful to get predictability, get the trust fund reauthorized and give us certainty. I think it is in all of our interest.

Senator Inhofe. Within your States. I think that is so important that we do that.

Governor Shumlin. Absolutely.

Senator Inhofe. I think that there is another thing you can do too, and that is apply the pressure necessary to our own elected people to let them know what their number one priority

is. If you run out of things to say, I will give you an idea.

[Laughter.]

Senator Inhofe. To use the constitutional argument, Article I, Section 8, that is what we are supposed to be doing here.

So I have heard it say many times before, when people were trying to make comments about how conservative they are or something like that, when it gets right down to transportation, I have heard them say, oh, I wasn't talking about transportation. So it is something we are going to deal with.

What I wouldn't like to see is have a system change where you take States out of the system. You are the ones who know where the priorities are, what needs to be done and you know where your members, your elected officials live. So that would be very helpful.

Senator Rounds, did you have any further comment?

Senator Rounds. Mr. Chairman, just to echo what you are suggesting, sir.

Senator Inhofe. Well, thank you both very much for being here. We appreciate it. We are adjourned.

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