

STATEMENT OF THE HONORABLE ELAINE L. CHAO
SECRETARY OF TRANSPORTATION
BEFORE THE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE
HEARING ON

The Administration's Framework for Rebuilding Infrastructure in America

March 1, 2018

Chairman Barrasso, Ranking Member Carper, and Members of the Committee, thank you for the opportunity to testify today regarding our new infrastructure initiative.

Infrastructure is the backbone of our world-class economy—the most productive, flexible, and dynamic in the world. It is a key factor in productivity and economic growth, which has provided millions of hard working Americans with a standard of living that is the envy of the world. Yet today, these gains are threatened by aging infrastructure that is increasingly congested, in need of repair, and unable to keep pace with technological change.

The challenges are everywhere. With respect to surface transportation infrastructure, traffic congestion and delays cost drivers nearly \$160 billion annually. About one-quarter of our Nation's bridges are structurally deficient or in need of improvement. More than 20 percent of our Nation's roads are in poor condition. And the transportation needs of rural America, which account for a disproportionately high percentage of our Nation's highway fatalities, have been ignored for too long.

That's why 12 government agencies have been supporting the President on a comprehensive Infrastructure Initiative, which the President announced as a priority in the 2018 State of the Union address. Transportation is just one component. The Initiative includes, but is not limited to, drinking and wastewater, energy, broadband and veterans' hospitals as well. It is designed to change how infrastructure is designed, built, financed and maintained in communities across the country.

The goal of the President's proposal is to stimulate at least \$1.5 trillion in infrastructure investment, which includes a minimum of \$200 billion in direct Federal funding. The guiding principles are to: 1) use Federal dollars as seed money to incentivize infrastructure investment; 2) provide for the needs of rural communities; 3) streamline permitting to speed up project delivery; and, 4) reduce unnecessary and overly burdensome regulations. In addition, a key element of the proposal is to empower decision making at the State and local level, who know best the infrastructure needs of their communities. Half of the new infrastructure funds would go towards incentivizing new State and local investments in infrastructure. A quarter of the Federal funds will be dedicated to addressing rural infrastructure needs, as prioritized by State and local leaders. And as a former Secretary of Labor, I'm pleased to note this plan also has a workforce component, to help workers access the skills needed to build these new projects.

We're already applying these principles to one of the Department's major existing infrastructure grant programs, Infrastructure for Rebuilding America (INFRA). I'm pleased to say communities

have responded positively by modifying their proposals to reflect these new criteria. This quarter, the President has generously decided to donate his annual salary to the Department's INFRA grant program. INFRA directly reflects the President's priorities by providing dedicated, discretionary funding for projects that address critical issues facing our Nation's highways and bridges. Under the INFRA program, States and localities that secure some funding or financing of their own are given higher priority access to Federal funds. In addition, INFRA also reserves at least 25 percent of its funding to be awarded to rural projects.

The Department is also implementing the President's "One Federal Decision" mandate, which will help speed up the delivery of new infrastructure and reduce costs. The new process is designed to more effectively and efficiently handle the permitting of complicated, multi-agency projects to meet the President's new timeline to complete environmental reviews in two years, while preserving environmental protections. The Department is working on a new process to handle the permitting of complicated, multi-agency projects to meet the President's new expedited time line.

In addition to permitting reform, the Department is doing its part to help grow the economy and create jobs through an aggressive regulatory reform agenda. Costs associated with our new regulations decreased by \$312 million in 2017, and we're on track to decrease these costs by \$500 million in 2018. So, we are on track to save taxpayers nearly \$800 million in regulatory burdens in 2017–2018 alone. A new Mercatus study concluded that DOT removed more regulatory restrictions than any other cabinet department in the President's first year.

By incentivizing new investment in infrastructure, eliminating overly burdensome regulations, providing support for rural America, and streamlining the permitting process, the Department is helping to improve our quality of life and build a brighter future for all Americans.

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

I will be happy to answer any questions you may have.

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