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INFRASTRUCTURE: THE ROAD TO RECOVERY

Thursday, June 4, 2020

United States Senate

Committee on Environment and Public Works

Washington, D.C.

The committee, met, pursuant to notice, at 10:06 a.m. in room G50, Dirksen Senate Office Building, the Honorable John Barrasso [chairman of the committee] presiding.

Present: Senators Barrasso, Carper, Inhofe, Capito, Cramer, Braun, Rounds, Sullivan, Boozman, Wicker, Ernst, Cardin, Whitehouse, Gillibrand, Van Hollen.

STATEMENT OF THE HONORABLE JOHN BARRASSO, A UNITED STATES
SENATOR FROM THE STATE OF WYOMING

Senator Barrasso. Good morning. I call this hearing to order.

Before I address the topic of today's hearings, I do want to say a few words about what is happening in communities across our Country today. This is a time of great pain and unrest for our Nation. Americans are truly outraged by recent killings. Anyone who watched the video of the murder of George Floyd has to be horrified and heartbroken.

The resulting peaceful protests about police abuse against any American citizen are important and necessary. Our Nation needs to listen to the voices of African Americans about police brutality. Every American citizen deserves justice under the law.

Some of the peaceful protests have been hijacked by violent criminals. The destruction, the looting, and the arson must stop. Those who commit these crimes dishonor the memory of George Floyd and they dishonor the cause for which the peaceful protestors first took to the streets. Now is a moment for Americans to come together, to listen, and to heal.

The goal of this hearing today is to examine how rebuilding America's infrastructure will help our economy recover from the Coronavirus pandemic. We will examine how bipartisan

infrastructure legislation passed by this committee will stimulate economic recovery and growth.

The Coronavirus pandemic has resulted in an economic crisis. As Congress considers what can be done to help the economy recover, funding our Nation's infrastructure should be at the top of the list. Investments in highways and bridges create jobs, reduce the costs of goods and services, and grow the economy.

A Standard and Poor's study found a \$1.3 billion investment in infrastructure results in 2,900 jobs being added to the construction sector alone. In a story published last week in the Cowboy State Daily, the University of Wyoming economist Rob Godby explained that infrastructure constructions, he said, is a tried and true way of recovering an economy that has been impacted by a deep recession. It is clear that strong, sensible infrastructure investments create jobs and spur economic recovery.

The Senate has bipartisan legislation ready to go. This committee has taken significant steps toward renewing our Nation's infrastructure investments. Last month, we unanimously passed two bipartisan water infrastructure bills, America's Water Infrastructure Act of 2020, and the Drinking Water Infrastructure Act of 2020. Together, these two bills will help create jobs and protect communities by rebuilding our aging

dams, levies, ports, and drinking water systems.

They are a perfect complement to the primary focus of today's hearing, America's Transportation Infrastructure Act, which this committee unanimously passed and reported last July. This historic highway bill authorizes \$287 billion over five years from the Highway Trust Fund. It will provide record levels of investment to fix our roads and bridges, to create jobs, and to boost our economy. It will give States increasing funding and the certainty that they need for planning projects.

Now more than ever, America needs this highway infrastructure bill to keep our economy moving ahead. The alternative to passing our bill would be to rely on short-term extensions of the current law. This would be a mistake. Our committee has repeatedly heard expert testimony that month-to-month extensions make it harder for States and communities to plan.

In the past, funding uncertainties from such short-term extensions have led to project delays, cancellations, and higher costs. These delays would hurt our economic recovery. We are less than four months away from the Highway Trust Fund authorization expiring. This simply cannot happen, especially during these pandemic-caused economic downturns.

To make matters worse, the Highway Trust Fund is rapidly approaching insolvency. Before the pandemic, the Congressional

Budget Office projected the Highway Trust Fund would become insolvent sometime in 2021. Now, with Americans driving less, the trust fund will likely run out of money sooner.

This is why I am pushing for the Senate to pass our highway infrastructure legislation. Our bill is the right medicine for our roads and our economy. It will help rural communities; it will help cities; it will help all 50 States.

In its 2014 special report entitled Transportation Investments in Response to Economic Downturns, the National Academies of Science Transportation Research Board concluded that any future transportation stimulus program should allocate most funds according to established formulas. Our highway bill does just that by sending nine out of every ten dollars directly to States through formula funding. Formulas give States the flexibility to address their own transportation needs. What works for coastal cities may not work for communities in the heartland.

The formula approach is also the best method for rapidly aiding economic recovery through infrastructure investments. America's Transportation Infrastructure Act will also speed up project delivery by cutting red tape and simplifying agency reviews. Reducing the time it takes to get environmental permits means that we can get projects done faster, cheaper, better, smarter.

While speeding up project delivery, our legislation will also enhance safety. The bill targets investments to fix our aging bridges, reduce fatalities, protect pedestrians, and help minimize vehicle-wildlife collisions. Ultimately, building safer, longer-lasting roads is one of the best ways to protect communities and to keep our economy moving forward.

Passing America's Transportation Infrastructure Act, together with our two water infrastructure bills, is critical for our Nation's economic recovery. I look forward to hearing from today's expert witnesses on this important topic.

I would now like to turn to Senator Carper for his opening comments.

[The prepared statement of Senator Barrasso follows:]

STATEMENT OF THE HONORABLE THOMAS R. CARPER, A UNITED STATES
SENATOR FROM DELAWARE

Senator Carper. Thank you, Mr. Chairman. I thank you for your comments.

In the House of Representatives, Senator Inhofe and I used to serve together. From time to time, we would hear our colleagues say words that we wanted to be associated with. We would say, I would like to be associated with the words of that particular member. I just want to be associated with your words, especially the beginning of your comments, today.

I want to thank all of our witnesses for joining us. I especially want to Mayor Greg Fischer from Louisville for joining us virtually, and doing so at a very difficult time. It is never an easy time to be a mayor of a major city. But today especially, to be Mayor of Louisville is especially challenging, and our thoughts and prayers are with you and our gratitude is with you for joining us today, Mayor Fischer.

As the Chairman has said, the recent murders of George Floyd in Minneapolis, and I would add Breonna Taylor in Louisville, have sparked widespread civil unrest across our Country. Over the past week, literally millions of Americans have protested the death of unarmed Black Americans and the systemic racial inequities and injustices that still pervade too many aspects of our society.

One of those Americans was a fellow named David McAtee. He was a small business owner in Louisville some of you may have heard of. He was shot and killed by authorities while he was protesting early Monday morning. According to his family, David was a pillar in their community, and at his popular barbeque stand, he would actually literally serve members of law enforcement for free.

We have since learned that the police officers involved with the National Guard personnel who shot and killed David McAtee had not activated their body cameras during the incident. This institutional failure has only created more feelings of anger, fear, frustration, and helplessness throughout the Louisville community and throughout our Country.

I know it will come as a surprise to some, but many of our fellow Americans are feeling real pain and suffering today, and they have been feeling it for a long time. Meanwhile, our Country is attempting to safely reopen and return to some semblance of normalcy in the midst of a deadly pandemic, the likes of which we haven't seen in 100 years. We are facing the greatest economic downturn and the highest unemployment rates since the Great Depression. While most communities are calling for justice through law-abiding, peaceful protests, others have experience violent riots and looting.

I don't believe it is hyperbole to say that the soul of our

Nation is being tested as it hasn't been in a long time. The unspoken question for us today as we gather is, what do we do about it, and what, if anything, does all of this have to do with improving our surface transportation infrastructure?

I am convinced that every member of this committee understands that it is our duty as public servants to serve all of our constituents, even the ones who haven't voted for us and maybe never will. Right now, that means listening to those among us who have oftentimes gone unheard and to try and put ourselves in their shoes, golden rule, put ourselves in their shoes to not only acknowledge the pain that people of color are experiencing in our Country and the racism that too many of them face, but to do something about it.

Here is the good news: we can do something about it. In the midst of all this turmoil lies opportunity. It is our job to find that opportunity and work together to move this Country, which we love and revere, as imperfect as we are, forward. That brings us to the subject of today's hearing. Infrastructure can be a part, a big part, of a greater, multi-faceted solution that brings equity and opportunity to all communities, but where and how we invest really matters.

Infrastructure can refer to water that is safe for us to drink when we turn on the faucet; it can refer to safely treating the effluent we create before it finds its way into our

waterways and our groundwater. Infrastructure can refer to broadband deployment for farm communities and many urban areas where students have found it almost impossible to keep up with their schoolwork because they lack internet access.

Today, we focus on a critically important part of our Nation's infrastructure: our roads, our highways, our bridges, our railways, and our transit systems. I know we don't always think of it this way, but they are not only important in moving all kinds of cargo across America, as well as giving the American people the freedom to go where they want and where they need to go, but, colleagues, our transportation infrastructure, done right, can also help to connect and uplift communities by expanding access to opportunities such as schools and better paying jobs that may not have been accessible to those who have always found themselves living on the wrong side of the track.

That is why we need to ensure that the infrastructure investment we make and the roads, highways, and bridges we build help us create a more nurturing environment for job creation and job preservation for all of our communities.

In Delaware, for example, the construction of the soon-to-be-completed Christina River Bridge, just south of our Amtrak station, is helping to spur the redevelopment of South Wilmington. That is a part of our city that is prone to flooding when heavy rainstorms, like the ones we had last night,

occur.

Fortunately, innovative measures were underway not to just help address the flooding, but also to improve connectivity for residents. This new bridge with pedestrian and bicycle lanes will expand access to new educational opportunities and jobs, thousands of jobs. While the bridge will facilitate and alleviate traffic in the area, it will also help to grow the customer base for small businesses along our burgeoning Christina Riverfront.

That is just one example of the kind of win-win investments we can, and should be making in more of our infrastructure, those with environmental, community, and economic benefits. So as we discuss here in Congress today the many ways our Country can begin to recover from this pandemic, and how we can help all communities in need, it is even more important and timely that we talk about investing in our Nation's infrastructure.

The surface transportation reauthorization bill that we unanimously approved out of this committee in July, last July, America's Transportation Infrastructure Act, is a good start to addressing those two challenges. For example, as the Chairman has said, our bill would increase highway funding by some 17 percent over baseline in the first year, which would help stimulate our economy. At the same time, our bill would help address the climate crisis by investing \$10 billion in low-

emission and resilient transportation projects over the next five years.

As a side comment, I was talking yesterday with our colleagues John Kennedy from Louisiana and Cindy Smith from Mississippi. They tell me that something like 20 hurricanes are now being forecast to occur or make it to the Gulf of Mexico this summer. Twenty. It is unbelievable. So making investments real requires dollars.

Actually, for years, I have been talking with my colleagues on both sides of the aisle about how to go about funding infrastructure and the urgent need to address the looming Highway Trust Fund shortfall. But in a few short months, that conversation will become even more urgent. This pandemic has greatly affected, as the Chairman has said, the use of our Nation's infrastructure and how we maintain funding for it.

Meanwhile, the public health safety measures demanded by this pandemic have greatly reduced travel, and our infrastructure is paid for, largely, as we know, through user fees, including tolls, motor fuel taxes, vehicle excise taxes, registration fees, and the like. All these revenue sources have declined, in some cases, quite dramatically. A lot of States, cities, counties, and tribal nations are trying right now to balance their budgets by deciding between furloughs, service cuts, or canceling contracts. We owe it to them to reauthorize

our surface transportation programs and fund them in sustainable and predictable ways.

All that said, while investing in infrastructure can assist with long-term economic recovery, it is not sufficient on its own. This economic downturn is almost without modern precedent, and the Coronavirus is likely to be with us, unfortunately, for some time to come. So we must rise to meet the unique challenges and scale of these crises.

Fortunately in recent days, I have had conversations with dozens of our colleagues on both sides of the aisle, Democrat and Republican alike, and there appears to be an emerging bipartisan agreement not to reward fiscal mismanagement at the State and local level, not to bail out unfunded pension plans, but to do our part to help address the grave and unparalleled impact on State and local budgets, on school districts, and our rural hospitals.

We can provide some of the assistance that is needed by continuing to invest strategically and dependably, I will say that last one again, and dependably, in the transportation infrastructure of our communities. If we do, I am confident that we will find America off the ropes and back on the road to an economic recovery future that is stronger, more sustainable, and more equitable for all of us.

I don't know a lot of Latin. I know a little bit. Two of

my favorite words are carpe diem, let's seize the day. I think that is probably good words for today. There is another one, too, and we are reminded of it every time we vote in the Senate chamber, and it is e pluribus unum, from many, we are one.

[The prepared statement of Senator Carper follows:]

Senator Barrasso. Thank you, Senator Carper. We appreciate your comments and your leadership and the bipartisan nature of this bill.

In a few seconds, we will hear from our witnesses. I did want to just make sure that the members knew, to just get a better sense of the order in which we are going to speak and ask questions today, we are going to try to just go strictly by seniority, since so many members are joining us remotely, and it will be easier to keep the record that way.

Today, we are joined by three individuals. First, Mr. Steven McGough, who is the Chairman of the American Road and Transportation Builders Association; Doug Holtz-Eakin, who is the President of the American Action Forum; and the Honorable Greg Fischer, who is joining us remotely, Mayor of Louisville, Kentucky and the incoming President of the U.S. Conference of Mayors.

I want to remind the witnesses that your full written testimony will be made part of the official hearing record, so please keep your statements to five minutes, so we will have time for questions. I look forward to hearing the testimony.

Mr. McGough, we would like to start with you.

STATEMENT OF THE HONORABLE STEVE MCGOUGH, CHAIRMAN OF THE AMERICAN ROAD AND TRANSPORTATION BUILDERS ASSOCIATION, AND PRESIDENT AND CHIEF FINANCIAL OFFICER OF HCSS

Mr. McGough. Thank you. Chairman Barrasso, Senator Carper, and other members of the committee, thank you for holding today's hearing about the role federal infrastructure investment can and should play in the economic recovery.

I am 2020 ARTBA Chairman Steve McGough, President and CFO of HCSS, a national company that provides software solutions to help improve construction companies' business operations.

Let me begin by emphasizing two points. First, shovel-ready projects are not a solution to the Nation's current economic challenges. While transportation infrastructure improvement has positive job and salary impacts, the real value comes from putting in long-term assets that increase the efficiency and productivity of the entire economy.

According to the Federal Highway Administration, goods movements over the Nation's highways account for 73 percent of the value of domestic freight. Industries like wholesale and resale trade and manufacturing are two of the largest users of transportation services in the economy and utilize freight shipments for 58 percent to 65 percent of their needs.

Second, federal highway investment is a major contributor to each of your States' infrastructure networks, but it is

effectively a silent partner. We have developed a way to correct that shortcoming. In 2018 alone, States utilized nearly \$31 billion of federal highway funds to begin construction activity on over 24,000 highway improvement projects, with a total value of \$66.7 billion.

Thanks to the new interactive ARTBA highway dashboard, policy makers and the public alike can see how federal highway resources were deployed by each State in a given year, dating all the way back to 1950. We have compiled each State's top ten federal aid projects, the total number of projects, and the type of improvements advanced that year. The dashboard uses data from the Federal Highway Administration to shift the conversation about federal highway investment from apportionment tables and obligation charts to outcomes and benefits.

Mr. Chairman, the Federal Highway Program is widely regarded as one of the most meaningful and popular of all Federal discretionary spending activities. Now, we can articulate why. As an example, Wyoming in 2018 used \$309 million in federal highway funds to advance 262 projects with a total value of \$370 million. The largest single recipient of these funds was a \$20 million resurfacing projects in Sweetwater County.

Of the federal aid projects Wyoming moved forward with that year, 66 percent were for reconstruction and repair work. This

information not only demonstrates the value each State receives from highway investment, but also highlights the potential numerous benefits from the five-year reauthorization proposal this committee approved last July. America's Transportation Infrastructure Act would increase highway investment 27 percent over the next five years.

Your proposal includes common sense policy reforms that will expedite the delivery of needed infrastructure improvements and maximize the impacts of federal resources. More importantly, the bill's investment growth stands in stark contrast to the purchasing power focus of the past 15 years.

We have given each of you a snapshot of how your States benefit from the highway investment in 2018. Imagine what could be accomplished with the resources you proposed.

Mr. Chairman, the recent forecast from the Congressional Budget Office that it could take a decade for the U.S. economy to recover from COVID-19 pandemic is sobering. This outlook is also disturbing in the context of the Nation's infrastructure deficit. State and local highway spending needed eight years or until 2015 to recover from the pre-Great Recession levels, while GDP recovery occurred in three years.

That lag in highway and bridge improvements activity could illustrate the challenging road ahead for our infrastructure network absent proactive action, such as enactment of the

America's Transportation Infrastructure Act. Your proposal is both a robust highway program reauthorization and a foundational opportunity for economic recovery and growth.

Mr. Chairman, the transportation construction industry is not here asking for federal relief. Instead, we seek to be part of the solution to spur the meaningful economic recovery this Nation so desperately needs.

We urge the other Senate committees with respective jurisdiction over their portions of the State transportation programs to act quickly in order to facilitate final passage of America's Transportation Infrastructure Act.

Thank you for convening today's hearing. I look forward to you questions.

[The prepared statement of Mr. McGough follows:]

Senator Barrasso. Thanks very much for your helpful testimony.

I would like to turn to Mr. Doug Holtz-Eakin.

STATEMENT OF THE HONORABLE DOUG HOLTZ-EAKIN, PRESIDENT, AMERICAN ACTION FORUM

Mr. Holtz-Eakin. Chairman Barrasso, Ranking Member Carper, and members of the committee, thank you for the chance to be here today to talk about the role of infrastructure in the recovery from the pandemic recession.

With a minor correction to the Ranking Member, this is a downturn that is unprecedented in modern history. In the past two months, we have seen a record fall in consumer confidence; we have seen a record one-month decline in retail sales; we saw a week in which 6 million Americans filed claims for unemployment insurance, ten times larger than any previous week in history.

In April, we saw 20 million Americans lose their jobs; again, ten times larger than any single one-month job loss, the previous one being the demobilization from World War II. We saw the unemployment rate jump over 10 percentage points, again, 10 times larger than any previous one-month increase in unemployment.

And the Congressional Budget Office forecasts that during the second quarter of 2020, the size of the U.S. economy will shrink by 11 percent. In the worst year of the Great Depression, 1932, the economy shrunk by 12 percent. We are going to experience a comparable decline this spring.

So this is an unprecedented, both in its source and its depth and speed, economic downturn in the United States, and properly, a lot of policy response has been focused on staving off further decline and reversing it. The Federal Reserve has moved quite aggressively to provide liquidity and additional lending facilities for the private sector. Congress has moved with remarkable speed, and, I think, a tremendous scale to address this crisis with Families First and CARES and the paycheck protection increase efforts. You are to be complimented and congratulated for those efforts. I think they are exactly what the doctor ordered.

But they are not everything that we are going to need. There is a part of this recovery that Mr. McGough just pointed out that is actually quite important. The Congressional Budget Office points to a very slow return to the levels of economic activity that we had in January of this year. And in their projection, unemployment remains quite elevated, over 8 percent at the end of 2021.

So there is a place in the response to this pandemic for durable, long-term investments that can address that challenge past 2020, past 2021, and infrastructure is exactly right for that.

This bill that the committee had passed last July is ideal in three ways. First of all, it is clearly better than a

failure to reauthorize, or a choppy month-to-month funding approach, which would be a headwind to a recovery that is already going to be difficult enough.

Second, it addresses the supply side of the economy, the capacity to deliver goods and services through the supply chain quickly and efficiently. I think it is just realism to expect that the virus will be around for a while. We will continue to face supply disruptions, whether they be regional lockdowns, or the ongoing need to reconfigure our economy to work in the presence of the virus.

Businesses are going to physically change a lot of their workplaces. There will have to be PPE, there will have to be testing, there will have to be a whole variety of reorganizations that will cost money, make goods and services more expensive, and inhibit the delivery of those in the economy. To the extent we can have policies which target the supply side and provide cost reductions and efficiencies that allow the economy to operate more effectively in the presence of those necessary adjustments to the virus that will have durable and very lasting impacts. I think those are an important part of thinking about policy going forward.

These are the kinds of investment that I think will be done well. There is a sad history of taking what would be an otherwise sensible transportation or other infrastructure

project and trying to front-load it, rush it, call it stimulus, and in the end, undercut the basic objectives of the programs. That is not going on here. You are using programs that have been effective, are well understood, the money will be distributed at the appropriate pace. I applaud you working on the red tape to have the projects happen faster.

But they will come online at times the economy needs it in the years to come, and that is something that we need to also have in addition to the other dramatic efforts. Thank you for the chance to be here today, and I look forward to the chance to answer your questions.

[The prepared statement of Mr. Holtz-Eakin follows:]

Senator Barrasso. Thanks so much for your testimony and being with us today.

Also joining is remotely is Mayor Greg Fischer from Louisville, Kentucky, incoming President of the U.S. Conference of Mayors.

Mr. Mayor, we appreciate your doing this. I know you committed to be here prior to the tragedy that is affecting the Country right now. I know you have lots going on. We appreciate your being here, and we are looking forward to hearing from you now.

STATEMENT OF THE HONORABLE GREG FISCHER, MAYOR, LOUISVILLE,
KENTUCKY, AND INCOMING PRESIDENT OF THE U.S. CONFERENCE OF
MAYORS

Mr. Fischer. Thank you Chairman Barrasso and Ranking Member Carper and members of the committee.

There is no doubt that it is busy times in America's cities right now, we have much to do. I really appreciate the opportunity to participate in this hearing remotely, so thank you for the flexibility.

I am Greg Fischer, the Mayor of Louisville, and Vice President of the United States Conference of Mayors, as you noted. I commend you all for holding this timely examination of how infrastructure investment can help get our Country back on the road to recovery.

Before I talk about that topic that has brought us here today though, I would like to acknowledge the crises that Louisville and cities all across our Country right now are currently facing. That is the COVID-19 pandemic, which we thought was a big enough challenge, and now we have challenge in our streets of America protesting so many things, but first and foremost among them the effects of systemic racism.

My community is mourning the death of two residents who died in interactions with law enforcement, Breonna Taylor, and David McAtee. We join Americans nationwide in mourning the

deaths of George Floyd, Ahmaud Arbery, and just way, way too many others.

Systemic racism haunts and hinders our progress as a Nation. We have to learn to work together at all levels of government to address the concerns of our African American communities and implement real policy reforms to ensure justice, opportunity, and equitable outcomes for every American, regardless of their skin color.

Infrastructure plays a really big role in addressing some of those challenges locally. With your support, mayors can promote equitable economic growth through infrastructure investment.

So let's talk about the impact of the Coronavirus on cities. The Conference of Mayors has been doing everything we can to support our communities throughout the pandemic. We struggle to understand how and when we will fully recover, because of the depth of the economic challenge. We want to thank you and your colleagues for passing the CARES Act and taking other actions to help us at the local level.

Yet despite these significant actions, unfortunately, more needs to be done, including providing fiscal relief for cities, counties, and State governments, more relief that can be used more broadly to support the falloff in our general revenues. Congress must provide flexibility for cities like Louisville to

use our allocations from the Coronavirus relief fund to address our revenue losses. Local governments need additional funding to support our ongoing response after December 30th, 2020.

We are working to finalize budget recommendations for the new fiscal years that begins for most cities on July 1st, so we need action and resolution from Congress as soon as we possibly can get it.

National recovery must focus on metro areas. Our metro regions are the engines of the U.S. economic growth, accounting for 91 percent of gross domestic product and wages. Unemployment rates were higher in April in all 389 metropolitan areas, according to data released by BLS yesterday. Another 1.9 billion Americans filed unemployment claims last week, and the national unemployment rate may exceed 20 percent. If our economic output does not get back on track, obviously our Nation will be in trouble.

As a logistics hub, Louisville can attest that infrastructure investment creates jobs. UPS employs more than 20,000 full-time local workers here in Louisville. Our local infrastructure supporting UPS's Worldport has attracted hundreds of other businesses across multiple industries. So we ask that you look at ways to increase your funding commitments to local jurisdictions.

Cities will not be able to lead, as we previously had, in

drawing our share of revenue commitments to infrastructure, including highways to support the movement of goods. Mayors must have more say to ensure that federal investment fulfills our community needs.

In my fuller testimony to you all, I talked about our Reimagining Ninth Street Project. The complete street's redesign of the corridor will help our city to heal the physical, racial, and social divide between west Louisville, our lower-income area of the city, and our downtown and neighborhoods to the east. Our requested federal grants will help grow economic activity in the very places that need it most, like our opportunity zones. We will improve quality of life and safety outcomes for all facility users.

The plan also includes dedicated transit lanes for our Bus Rapid Transit system. Our partners at TARC, that is our transit authority, provide transit service to 40,000 riders daily, and 80 percent of those trips are employees and students.

Transit is important to our economic and workforce development. Our residents and essential workers need access to jobs, education, commerce, healthcare services, and clean air, no matter what zip code they are in.

I would like to convey our support for the committee's efforts to address climate resiliency, reduce carbon emissions, and fund alternative fuel structures. I appreciate the sub-

allocation of funds to local areas to support our emissions reduction strategies.

Local government needs your help to harden our infrastructure systems to withstand natural disasters and extreme weather events, like the flooding we have experienced locally here from the Ohio River. Cities, counties, and towns own and manage about every four out of every five miles of highways and streets, managed, again, by cities, counties, and towns. So we would welcome your commitments to support our needs in this area.

In closing, Mr. Chairman, Ranking Member, and committee members, we support your efforts to advance legislation to renew the Nation's surface transportation law. Infrastructure investment can facilitate the job growth and economic recovery we desperately need. We encourage you to direct Federal resources to our Nation's metro areas.

On behalf of the Conference of Mayors, I would like to express our appreciation for the opportunity to join you this morning and share our views. I would be pleased to answer any questions that you have.

[The prepared statement of Mr. Fischer follows:]

Senator Barrasso. Well, thank you so very much, Mayor Fischer, for taking the time to be with us today. I know you will have a number of questions from the members. We appreciate all of your comments.

We will start with five-minute rounds of questions. I want to start with Mr. McGough if I could. In your written testimony, you commended this committee for developing the American Transportation Infrastructure Act with unanimous, bipartisan support. The House Democrats have just released a bill that was purely partisan, did not involve the Republicans at all in the efforts.

I just want to ask, how important it is that surface transportation legislation advances in a bipartisan fashion, as our committee has done?

Mr. McGough. Well, Mr. Chairman, transportation is one of the few areas that consistently receives strong support from both sides of the aisle. Surface transportation bills in the past have historically, when you add the votes up, have been bipartisan in nature.

The House, the Senate, the White House, have all expressed interest in moving an infrastructure bill forward this year, but we have less than 120 days. We need an outcome, so we need movement. That is going to take true bipartisan support in both the Senate and the House to move this forward.

Senator Barrasso. Can I ask you, Mr. Holtz-Eakin, because you talked about the tens of millions of people who have lost their jobs in the Country due to the Coronavirus, how would providing stable, long-term funding for highway infrastructure projects help improve the economy, help create jobs? Are all types of infrastructure projects equal when it comes to the long-term economic recovery, or is highway spending particularly effective?

Mr. Holtz-Eakin. So, imagine that it is three months ago, when we are essentially at full employment with record-low unemployment rates and wages rising across the spectrum and especially at the low end. In those circumstances, a well-designed surface transportation infrastructure program can continue to raise the productivity of America's businesses; it can continue to increase the efficiencies and allow cost reductions for those businesses. That shows up as a higher standard of living for America's workers in those circumstances. I think those benefits last, probably, a long, long time and are a reason to have these programs in place continuously.

In these circumstances, there is the additional benefit of providing some opportunities for work where others have disappeared. There is little question that even if we are quite successful at returning the 18 million individuals who were identified as temporarily unemployed in April, suppose we

miraculously got them all back to work, we are going to have to find additional employment opportunities for many people who used to be in hospitality and leisure and used to work in some of the theatres and casinos and cruise lines that are going to be diminished in scope and size over the next couple of years.

So there are new opportunities for employment, there are benefits to the economy. The one that I want to emphasize in these circumstances is the impact in offsetting what is going to be a more costly way of running America's businesses. To the extent we can offset that is a huge help.

I am cognizant of my experience after the terrorist attacks of September 11th, 2001. We realized we had a threat to the American public, and we had to address that threat. But we also had to operate the economy in the presence of that threat, and we didn't fully appreciate that the cost of standing up the TSA, the cost of inspecting every container that came into the United States, the cost of armoring every headquarter against invasions, was going to take productive capital away from other tasks.

If you think back to that period, we tried conventional stimulus multiple times, 2002, 2003, 2005, 2008, to no great effect, because we weren't addressing the problem. What I like the most about this hearing and about this bipartisan bill is that it is targeted right on what will be the problem, and I

think that is a big change from what we did back then.

Senator Barrasso. Thank you. Mr. McGough, you mentioned in your testimony that infrastructure is in dire need of repair. You urged Congress to make strategic investments in infrastructure to spur meaningful economic growth. So I want to talk a little bit about just the difference between the amount of money we put into, say, highways and bridges compared to the money we put into transit in terms of what we need to do.

The U.S. Department of Transportation estimates that the investment backlog for highways and bridges is about eight times higher than it is for transit, in terms of the backlog right now. The last two major highway authorizations, Senator Inhofe was so involved in the last one, well, he was involved in all of them, the last two highway authorizations have provided over 80 percent of the funds authorized from the Highway Trust Fund go towards highways and bridges.

So do you support maintaining this traditional highways-transit split in our next authorization, about 80 percent highways and bridges, 20 percent transit?

Mr. McGough. Mr. Chairman, ARTBA supports maintaining the traditional split that we have seen between highway and transit spending. The solution is to increase both highway and transit investment, and not suggest that one is a bigger priority than the other.

Senator Barrasso. At a point in your testimony, you talked about my home State of Wyoming, the \$300 million in Federal Highway Funds, the hundreds of construction projects, significant, sensible investments in highway and bridge infrastructures like we have just described. It helps Wyoming. It benefits States because every State has programs to this effect.

How important to the construction industry is stable, long-term funding for surface transportation infrastructure projects?

Mr. McGough. It really boils down to certainty. Like any business, the difference between a short-term or long-term bill is the same for our businesses. If you look out and you don't know where your funding is coming from next year, you make business decisions based on that. You make business decisions whether that is to purchase software, to buy equipment, expand your facilities.

The same thing goes with State DOTs. They have no certainty of the funds, and short-term planning really leads to short-term decisions. The whole key for successful economic growth is a multi-year bill that gives the States, gives the contractors the ability to plan and know what to expect.

Senator Barrasso. Thank you.

Senator Carper?

Senator Carper. Mr. Chairman, I would just observe from

the responses to those first questions that you have asked, that this is an exceptional panel, and we are delighted, seriously, and we are blessed with a lot of great witnesses. But today, I think these witnesses are just more than- punching well above their weight, and we are glad that you made time for us, especially.

I am going to start off with a question I have for Mayor Fischer. He leads a major city not far from where my sister and her family live in Winchester, Kentucky, and not far from where my mother loved the last three years of her life and just had received the best care in the world. So I have a special warm spot in my heart for Kentucky and the people of Kentucky.

I would ask my first question of Mayor Fischer, and that is, as we think about making Federal investments in our communities that can assist with economic recovery and bring equity and equality, how can we ensure that federal investments provide access and opportunity to all individuals, no matter what neighborhood they live in, no matter what their zip code is? Could you just give us some thoughts on that, please?

Mr. Fischer. Yes, thank you, Ranking Member. I think this is a tremendous opportunity to show the power of the citizens' money at work as we dedicate and increase allocations responsible for minority business participation in these contracts. A lot of the infrastructure development in our city

would take place in and around communities in need. Many of them are opportunity zones, as well.

I would just like to echo the prior comments on the consistency that we could have this around funding year after year would allow the creation of more minority-owned businesses as well, and give them the type of certainty that they could move forward, that they could employ local workforce as well. These are good jobs in infrastructure, and we have an ample opportunity for the work in our city, whereas we have \$300 million of maintenance that is required just on our sidewalks and roads alone, while our local government is becoming increasingly strapped for other needs.

So there is no question there can be an equity overlay on this. Our city government uses a racial equity lens with all of our investments. It has been systemized to what we do. So it would be a tremendous opportunity to lift up our communities in need.

Senator Carper. Thank you for that response.

Sometimes we focus too much, here on Capitol Hill, on where we disagree. I like to focus on where we agree. One of the biggest issues, and several of you have already commented on this, is how do we pay for this stuff that we are talking about? How do we pay for our roads, highways, bridges, and transit systems?

Here are a couple of areas where I think that Democrats, Republicans, and folks on this committee led by our Chairman agree, we agree that things that are worth having are worth paying for, not just putting on the Nation's credit card and continue to add to our debt as if it does not matter. We agree that those who use our roads, highways, bridges, and our transit centers have an obligation to help pay for them. We agree that there is no silver bullet when it comes to paying for transportation infrastructure, but there are a lot of silver BBs, and some of them are bigger than others.

And we agree that the source of funding must be predictable, and it must be sustainable. It cannot be stop-and-go. The last thing that folks need when they are building roads, highways, bridges, and transit systems is wondering whether or not the money is going to be there the next week, the next month, or the next year.

With that in mind, let me just ask of each of you, and we will start with, it is Mr. McGough?

Mr. McGough. That is correct.

Senator Carper. Has anyone ever mispronounced your name, Mr. McGough?

Mr. McGough. Maybe a thousand times.

Senator Carper. Today?

Mr. McGough. Not today.

[Laughter.]

Senator Carper. Well, my question of you, Mr. McGough, we will get it right, what advice would you have, we will start off with you, what advice do you have to give us, my colleagues and me here on the dais, our staffs, about the importance of paying for infrastructure, maybe give us some advice on convincing some reluctant members around the Country on the need to pay for that transportation infrastructure, and how to structure some existing fees and some new fees in order to avoid both a negative impact on our economy, and to be sustainable, even after we transition away from motor fuels over the next decade?

Mr. McGough. Thank you, Senator Carper. ARTBA has long supported the motor fuels tax increase as the most effective, transparent, and equitable way to pay for surface transportation infrastructure improvements. As you mentioned, Senator, there is no silver bullet to a complex problem.

That is why ARTBA has been steadfast and consistent in supporting any and all highway user fee proposals since the Highway Trust Fund revenue crisis began 12 years ago. I will tell you, it is going to take a unique combination of a number of things, and we agree wholeheartedly the users of the system should be paying, and for anything that's worthwhile, will cost us the dollars to do that.

Senator Carper. Thank you. Doug?

Mr. Holtz-Eakin. I think, looking forward, and I have written on this, and we have had this conversation, that motor fuels taxes are not the appropriate base anymore, and that it makes sense to move toward something like a vehicle miles tax with adjustments for weight and axles, which cause the damage to roads and bridges. That is the endpoint; you want to end up there at some point in the future, when it is feasible.

Then working back, you could legislate that now and implement it over time, so that the Highway Trust Fund becomes sustainable. But I don't think you should raise taxes in 2020, and I am not even sure about 2021. This is not the right time to sort of provide additional headwinds to the economy. So have the conversation, get it financed in a durable and sustainable way. I think that VMT is the future, but I don't think you should do that this year.

Senator Carper. Yes. I would like to say that vehicle miles traveled is the future. We need a bridge to the future; in fact, we need a couple bridges to the future, and so, thank you for that.

Mayor, your thoughts please, and then my time is expired.

Mr. Fischer. Yes, thank you so much. Mayors are agnostic as to where the funding comes from, but it has to come from somewhere.

I think part of this, too, is kind of a culture shift that

we need to have in our Country where citizens are proud of their infrastructure. We have the Ohio River Bridges Project here, which is a \$2.5 billion project completed about five years ago, paid with tolls, so user fees.

But in America, it costs, the great American dream. We want everything, but we don't want to pay for anything, and we all know it doesn't work that way. So we have to get back to a time when we looked at our city buildings and our infrastructure, and whatever we invest in as a public, and say that makes me feel good, just like having public health properly funded as well.

As we talk about the money, let's talk about the collective, too, about we are proud as Americans, as Louisvilleians, and these are the kind of things we funded together. We also have to look to the future, obviously, with more and more electric vehicles. So as was noted, how do we figure out how to tax vehicle miles traveled, local occupational taxes directed to our transit authorities as well.

And a gas tax is part of that, I believe. So it is a portfolio of diversification with an umbrella of pride around it, how about that, that Americans say, when we invest in things that help us all, that is something that is required for a strong America, and I am happy to be an investor in that.

Senator Carper. I like that, umbrella of pride. Thank you

very much.

Senator Barrasso. Thank you, Senator Carper. Senator Inhofe.

Senator Inhofe. Thank you, Mr. Chairman.

I am going to get into another subject here, and I would like to address this to Mr. McGough. First of all, the FCC has just done the Ligado order, which would allow, it says, Ligado to repurpose the spectrum around GPS.

This would have a devastating effect on military. I chair the Senate Armed Services Committee, so I was naturally, that is where my concern was. In fact, there is one general that said this would pose "the most significant non-combat threat to our national security of my lifetime." That is what a big deal it is.

We had a great hearing; people understood it; it was articulated. But it also affects everybody else, all of America. We had, I think, we were allowed 30 days to file a motion for a reconsideration for a petition for a reconsideration of this thing, and there are eight petitions representing some 22 organizations.

One of those was ARTBA. You filed this petition with the American Farm Bureau, and the Association of Equipment Manufacturers. So what I would like to ask you is, can you speak to the impact this order would have on your members and on

the construction industry?

Mr. McGough. Thank you, Senator.

The transportation construction industry is using more new, innovative equipment on job sites from tasks like surveying to utilities, grading control, enhanced material applications. This equipment uses GPS. The Ligado proposal network shows significant interference with GPS and other signals, likely. Interference would be disruptive on job sites and can jeopardize safety and will most surely cause project delays.

Currently, there are over 900 million GPS receivers nationwide. Ninety-nine percent of those are operated by the private sector, none of which will be compensated under this order.

Even more concerning, if you look at the job site level, when you do have interference, the FCC order is to direct you to a 1-800 number. It seems illogical that you would have construction workers not realizing where their interference is coming from, and that that would not cause project delays as far as getting to a time of resolution.

We would urge the FCC to revisit their orders and the impacts that the Ligado order would have on everyday users that depend on a reliable GPS system.

Senator Inhofe. I appreciate that, and during this hearing, I did take the time to look up and find that there is,

that Ligado has actually spent well in excess of a million dollars on lobbyists. So they are busy out there working. Someone is concerned about the amount of money that is going to be involved in this thing.

The second thing, what I mentioned to Mr. McGough, is as the Chairman said, I chaired this committee for quite a while. This is the one area, you know, people in Washington, every time they want to spend money, they call it an investment. In this case, it actually is an investment. It has an effect on everything else that comes up, and we see the return on this investment when companies locate new facilities and community.

We have experienced that in my State of Oklahoma. So I would like to have you kind of elaborate a little bit about what kind of return we would get on this investment.

Mr. McGough. Well, Senator Inhofe, as repairs and upgrades are made to the highway, street, and bridge networks, drivers, businesses, shippers, transit riders, will all save time and money. These users benefit as a result of decreased congestion, less money spent on vehicle repair, and safer roads.

A study commissioned by the U.S. Treasury Department found that for every dollar in capital spent on select projects, the net economic benefit ranged from \$3.50 to \$7.00. The trucking sector estimates \$74 billion is added to the cost of goods due to congestion on our roads. So we are spending the money

without the economic benefit. We just don't see it because it is buried in the cost of our goods and services.

Senator Inhofe. I want to also say, and I will say to both of my good friends, the Chairman, and the Vice-Chairman, that this is an area where it is popular. It is about the only tax you can find that is popular.

I can remember several of our good friends, without mentioning names, who were a few years ago running for governor, and we are talking about spending and all that. They made the mistake of talking about infrastructure, and immediately, they were jumped on. So there is a very strong positive effect that we have when we talk about how we are going to be doing funding; yes, that's going to be a problem.

I appreciate one of the statements that you made about this is not the time that that can be done, but the fact that it eventually is going to have to be done. So I appreciate it very much, and this committee. I get more comments on this bill, I would say to the Chairman, than anything else that when I go back to Oklahoma. Good.

Senator Barrasso. Thank you, Senator Inhofe. Senator Cardin?

Senator Cardin. Well, thank you, Mr. Chairman, and let me thank all of our witnesses.

It is a good follow-up to Senator Inhofe that the two of us

are in total agreement. Infrastructure does bring us together. It is a critically important area for us to make advancements. Our committee has always worked in a very bipartisan manner.

Now that we are recognize that over the last several decades, we have seen a decline in the percentage of our economy that has been devoted to infrastructure spending, we need to do smart investments coming out of COVID-19. I particularly appreciate the comment by Doug in regards to how we pay for it now.

I am for paying for it. But coming out of this COVID-19, we are looking for how we can create jobs. We recognize that. We have put trillions of dollars into the economy because we know the impact COVID-19 has had in our economy.

Now, we need to look at how we can create the jobs that have been lost from COVID-19. Investing in infrastructure gives us that opportunity to create good jobs.

But at the end of the day, as Senator Inhofe has pointed out, we also have an economy that can perform better for the people in our community, as well as give us a greater economic competitiveness. At the end of the day, we end up with a product that helps our constituents and helps our economy.

I am a strong proponent of looking at a robust infrastructure package, and our committee has already passed a bill on this, in order to come out of COVID-19 with a stronger

economy.

My question is to Mayor Fischer. As we look at putting together an infrastructure package, every community is different. I was proud to work in a bipartisan way to create the TAP Program, the Transportation Alternative Program, which gives additional funding at the discretion of local governments for what is best in their community.

In my State of Maryland, we need to have a balanced approach on infrastructure. Transit is critically important to the people of the Baltimore-Washington region, so we want to invest in transit. We want to invest in neighborhood improvement-type projects. We don't want to see one-size-fit-all at the national level.

As a mayor, can you tell me how important is it for you to have discretion as to how transportation programs are handled in your community, and having the ability to have the Federal Government as a partner in developing those types of transportation programs?

Mr. Fischer. I appreciate the question, Senator. Obviously, I think the best government is the government that is closest to the people. We have long-term plans in terms of Move Louisville that create a vision for what is possible a decade out, but then we have near-term plans for what it is that we are trying to do today.

To give you some perspective on the challenges, Louisville represents about 33 percent of our State's GDP, but we get 3 percent of the funding for transit and for roads. There is this huge disconnect in terms of where the economy is being created and where the money is flowing toward that.

So the more that we can tie that into our local transportation planning, tie that into our arterials that feed into our highway system, to our complete streets where people sit outside and enjoy our great restaurants here in Louisville, it is that type of systemic approach toward transportation and public transit on top of that, and sidewalks on top of that, as pedestrian as that sounds, pun intended. It is really important to create a great city, and the feel for a city where traffic is moving as seamlessly as possible, reducing congestion, and making sure our air quality is as good as it can be.

Senator Cardin. Well, I thank you for that. In working with Senator Inhofe and now with Senator Capito on the Subcommittee on Infrastructure, we have recognized our States are different, so we try to give flexibility so that it can work in all parts of our Country.

It is one of the reasons why we had a unanimous vote in our committee, and I hope as we move forward, yes, it is important to invest today in infrastructure. We may not pay for it completely, but that is to get our economy back on track.

This is a good investment, like we have done already in the CARES Act. Let us look in a smart way to give the flexibility to the States and local governments to do what is best for their community.

Again, I thank you for your testimony. I thank all of our witnesses for their testimony. I can just underscore what Senator Inhofe said, we are going to work bipartisan to get a strong infrastructure package moving in this Congress.

Senator Carper. Mr. Chairman, could you yield to me for just 10 seconds?

Senator Barrasso. Yes, Senator Carper.

Senator Carper. I am reminded, as I am listening to what Ben was saying, unfortunately, everybody says we need to invest in transportation infrastructure. Almost never do I hear anybody say this is the time to do it. It is always over the horizon or around the corner.

We have used in recent weeks and months the term turning on the economy, the light switch versus the dimmer switch. I think with respect to funding, I agree, 2020, I don't think is the right time to raise taxes or fees. But I think we should start turning up the dimmer switch in 2021 in a variety of ways. Because it is always around the corner, it is always over the horizon.

Next year, I think we might be able to turn on the dimmer

switch, provide some of the revenues that are needed, and just send a signal that we are not going to walk away from this and simply put it on our Nation's credit card. Thank you.

Senator Barrasso. Thank you. Senator Capito?

Senator Capito. Thank you, Mr. Chairman, and thank you all for being here today, and I join my voice in the chorus of being very excited about the infrastructure package.

Senator Cardin and I worked this through our subcommittee. We built a lot of sustainability of materials and everything into this to hopefully build a longer life.

I wanted to ask the mayor a question quickly on the flexibility that you are asking for. Because this is an issue that Senator Sullivan has a bill that I am on asking for the dollars that have gone to the smaller States to be able to have the governor use the flexibility for city, county, and State lost tax revenue.

Our State has a gas tax, and I would include that in the package of lost tax revenues that would be important to a governor. Do you have a thought on this in terms of what you see in Kentucky or in Louisville?

Mr. Fischer. Yes. Our gas tax has been a declining source of revenue for our State for quite some time. As a result of that, we get less and less every year as well.

But I would definitely have this total bucket of all the

funds that are available so that we can look at that as a system and allocate those to the places where we have the most vehicle miles being traveled, where the greatest economic impact is coming from, as well. We have to take care of our rural brothers and sisters as well. But the dynamism of the economy is in the cities, certainly here in Louisville, and Kentucky, and throughout the rest of the Country as well.

The more that we can look at it as a system and not Balkanized into these different funds, I think that is the way that we maximize the funding.

Senator Capito. Well, like our State of West Virginia is down 27 percent in their gas tax.

I will say also to the credit of our State, we passed a State referendum two years ago that actually raised our gas tax, and actually said, this is important to us as citizens to have our potholes filled and new construction and all the things that in a mountainous State and a rural State are sometimes very difficult to maintain.

Mr. McGough, I wanted to ask you about bridges, because this is my State also where 21 percent of our bridges are deficient. So when we were writing this highway bill that we have all talked about today, one of the setasides that I worked really hard in and wanted to make sure we were able to include is the \$6 billion setaside that actually dedicates to bridge

repair.

We have seen a lot, some large bridges across the Country collapse to calamitous endings, but we also know in all of our areas, we have bridges that can't be used for school buses, can't be used for heavier trucks, and are a danger, really, in the communities. My State is one of these.

You highlight that in some of your comments. But when we ask CRS to report on this, I don't know if you are aware of this, they said that we are actually making better progress in our bridge repair than maybe the ARTBA had assessed in their report. Are you aware of that discrepancy in those two reports?

Mr. McGough. I am not aware of the discrepancy. I am aware that we are gaining ground on fixing our bridges as far as the percent deficient. But when you look at that, the number of years, decades that it would take to fix our bridges, that is the real challenge.

The dollars still need to be coming in to be able to fix the ones that are deficient. So while it may look better year-to-year, the real challenge is, how many years is it really going to take, in your case, in your State, to fix those deficient bridges.

Senator Capito. Right, and that is why I absolutely insisted that we include this in the package, because it is important not just in my State, but also a lot of other States.

Just on the issue of construction companies now, I know a lot of them have gotten PPP loans, a lot of them, some of them are, it seems like, when you are on the highway, there is a lot of construction. But I am sure it is a lot less than it was.

What are you seeing in terms of safety of your workers? What are you seeing in terms of confidence of rebuild? Mr. Holtz-Eakin, I don't know if you have a comment on where you see this construction industry could help pull us out of where we are right now. I think, it would be an important part. And then we will get to health of workers.

Mr. Holtz-Eakin. I guess what I would emphasize is that the supply chain is a really important part of the economy, and keeping it going in the face of the virus is actually a priority. It is one of the things we manage to do pretty well. But that does say that if you have truck drivers, rail personnel, cargo pilots, and the attending crews, they should be a top priority for PPE and the ability to continue to operate as we go forward.

The virus isn't gone; we are going to have to, at least over a sustained period, protect them during the course of their job. That is not to diminish the first responders and the health front-line workers, but people forget about the sort of economics of that supply chain sometimes, and it is very important.

Senator Capito. Right. We actually had a hearing in Commerce yesterday that this point was really hit hard on, particularly in areas that might be forgotten like rail or other arenas.

Mr. Holtz-Eakin. The rail folks have been forgotten. It is important. They move a lot of cargo.

Senator Capito. Right. Well, I think my time is over. Thank you.

Senator Barrasso. Thanks so very much.

Senator Whitehouse would be next; he has been in the room, and I know he has been following it. But I think right now, he may have had to step away, which would turn us to Senator Gillibrand.

Senator Gillibrand. Thank you, Mr. Chairman, Ranking Member. Thank you for holding this hearing today. I am really grateful that we have this chance.

It should go without saying that the impacts of COVID-19 on New York have been massive and are felt in every part of our economy, including our transportation systems. Our transit agencies across the State are experiencing staggering losses in revenue due to sharp decreases in ridership. That is to New York City and in smaller cities across the State.

They all need our help. Public transit is an absolute lifeline for New Yorkers. The MTA has experienced a decrease in

ridership of more than 90 percent during this pandemic. This decrease is not because people in New York all of a sudden no longer want or need public transit. It is because people need to stay at home in order to stay safe.

But despite the decreased ridership, it remains absolutely essential that our subways, buses, and rail continue to operate so that healthcare workers can get to the hospitals to take care of sick people, and so people can continue to get their groceries and make other essential trips.

For so many of our citizens, particularly our lowest-income community members and communities of color, those are the ones who are hit hardest by COVID-19. Public transit is not simply a choice, it is actually a necessity.

Continuing to provide federal funding to replace the lost fare revenue so that our public transit system doesn't shut down is also essential. Once this crisis has passed, as it will, riders will come back. We have to ensure that transit agencies have the resources necessary to ensure those riders are safe.

Limiting transit options and relying on more vehicle traffic in a densely populated city like New York is not the answer. It will leave those who can afford to drive in gridlock and congestion, and those who can't, stranded. The people left stranded will include seniors, people with disabilities, our veteran community, and many of the workers who have proved to be

so essential during this pandemic.

I am not going to allow that to happen. So while I appreciate the opportunity to hold this hearing today to talk about the role of infrastructure in our recovery, we need action by the Senate as well. We need to listen to our States and our cities that need our help, and they need that help right now.

Infrastructure legislation in the Senate is almost always bipartisan, but a highway-only recovery bill would not be a bipartisan approach to address the true needs of this unprecedented crisis.

Mayor Fischer, my question for you is, what do we need to be doing to make sure that our public transit agencies are able to safely and reliably operate during this pandemic?

Mr. Fischer. Thank you, Senator.

There are a multitude of challenges there in our city. You have the whole need for social distancing when you are on our transit system as well.

So our transit system, the local government funds it at about \$10 million a year. It runs a structural deficit. As you all well know, the Federal government provides most of the local funding, so it is most of the funding.

It is a question of, how do we operate in this new environment. Some people are now suggesting that people need to commute more in single cars to stop the spread of the virus. So

we are in this tremendously dynamic world right now, where people really aren't sure what the answers are. Oftentimes, they are polar opposites of each other when they are given. Within those constraints, we are working on our safety issues within our transit system as we get our economy back to work.

But if I could, I just want to say one other thing. Around America right now, in our downtown areas, most of our businesses are boarded up, literally. So while we are focusing on the pandemic right now, we have got to get a relief valve here so that our streets are calm throughout America, so we can open up the economy as well.

That is just the reality we have in our cities right now where the house is burning, more or less. It is much calmer here in our city and many cities as well, but I just want to really emphasize on top of the Coronavirus, this is a real issue that we don't understand how much longer is going to be going on. But we have got to be speaking to our people to say we understand, and here is what we are moving forward, when we expect our economy to be coming back.

Senator Gillibrand. Can you talk about some of the benefits of having a reliable public transit system on economic development and the ability to recover?

Mr. Fischer. Absolutely. So when we think about the impact of the Coronavirus, the people who were most impacted

were our front-line workers who, in most instances, could be our African Americans, our Latino community, obviously everybody is aware of the disproportionate impact of COVID-19. Twenty-three percent of our population here is African American, about 31 percent of the deaths were African-America. That is low, too, compared to most of our cities.

The ability to have public transportation to get these folks safely to work to a job that pays a living wage, by the way, is what should be happening here, is absolutely essential. Also part of that is to make sure it is a housing solution that oftentimes, most every city in America has a lower-income area, unfortunately, that oftentimes is not where the jobs are. So in our housing strategies, to have affordable housing throughout the community so people can get to jobs simpler is also an important part of the long-term solution.

Senator Gillibrand. Thank you, Mr. Chairman. Thank you, sir.

Senator Barrasso. Thank you. Thank you for your comments, I appreciate it. Senator Cramer?

Senator Cramer. Thank you, Mr. Chairman and Ranking Member Carper, both, and to this outstanding panel.

I agree with Senator Carper. We have got the A Team in front of us, and I appreciate this discussion very much. I think it is a timely discussion.

I have been a strong advocate for including transportation infrastructure as part of recovery since the very beginning, because it has a number of advantages. Some of you have talked about that. First of all, it does have the advantage of creating immediate stimulus. Although it is not the primary purpose of building a transportation infrastructure to create jobs for building it, building things stimulates the economy. People working stimulates the economy.

It has the additional advantage the profitability of the private sector as its main purpose, the movement of goods and services, tourists, products, whether they are manufactured in St. Louis and going to California, or tourists going to Yellowstone or Delaware, or corn and wheat going from North Dakota to the hungry world.

But thirdly, it is our responsibility. It is the responsibility of the Federal Government to lead a highway transportation bill and other transportation infrastructure. So it is the perfect time to do it.

To that end, that is why I wrote an op-ed at the very beginning of the discussion about the recovery promoting this, and I am glad we are having this hearing to do exactly that.

Dr. Holtz-Eakin, I have appreciated your testimony a lot, and you referenced a "patient strategy to bolster the supply capacity of the economy over the medium- to long-term." Very

well said.

In fact, in North Dakota, when oil was booming and everything was high, prices were high, labor was high, concrete was high-priced, everything to build anything was very high-priced, but we needed to do it. When oil prices went back down, our State had the wisdom and the foresight to continue building infrastructure when the costs of everything were lower. So when they came back, when the prices came back and the boom came back, we were well-situated. So I think there is a good example there for us to follow.

My question, first of all, for you, Dr. Holtz-Eakin, we are really good in this town at kicking things, kicking the can down the road, right? Would you just, as an economist, maybe share with us some perspective on the difference between, or the advantages to a long-term, well thought out infrastructure bill versus, say, a short-term, even a one-year extension?

Mr. Holtz-Eakin. Oh, I think there is an enormous difference. This has come up already in terms of planning horizons. If you only have a short-term extension, you are going to build things that have some sort of return over the short-term, but they may not be the best thing over the long-term. So now you have effectively diverted the funds to an unproductive use when you should have built them into a better long-term plan.

My frustration with a lot of the proposals that have come up over the past couple years on the "big infrastructure bills" has really been twofold. Number one, they start by saying infrastructure, and pretty soon, everything is infrastructure because they want to get in.

The good thing about this is it is what it is. It is a surface transportation reauthorization, and that is a part of infrastructure and good.

The second thing is the short-term focus. Again and again and again, we can spend a trillion dollars this year, and maybe you can. But isn't the better thing to do to take a system that identifies high value projects and fund them in a sustained way so that they benefit for a long, long time? It is refreshing to see that approach.

Senator Cramer. Mr. McGough, I would think even from a construction standpoint, there is some efficiency that, to Mr. Holtz-Eakin's point, to a long-term plan. Is there not?

Mr. McGough. There is both the efficiency and the productivity from, especially from a long-term planning standpoint. Even if you think out five years, that is long-term.

We need, in the Nation, the ability to rebuild a lot of our roads and bridges. If you look even at the ARTBA report for your individual States, those numbers of new lane miles is only

set at 4 percent across the Country. Most of those dollars are for reconstruction and repair and things along those lines, or additional lane miles within existing right-of-way. So it is very important that we maintain that course and that we put a robust bill in front of the full Senate and ultimately, in front of the President.

Senator Cramer. Let me throw a hand grenade into the middle of the room. Our President is a builder; he is a developer, and he loves low interest rates. I have heard him say both publicly and in private conversations, we should borrow a couple trillion free dollars, by that I mean interest free, to which I tell him, it is still debt. We should borrow a couple of trillion dollars and do it big.

Does that make sense, and whether it is a couple trillion or half a trillion, does it make sense in this economic time to do something like that, Mr. Holtz-Eakin, from your economic standpoint?

Mr. Holtz-Eakin. No, that is not a good way to formulate the problem, I don't think. If you are borrowing a trillion dollars, you still have budgetary tradeoffs on where it is going to go, and you should put it in its most high-value use. To just in advance, to decide that that is going to be infrastructure, to find somehow, without checking other potential investments, is a mistake.

So I like approaches that have an objective which is a highly connected national surface transportation network with efficiencies. That is a well-formulated problem that I can understand funding. Taking a trillion dollars and throwing it at everything under the sun is not a well-formulated approach.

Senator Cramer. Thank you.

Senator Barrasso. Senator Braun?

Senator Braun. Thank you, Mr. Chairman.

First of all, I don't think there is any one of us here that doesn't believe that infrastructure across the entire spectrum of it, Senator Gillibrand is right, in some places you need that. In many places, roads, and bridges.

I come from a recent example of where we made the hard decision in Indiana. I was sitting in on the Roads and Transportation Committee and Ways and Means, and got into the stark reality, when I followed the commissioner of highways out the door of the committee room, and I walk talking about a road I was interested in. He said please, don't bore me with that. Tell me how you are going to help pay for it.

We did some interesting things in Indiana. I was an author of a bill that was nowhere in the Country. It was a regional development authority bill that allowed enterprising local governments to put more skin in the game. We teed it up the next year, and have got early stages of a road project in place.

I don't know how what we are dealing with now is going to impact that. But somehow, we have got to convince people here where we borrow money for everything we do, we don't even cover maybe 23 percent of our current budget, we are borrowing to cover it, so it is no good. We got 48 out of 50 stakeholders that were willing to pay user fees in Indiana to come testify and say, we want to pay more in road taxes. I know that diminishes in effect each year.

How do we, how do any of you convince the people that use the roads to come here and convince us that we need to adjust a user fee up that hasn't been changed since 1993? Mr. McGough, could you start first, and then I would like to go around the horn.

Mr. McGough. Well, from ARTBA's standpoint, I had mentioned it earlier, that we have been consistent in supporting any and all highway user fees, and we believe that the users of the system should use that. I know through the years that people have stepped up and said that they were willing to pay more.

I mention it just from the road congestions, the safer roads, what is costing the truckers if you look yearly, which is ultimately being passed on to you and me in the cost of our services. I think it is time for Congress and the President, what was agreed, what has been said since 2016, and what has

been said again this year, is to move forward with the bill to fix and put in a long-term sustainable multi-year bill that we can count on as an industry, and it is been shown through the years to be bipartisan.

It is one of the more popular programs if you poll the American people. I think that it is time to make some tough choices and move forward.

Senator Braun. Thank you.

Mr. Holtz-Eakin. I don't have a magic solution to that, but I think one of the real hurdles is making sure that there is a strong connection, an observable connection between the fee and the ultimate service the people get back. If they feel they are paying a "user fee," and they don't see a highway that is being kept up in good shape and is congested, they start to wonder, is this really worth doing, and that becomes a problem.

Then it is just literally a tax; it is not a fee for service. So structuring the fees as close to the ground so people can see the link between what they pay and what they get, which we have done some, I think is a key part of the problem right now.

Senator Braun. Thank you. And Mayor, when you answer the question, we have a thing called Community Crossings Grant in Indiana where we offered county and city governments the ability to get more money from the State if they put a little more skin

in the game. Do you have anything like that available to you, and what do you think of that idea to kind of stretch the federal dollars that might come in on any project as well that is a separate thing, but a way to maintain and pay for roads, paid for primarily by city and county governments?

Mr. Fischer. Yes, Senator, thank you from my neighbor here, just to the north of us.

No, we do not have a program like that, but anytime you can get that type of leverage or match that we totally want to take advantage of a situation like that.

I can just provide an observation of the cities around the Country and different mayors. To the previous comment, when citizens can say, if I pay this fee, and I am going to see this project come to fruition, you see a very high rate of success in those projects. I think it is in the neighborhood of two-thirds, so you are seeing billions and billions, it could be trillions of projects that are basically being locally funded taking place around the Country right now.

There has been an increase in the local government matching of federal funds in particular. The chart that I provided to you all shows that local government's increase in funding has gone up 116 percent from the period 2001 to 2015, versus the Federal government's 55 percent. So you are seeing more and more activity from local governments in these areas with more

difficult budget situations, obviously.

A prime example of what you are talking about here too, Senator, is the bridge that connects your State and my State, the Ohio River Bridges Project, which is driven by user fees, tolls. It has really helped both create jobs, I am a business guy, I just happen to be mayor, but then the movement of transit throughout our city and our region as well.

Last thing, Kentucky does not allow localities to have specific referenda on projects. We would love, and we are working with our State government, but we would love a federal issue here that says if locals want to vote on local projects, let them vote on local projects, and let them pay if they want to pay.

Senator Braun. Thank you.

Senator Barrasso. Senator Boozman?

Senator Boozman. Thank you, Mr. Chairman, and thank you all for being here. We do appreciate it very much.

Mr. Holtz-Eakin, you have had a very distinguished career being in economic policy and have been a great help in the past through the years. I think you made a great statement when you talked about shovel-ready projects. That is great, that creates some jobs. But the real benefit is the economic activity that comes after that if they are worthy.

President Eisenhower, because of military reasons, built

the interstate system. As a result of that, we became a leader in the sense of being able to move goods and services also. That lessened prices to consumers; that is a great thing.

Now, with globalization, not only are we worried about, again, being efficiencies, helping our producers now selling to our own population, but also trying to compete with globalization.

Can you talk a little bit about how important it is as we try to, and the logistics, how important that is, being able to compete with a worldwide economy?

Mr. Holtz-Eakin. We are in constant competition with countries around the world, workers around the world, and we have to make sure that our workers have at their disposal the best technologies and the most efficient operating surroundings. There are some very particular things that come again and again, not all of which are solvable in this committee.

But the connectivity between different modes is an ongoing problem in the United States, from ports to trains, and trucks to airplanes. And there are some high-congestion areas that just jump right out on the West Coast. Solving those has a big impact on the domestic economy, but also a big impact on our competitiveness. Because you spend a lot of money internally just getting stuff in and out. So I think that is very important.

There are some things that we know going forward are going to be more important. I think we are not going to see commercial air travel for leisure purposes be what it used to be, but air cargo and the capacity of planes to fly closer together, carry greater volumes, an air traffic system that looks forward and is better, these are all the kinds of things that are core infrastructure for a 21st century when you are competing globally.

Senator Boozman. Yesterday, I was in a hearing in the VA Committee, and the Secretary of the VA was there. He was telling us that in the last few weeks, they had hired thousands of VA employees using the abilities that under this very difficult circumstance, where normally that would take a year. It is amazing.

Can all of you talk about, and we will start with you, Mr. McGough, about the importance of a one or two-year project, that could be a one or two-year project actually being closer to a decade project, if we can just reduce some of the, and again, doing it in the correct way. A great example of that is the bridge that fell down in Minneapolis that was done in a year, that project. I don't know how long it would have taken if you did it in the conventional way.

How important is that? How would that save us money and allow us to get some of these projects done?

Mr. McGough. Well, what you have in the bill that you passed last July when I said commonsense reforms, a lot of it is codifying the one federal decision and getting the lead agency when it comes to transportation. We would look to the DOT. But being able to get reviews down to a two-year window and moving forward, that is where a lot of your challenges come with moving projects forward.

It is the time to get construction started, and as you have seen in projects that have been fast-tracked for accelerated delivery, that those roadblocks get out of the way, and you see what happens.

What we need as a Nation is some of those commonsense policy reforms, where the average person, if you told them how long it would take to get a project up off the ground, they find it hard to believe that that is true. We need to shrink that timeline; that is where you efficiencies are going to be.

Mr. Holtz-Eakin. It is enormously important on a project basis, obviously. But as a flavor of what is really at stake, my organization keeps track of every regulation issued by the federal government. Over the eight years of the Obama Administration, it issued a major regulation, something that cost the private sector more the \$100 million, and an average rate of 1.1 per day for eight straight years, at a total cost of \$890 billion, for \$100 billion a year.

The Trump Administration's approach to regulatory budgets has essentially stopped that in its tracks. There has been a modest increase; it was a negative coming into the pandemic. That has an enormous difference in economic performance. We saw that.

In this pandemic, the emergency waivers that we have seen across the Federal agencies have allowed people to do things flexibly and respond quickly. I think that has been just a huge success. And to the extent you can make the progress you have in your bill, or codify things that have been done under emergency waivers, I think that would be valuable.

Senator Boozman. Very good.

Mr. Mayor, can you do it very quickly, or the Chairman is going to yell at me?

Mr. Fischer. Okay, I will be quick. Thank you.

Great project management cannot be replaced, and obviously you want projects streamlined, and we always want safety at the forefront of all of these things. As we are doing that, we have got to remember that there are equity issues around the environment.

So there has to be an environmental justice issue overlaid on all these types of things, so our low-income neighbors don't feel like, okay, here we go again, we are going to get the short end of that stick. The streets are clearly talking to us; that

is not the right way.

I just want to make a plug for one more thing: value engineering. We took our Ohio River Bridges Project from a \$4 billion budget down to \$2.5 billion, and it is a beautiful piece of infrastructure. So having the different ways to look at projects from gold-plated to functional is very important so you can maximize all this.

And then, Senator, there are hundreds of billions of dollars of shovel-ready projects available today throughout America as well, as we work out untangling our bureaucratic messes on the other side, so people can get started on the work today.

Senator Boozman. Thank you, Mr. Chairman.

Senator Barrasso. Thank you very much, Senator Boozman.
Senator Van Hollen?

Senator Van Hollen. Thank you, Mr. Chairman. Thank you and the Ranking Member, and the witnesses who are here with us today.

Let me just say at the outset that I was pleased to be part of the bipartisan vote in our committee, in the EPW Committee, in support of the Highway Authorization Bill, a five-year bill. As you know, Mr. Chairman, the Senate Banking Committee, on which I also serve, has jurisdiction over transit, the Senate Commerce Committee has jurisdiction over heavy rail.

We have not marked up a transit bill in the Senate Banking Committee. I would look forward to doing it just as soon as possible. So it is hard to compare what is happening in the Senate EPW Committee with the House. As you know, the House Infrastructure Committee has jurisdiction over all of those components, not just highways, but also transit and heavy rail.

I hope we can get moving in the Senate on a bipartisan bill, but I would insist before any final vote in the United States Senate on a highway bill that it be merged with a bipartisan, a transit bill, this is a five-year authorization bill we are talking about, and it needs to include transit. I just checked, and every infrastructure bill that has passed the Senate in recent times has had both roads, but also transit, and it needs to stay that way.

So I hope we can get moving in the Banking Committee and the Commerce Committee as fast as the EPW Committee did. I commend you for moving quickly on a bipartisan basis on that piece. But really, we need all those pieces to come together, even in the Senate, just as the House needs to come together on all those elements.

To Mayor Fischer, thank you for acknowledging in your opening comments the painful issues that we have to sort out as a Country with respect to systemic racism that are manifesting themselves again and again and again; most recently, with the

murders that you mentioned. We need to get to the bottom of all those issues.

I do believe this part of making sure we have an economy that works for everybody, we need good transportation systems, both roads and highways, but importantly, transit systems.

So, could you talk about the importance to the City of Louisville about transit, and whether you agree that as we move forward in the Senate on the bill that passed the EPW Committee, it is also essential that we move forward on the transit reauthorization?

Mr. Fischer. Thank you, Senator.

Yes, I just want to reemphasize the cries that we are hearing from the streets of America right now, and this is all of America, folks, and so we can't just say, we are going back to business as usual. If that is the case, this will continue and continue and continue with great damage, not just to human potential, but to our economy as well.

So the question is, what are some concrete investments that can be made that sends a signal to our communities that have been on the short end of the investment stick for a long period of time that their lives are going to become better? Public transit is one of those ways, because our African American communities, our low-income communities, disproportionately count on using public transportation in our city, which is still

primarily a car-based city.

So a system that works well, that gets them quickly to their job, the average user of public transportation in Louisville has a commute that is twice as long. People that don't use public transportation, multiple stops, trying to go get groceries, taking care of kids, it is a complicating factor to their life on top of the burdens that they already have.

So this is a quick investment that could be made that sends a message to people that are suffering that says, I hear you. That is the most important thing that people want to hear right now, is that we hear what they are saying, and that we are providing help. So, Senator, for those and all the other reasons that I have talked about previously, this investment is critical to be part of this bill.

Senator Van Hollen. Thank you.

On the financing question, because as we all know, EPW has authorization jurisdiction, but we need the money to make all this really work.

A question on financing, Mr. Holtz-Eakin, it is good to connect with you again, even virtually, but I am curious. During this period of time, we just essentially had emergency \$2.3 trillion spending to respond to the emergency of COVID-19. I think all of us recognize that investing in our infrastructure is one of those long-term investments that will pay dividends to

our Country. Interest rates are low. I have supported a whole variety of financing mechanisms. But I am interested at this point in time whether you think deficit financing infrastructure makes sense for our economy.

Mr. Holtz-Eakin. AS I said in my opening remarks, I think there is a place for this kind of an infrastructure investment in the recovery strategy. The emphasis thus far has been on front-loading things, checks, unemployment insurance, that has been highly effective. Believe it or not, disposable personal income in April went up \$2.1 trillion at an annual rate. That is stunning, and it is because of the CARES Act and the \$3 trillion in government transfers.

So that has been the focus. I think there does need to be this longer-term, more patient approach.

As a matter of doing business in 2024, I would hope it would be paid for, and that you would have a good user fee in place. As a matter of doing business in 2020, it is less important. The response to the crisis is the most important thing right now, and that involves taking care of the economy at the expense of tidying up the budget. There will be harder work to be done from a budgetary point of view past the pandemic, but now is not the time to do it.

Senator Van Hollen. So, if I may, very briefly, Mr. Chairman, just to follow up on that: look, we all want to abide

to your paid-for bill, that would be the best thing. But as I understand your answer, you do support some immediate infrastructure investments as part of the emergency response that would be paid for like the rest of the emergency bill by deficit financing. Is that correct?

Mr. Holtz-Eakin. Yes. Part of it can be deficit financing; I have no problem with that. I want the infrastructure to be a sensible long-term program that in other circumstances, we would do. I would like it to come online beginning now so that its benefits accrue in 2021 at the earliest, 2022, 2023. We are going to need that as part of the strategy.

Senator Van Hollen. Thank you. Thank you all very much. Thank you, Mr. Chairman.

Senator Barrasso. Thank you. Senator Carper?

Senator Carper. Thanks very much.

I want to go back to something that Doug Holtz-Eakin said to us, maybe in his opening statement, but I think he alluded to the fact that State and local governments, they vote fairly regularly to raise user fees to pay for infrastructure in normal times.

These are not normal times, but over 30 States have raised their user fees in the last, say, half dozen or so years to pay for transportation infrastructure: roads, highways, bridges,

transit, and so forth. And we find that it is perilous for us to even tiptoe close, even in a full-blown economy, the longest running economic recovery in the history of the Country over the last 11 years, and we are still almost fearful to say, well, we ought to pay for transportation infrastructure.

There is a reason why something that is so hard for us is really easy to stay level. One of the reasons why is the ability that a State legislator have or a governor has, speaking as a former governor, in putting together a capital budget that says that these are the projects we want to build, county by county by county, roads by roads, and so forth, and in order to be able to afford those and have the benefit in those counties or those cities, we are going to raise a user fee. It might be a couple of pennies, it can be a dime or a nickel, whatever, but here's what we are going to get out of it.

In Delaware, Delaware's a little State, about 100 miles north to south, and 50 miles wide. The Federal government pays not an inordinate amount of the share, but a significant part of the share, and we have any number of projects that are 80-20 Federal-State, like you and other States do.

I go to the ribbon cuttings for any significant, almost any significant transportation improvement project that has State-Federal money. I go to the ribbon cuttings at the end of the day, and I explain to people that are there, this is great, we

are going to have this great project, and then we have a ribbon cutting, say look what we have done, and we have also paid for it, and here is how we paid for it.

We can do that in Delaware. It is harder to do in California, or big States like Texas, but we can do it. It is a part of the challenge, to make it clear to our constituents why we are going to raise a user fee, and what is the benefit from doing that.

I want to go back again and say, I agree fully with Doug. The future is vehicle miles traveled, whether it doesn't matter if you are driving a car, truck, or a van, if you are using gas, you are using diesel, you are using electric, you are using hydrogen, or fuel cells, it doesn't matter. You ought to be paying your fair share. If you have a heavier vehicle that creates more damage, then you pay more through the vehicle miles traveled. That is where we ought to go.

If I could use a light switch, and do that, like, tomorrow, well, that is what I would do. We don't have a light switch in this case, we are going to use a dimmer switch. But I think we can use that dimmer switch in a smart way that moves toward that future, and that is vehicle miles traveled.

I want to close with two quick questions, one for Mayor Fischer. Again, Mayor Fischer, we thank you so much for your leadership and wish you well in Louisville, and the constituents

that you have there, and wish you good luck as you assume the presidency of the National Conference of Mayors.

Here is the question. We talked earlier about uncertainty, and we are still looking at a lot of uncertainty with respect to the economic recovery. How does that uncertainty affect efforts to budget, including your transportation budget for the coming year, which I believe starts July 1st, and how important is it that any federal aid come prior to the start of that fiscal year, or maybe as soon thereafter as possible?

Mr. Fischer. Thank you, Senator.

Stability and knowing what our outlook is is extraordinarily important right now. Three of the riots going on around America, demonstration, civil unrest, we furloughed about 400 people. If we do not get more relief from the federal government, we are talking about 600 to 800 people more out of a job. Sixty percent of our budget is made up of first responders.

So the people that we are asking to help us get through the pandemic and now keeping peace in our streets, their jobs are at risk. To send that kind of message in today's environment just boggles the imagination. So what we are doing is we will use our rainy-day fund to get through this as long as we can.

But cities across America desperately need a signal from the U.S. Senate and all of Washington that help is on the way,

here is what it looks like, so that we can keep our cities running. If we can't keep our city government running, the economy is not going to come back. It was tough enough with the pandemic, but now with civil unrest, we just can't afford to be laying people off, number one, loss of jobs and just loss of stability as well.

If you guys can't pass anything before July 1st, send out a broad signal that, here is what is coming, it is coming in mid-July or mid-August, but we really need to say yes, it is coming, or you guys are on your own, so we can figure out where we are going to go from there. So any early visibility would be really appreciated by everybody all over America, the cities, and towns.

Senator Carper. Thank you, Mayor Fischer.

Mr. Chairman, I have one more question, if could ask one of Mr. McGough?

Senator Barrasso. Go ahead.

Senator Carper. Thanks so much.

Mr. McGough, a number of States and cities have large or substantial rainy-day funds. We started one, created one the year after I was elected the State Treasurer and Pete DuPont was elected governor. We had the worst credit rating in the Country under his leadership. We created a rainy-day fund, which today has approaching \$400 million, which is a lot of money for a

little State. It is not going to be \$400 million at the end of this year, I will assure you.

But a lot of States and cities have large or substantial rainy-day funds that are quickly depleted due to the virus and they are now facing the prospect of running out of money, as we are in Delaware, not too far down the road. Our Federal Transportation Funds are a critical component of overall transportation spending. But our State and local partners provide maybe the lion's share in many instances for transportation funding. Question: if the federal funds remain consistent, how will construction funds and related industries be impacted by the reduction in State and local revenues, and would you agree that federal action to begin backfill as least some of the lost State and local funds is critical to economic recovery and growth?

Mr. McGough. Senator Carper, I would agree. I believe from at least the State DOT standpoint, it would be a backstop that the loss in revenues from their portion of the motor fuels tax decreases is significantly affecting their budget. Ten States have currently canceled or delayed projects to the tune of \$5 billion. Thirty-two States have projected that they expect to have cancellations or delays in projects.

The money for the State DOTs is just for preservation. This doesn't change the need for a robust, multi-year

infrastructure bill. That is what it is really going to take to put our economy back on track and get the growth that we need.

Senator Carper. Thank you. Mr. Chairman, just a closing thought, just with you and our colleagues, thanks again for this hearing, and I want to thank our staffs for helping to put together just a terrific panel. Not everybody was able to participate, we have, as you might know, a bunch of other hearings going on, and some of them are really important, too. S not everyone could be here, but it is been just a wonderful hearing. We would like to continue to follow up with you down the road.

Mr. Chairman, you and I have both talked about leadership before, and I think a lot about it; I know you do too. I think leadership is the courage to stay out of step when everybody else is marching to the wrong tune. Think about that. Leadership is the courage to stay out of step when everyone else is marching to the wrong tune. Not sure who said that, but I will say I said that, at least today.

Another thought on leadership is the words of Camus, a French philosopher. He used to say leaders are purveyors of hope. Think about that. Leaders are purveyors of hope. We are talking here about a lot of reasons for economy, equity, why it is important for us to adopt thoughtful legislation, to design, adopt, and fund it.

But the other plus here is hope. There are a lot of people in our Country right now that don't have a lot of hope, and we can help provide a good measure of that, a good shot in the arm. They say, hey, they can work together, they can get stuff done that will actually us in our everyday lives and futures.

That is what is at stake here, and I am encouraged that we are doing the right thing. My hope is we, by our example, we can encourage some of our colleagues in the Senate and the House to do the right thing as well. Thank you.

Senator Barrasso. Well, thank you so much for your leadership and your partnership in this entire process.

We have letters supporting what we are doing that are here for the hearing, and I would like to enter in to the record letters of support we have received recognizing the need for action on highway infrastructure legislation and tout the benefits of the bill that we have passed in a bipartisan way. They include letters from the American Association of Highway Transportation officials, the Portland Cement Association, the National Stone, Gravel, and Sand Association, and ITS America. ITS America stands for the Intelligent Transportation Society of America, so we have all sides covered here, Senator Carper.

[Laughter.]

Senator Barrasso. Without objection, those will be submitted.

[The referenced information follows:]

Senator Carper. Mr. Chairman, I would also ask unanimous consent to submit one more for the record. It is a report from the American Public Transportation Association on these singular benefits of transit including reduced congestion, traffic safety benefits, better air quality, economic development, and more. It turns out \$1 billion invested in transit can result in, I am told, in some \$5 billion of economic growth, and that is a pretty good deal where I come from. Thank you.

Senator Barrasso. And put a lot of people to work, as well, so thank you so much for that. Without objection, those are all submitted.

[The referenced information follows:]

Senator Barrasso. I want to thank all of you for your testimony. I agree with members of the panel on both sides of the aisle that said we have the A Team here today, all three of you. I want to thank all of you.

There are no more questions from those of us here. Other members may submit questions for the record. We ask that you respond to those, so the hearing record will then stay open for the next two weeks.

I want to thank all of the witnesses for your time and your testimony. Thank you, Mr. Mayor for joining us remotely.

The hearing is adjourned.

[Whereupon, at 11:56 a.m., the hearing was adjourned.]