TRANSPORTATION
CONSTRUCTION
COALITION

Infrastructure Investment and Jobs Act Implementation and Case Studies

Testimony Presented to the Committee on Environment and Public Works

United States Senate

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on behalf of

the Transportation Construction Coalition

Chairman Capito, Ranking Member Whitehouse and members of the committee, thank you for convening today's hearing to examine the Infrastructure Investment and Jobs Act (IIJA). I am Gary Johnson, Vice President for Land and Quarry at Granite Construction Incorporated.

Granite is one of the largest diversified construction and construction materials companies in the United States headquartered in Watsonville, California. Granite specializes in complex infrastructure projects, while also building many of the standard day-to-day roads across America.

Today I am representing the Transportation Construction Coalition (TCC), a partnership of 34 national trade associations and labor unions, representing hundreds of thousands of individuals, working to build, modernize and maintain the nation's transportation systems. TCC member organizations represent contractors, planning and design firms, materials and manufacturing firms and the construction trade unions that represent many of their employees.

The TCC began in 1996, and for nearly 30 years, and has focused solely on advocating for a strong federal transportation network. The coalition's unique membership enables it to speak with one voice, articulating the impact of federal policies and investments on all aspects of the transportation construction industry.

The federal government's role in delivering a nationwide transportation network is foundational to America's history and economic prosperity. From the Golden Gate Bridge to Route 66, these iconic structures move freight and people thanks to commitment by the federal government.

Today that commitment continues, due to the bipartisanship shown by many on this committee in 2021. My company, like many represented by TCC member organizations, is experiencing record opportunities made possible by recent federal investments, allowing us to enhance safety and mobility throughout the U.S. Currently, surface transportation improvements are underway in nearly every U.S. county with much more work to come.

With federal highway programs up for renewal next year, today's hearing is well-timed to share insights from the transportation construction industry. TCC member organizations have seen firsthand how funds provided have been used and how the law's policies have impacted the ability to deliver projects efficiently.

TCC's testimony will focus on quantifiable impacts of the first three years of the infrastructure law and will offer the coalition's priorities in the run-up to reauthorization in 2026.

Coast-to-Coast Impacts Since 2021

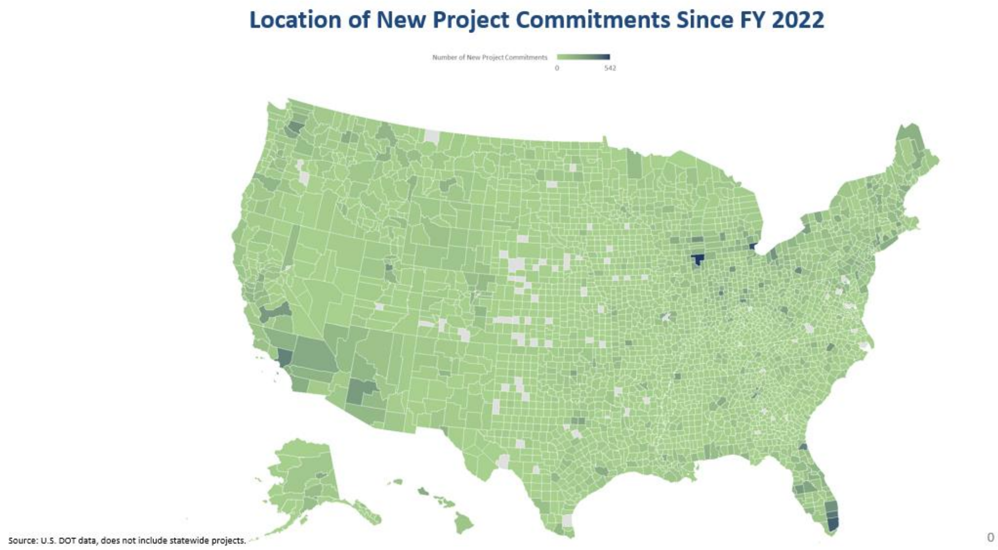
The federal road and bridge investments provided by the IIJA were sorely needed, long-awaited and represent a level of investment for which TCC has been advocating for decades. According to TCC co-chair the American Road & Transportation Builders Association (ARTBA), $183 billion in formula funds has been committed to projects so far, advancing over 91,000 projects.[1] States have been reimbursed $115 billion for formula work already completed.

The type of work performed ranges from minor street maintenance to major Interstate capacity improvements that have been waiting years for action. New programs are enabling states to bundle long-awaited bridge projects. Discretionary grants have supported major projects with regional impacts like the Brent Spence and Blatnik Bridge projects that will also enhance vital freight corridors.

In West Virginia, more than 2,300 projects are receiving infrastructure law support, including safety improvements to the Coalfields Expressway and bridge renovations along Interstate 79. In Rhode Island, 495 projects are advancing, including projects to relieve congestion along I-95 and rehabilitate New England's longest suspension bridge over Narragansett Bay.

These projects are examples of the progress happening in communities large and small across the country. The map below depicts U.S. counties with federally supported projects underway since the infrastructure law's enactment.

[1] https://www.artba.org/market-intelligence/highway-dashboard-iija/

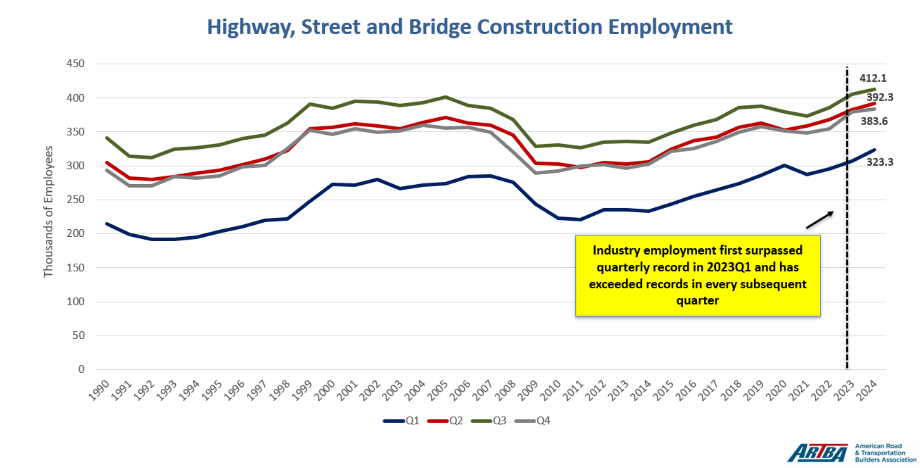


Economy-Wide Benefits from Transportation Projects

Beyond enhancing safety and freight mobility, these projects have a ripple effect on other aspects of the economy. With thousands of new projects in the pipeline, businesses are investing in the equipment to build and people to operate it.

The Association of Equipment Manufacturers (AEM), a TCC member association, reports a direct positive impact from the infrastructure law. Shortly after the IIJA was enacted, equipment orders grew by 13 percent and inventories grew by 22 percent, as manufacturers anticipated growing demand.

The U.S. Bureau of Labor Statistics (BLS) also reports record levels of employment since quarter 1 of 2023, according to an analysis of BLS data by ARTBA in the chart below.



Employers have added 41,600 jobs in the Highway, Street and Bridge Construction sector, bringing total 2024 summer construction employment to a record 413,400 workers.

Simply put, these companies would not be investing in the people or equipment if there was not significant work to be done. As promised in the run-up to the 2021 infrastructure law, the investments in infrastructure would enable growth across the economy, and even despite inflation, these positive effects are proving true.

Beyond the transportation construction industry, improvements to the nation's transportation systems will help businesses lower operating costs, as distribution of goods moves more efficiently.

Looking ahead to the next reauthorization bill, the following are priorities for the TCC:

Priority 1: Continue Growing Surface Transportation Investments

While the 2021 law stretched beyond the traditional scope of a five-year surface transportation authorization, the majority of the much-needed investments--$488.5 billion--were made in core highway, public transit, highway safety and multi-modal grant programs. Another $66 billion in rail capital investments, which the TCC supports, was appropriated beyond annual core Federal Railroad Administration funding.

However, despite the record level of federal investments in these critical programs, the job is not done. In their 2021 *Report Card for America's Infrastructure*, TCC-member association the American Society of Civil Engineers identified an surface transportation infrastructure funding shortfall of $1.2 trillion for the next ten years, at all levels of government. While the IIJA resources will undoubtedly help, Congress should keep investing in the nation's critical infrastructure, not pull back.

- **Recommendation**: The TCC advocates that, at minimum, baseline investments for surface transportation programs should be carried forward, with inflation adjustments, regardless of the previous funding source of these programs. This will help continue making the necessary safety and mobility improvements to help grow the nation's economy and improve quality of life for all citizens.

The long-term duration of the surface transportation bill must also be continued. Extensions and short-term bills rob states of their ability to plan over the long-term, which leads to a reliance on smaller maintenance work, rather than transformative transportation investment. Downstream impacts also occur, as states and businesses are less likely to invest in people and equipment when they are unsure how the federal government will

- **Recommendation:** The next surface transportation bill should focus on the long-term and provide five-year authorization of highway, safety and public transportation programs.

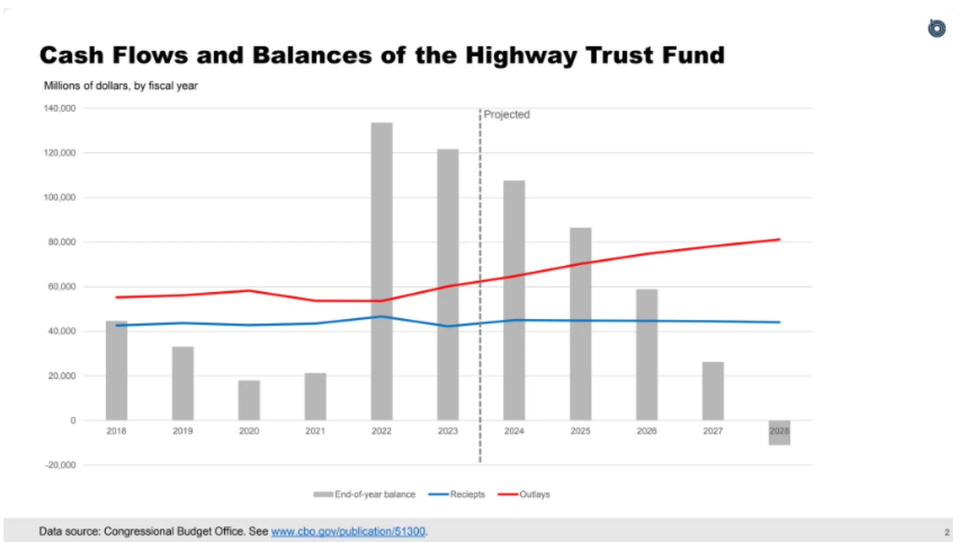
Priority 2: Grow and Stabilize Highway Trust Fund (HTF) Revenues

The transportation construction industry and its state and local partners depend on the resources and certainty provided through a fully-funded HTF. Since its inception in 1956, the primary revenue source for the HTF has been gasoline and diesel user fees, supplemented with truck and tire excise and use taxes. However, the gasoline and diesel fees have not been adjusted for inflation and therefore have dramatically lost purchasing power since they were raised last, in 1993. Had they been indexed for inflation at that time, the gasoline and diesel fees would have nearly doubled from the 18.4 cents and 24.4 cents-per-gallon they remain at today.

Despite the declining purchasing power of the existing revenue sources, Congress and previous administrations have wisely chosen to continue growing federal investments in core highway, public transportation and highway safety programs via authorization and appropriations laws. To support this growth, over $270 billion has been transferred from the General Fund to the HTF over the past 15 years.

According to the Congressional Budget Office (CBO), the imbalance between existing projected balances and revenues into the HTF and projected HTF outlays from 2027 to 2031, the duration of a new five-year surface transportation reauthorization law, is $150 billion. To continue investments in all highway, public transportation, highway safety and multi-modal grant programs, with adjustments for inflation and regardless of IIJA funding source, Congress and the next administration will need to find approximately $260 billion.

The CBO chart from October 2024 highlights the challenge facing the HTF over the duration of a long-term reauthorization bill.

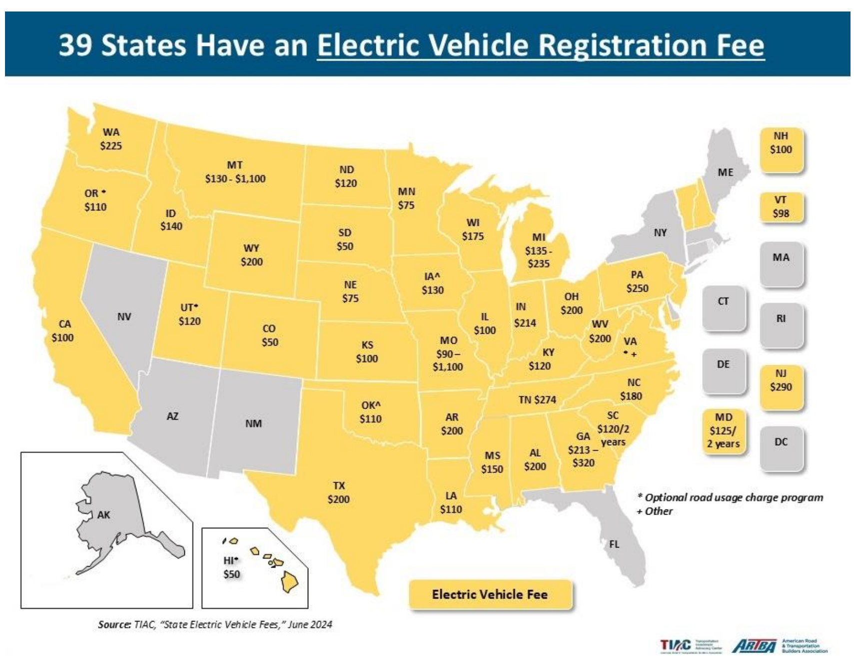


The next surface transportation authorization law should stabilize the HTF by incorporating existing and new user fees, as well as necessary general funds, to cover approved investment levels.

- **Recommendation:** Any potential user fee solutions to address the HTF revenue shortfall should reflect these core principles: derived fairly from system use, dedicated to highway and public transit transportation improvements, and sufficient to support robust growth for a safe, well-functioning and resilient surface transportation system.
- **Recommendation:** Reject any efforts to reduce or eliminate existing revenue sources, unless new user fees cover them at appropriate levels.

One potential user fee solution, introduced by Senator Deb Fischer (R-Neb.) and co-sponsored by committee members Senator Cynthia Lummis (R-Wyo.) and Senator Pete Ricketts (R-Neb.), would bring parity to the users of the nation's roads and bridges by imposing a user fee on electric vehicles (EV). These vehicles are currently using the system without contributing to its maintenance via a federal user fee, unlike most gasoline, diesel and alternative fuel vehicles.

While the EV fee bill would not fill the HTF revenue gap, it is projected to grow over time as more EV cars and trucks are sold. Congress should follow the example from 39 states, depicted in the map below, that have enacted EV fees to bring tax fairness to state user fees across vehicle types.



- **Recommendation:** A national EV fee should be enacted with the revenues dedicated solely to the HTF. The TCC urges all committee members to co-sponsor the Fischer legislation and work towards its enactment this Congress.

Priority 3: Build on Successful Formula and Discretionary Grant Programs

Formula Programs

The transportation construction industry supports the current structure of formula programs allowing state and local decision-makers, who best know their own needs, to choose which projects to build and how they should be constructed. This flexibility bestowed upon transportation industry professionals and lawmakers at the state level to address unfunded surface transportation priorities allows for unimpeded decision-making where non-political choices need to most effectively be made.

Photo Credit: *Tennessee Department of Transportation*

For example, Tennessee quickly put $127 million in IIJA formula funds to use, improving what the state's transportation commissioner described as one of the worst interchanges in the state. The I-55 / Crump Boulevard Interchange project had been put on hold for years but finally got the green light in 2022 and is slated to be complete this year.

With construction underway, new through lanes will eliminate the need for heavy interstate truck traffic to use single-lane, low-speed ramps. A new multi-lane roundabout will give locals better access to and from city roadways. Noise walls are being built and access for locals and businesses will be maintained. A more modern, less congested, and thoughtfully planned community crossroads is on the way.

This project is one of more than 90,000 nationwide that demonstrates the ability of states to put formula dollars to work quickly, advancing transportation improvements that have been vetted by those who know their states' needs best--state departments of transportation.

Further, the TCC thanks members of the committee who pushed back against an attempt by the previous administration to unlawfully influence the state project selection process with overly burdensome guidance memorandums. Congress, via every authorization law, in a bipartisan manner, sets priorities for these critical programs to establish national goals and performance measures. The law should be adhered to by the administration and any future attempts to change or influence the flexibility bestowed upon states to choose their own projects, following the criteria set in law by Congress, should also be rejected.

- **Recommendation:** Continue the strong track record and performance of formula programs in order to provide states the flexibility to choose the projects best suited to their needs.

Discretionary Grant Programs

While formula programs have been largely successful over the law's first three years, discretionary grant programs have had a mixed record. Discretionary grants are a critical part of the federal-state-local partnership, often providing resources for long-stalled projects that need additional investments not available to local governments to get over the finish line. Further, discretionary grant programs that are national and regionally focused help deliver projects across the country that otherwise lack the necessary funding.

For example, in South Dakota, a RAISE grant of nearly $20 million is headed to the state for safety improvements on the Standing Rock Sioux Tribe Reservation and the Mandan-Hidatsa-Arikara Nation. The project calls for new roundabouts, turn lanes, lighting, and rumble strips, making those who live and visit the area safer.

The IIJA created a new Mega grant program that is providing Maryland with $80 million to make improvements to the I-895 Baltimore Harbor Tunnel interchange. These improvements will not just lead to safer travel for the 25 million vehicles who utilize the tunnel, but it will also enhance efficiency in this vital freight corridor.

By nature, the discretionary grant application process takes more time from an initial Notice of Funding Opportunity (NOFO) and a signed grant agreement between a grantee and the U.S. Department of Transportation entity administering the programs. Similarly, when smaller or first-time awardees receive a grant, anecdotal stories suggest delays occur when the awardees must move a project forward outside of their state DOT process.

One state department of transportation we work with regularly spends $100,000 on grant applications due to the analysis required, construction cost estimate and narrative. These applications can easily be 40 pages in length. If they are awarded the grant, it can then take 8 to 12 months to get a grant agreement in place, delaying the project even further or the grantee takes the risk by spending their money up front. This process is even more burdensome and may not work for local agencies.

At the same time, some major IIJA grant awards are under construction. An ARTBA analysis of each state's largest grant award found that 21 out of 50 projects are under or will begin construction this year, 16 are expected in 2026, 5 in 2027, and 8 did not announce a timeline.

The IIJA also expanded eligibility for many grant programs, which has caused a range of challenges. Anecdotal stories are abundant that some, often smaller, communities lack the resources and first-hand knowledge to complete the long and potentially overly burdensome discretionary grant applications. For these smaller applicants, hiring a consultant to complete an application is not an option that larger communities may have.

- **Recommendation:** Steps should be taken in the next surface transportation law to speed up and bring more transparency to the process of awarding and completing grant agreements.
- **Recommendation:** Congress should re-evaluate any discretionary grant programs that are not nationally and regionally focused and instead, where appropriate, consider making them eligible activities for formula programs. This would allow states and localities to address their needs more expeditiously, especially in communities that would otherwise be either not eligible for a grant or not have the resources to successfully apply for a project.

Priority 4: Improve Federal Project Financing Tools

The Transportation Infrastructure Finance and Innovation Act (TIFIA) program assists worthy grantees with credit assistance for projects that have dedicated revenue streams to repay upfront costs. This program has been successful in delivering numerous, multi-modal projects the financial support necessary to move complex and, in many cases, otherwise unfunded projects over the finish line.

While this useful tool continues to support projects, it has not approved them at a level that previous Congresses envisioned, leading to a build-up of unspent resources. Congress and the Biden administration addressed this issue by reapportioning much of the balance in unused TIFIA reserves last year.

- **Recommendation:** The TCC believes that with sensible reforms to the TIFIA program, more projects can access this critical program in the future. These reforms include:
    1. Increasing the size cap for rural projects;
    2. Better transparency into the application and project approval process;
    3. Access to increased project financing levels for worthy projects; and
    4. Less burdensome project criteria for states and localities that have a good track record for delivering previous TIFIA-approved projects.

The IIJA law included an increase in the Private Activity Bond cap from $15 billion to $30 billion. This tool, which incentivizes private sector financing of infrastructure projects, is once again already approaching its full utility.

- **Recommendation:** Congress should uncap Private Activity Bond assistance in the next surface transportation authorization law or via tax reform legislation.

The long-time prohibition on states and localities to raise their additional proceeds for transportation enhancements via tolling and other mechanisms on roads that have previously received federal resources has hampered their abilities to build out and expand safety and quality-of-life improvements.

- **Recommendation:** With the current transportation infrastructure deficits currently facing communities across the nation, the TCC believes it is long overdue for Congress to lift the ban to allow states to raise their own revenues for additional transportation investments.

Put Project Delivery Improvements to Work

The IIJA marked a critical step forward to expedite project delivery by codifying One Federal Decision (OFD), which was designed to consolidate environmental reviews, establish clear timelines, and enhance interagency coordination. However, while OFD has demonstrated potential in reducing permitting delays, its implementation has been inconsistent across federal agencies. In some cases, project sponsors still face prolonged review periods due to bureaucratic inefficiencies and a lack of accountability measures to enforce compliance with statutory deadlines. To fully realize the benefits of these reforms, Congress must ensure that OFD is applied fully and uniformly across all agencies involved in infrastructure permitting.

A key challenge has been the absence of meaningful consequences for agencies that fail to meet review deadlines. Without enforcement mechanisms, project sponsors are left navigating an unpredictable and often redundant permitting process that stifles project progress. Congress should enact enforcement provisions for agencies that repeatedly fail to comply with statutory timelines. Such steps would incentivize adherence to deadlines and drive accountability in the permitting process.

- **Recommendation:** Strengthening the OFD framework and introducing robust accountability measures will help ensure that the IIJA's historic investments translate into timely and efficient infrastructure improvements, rather than being bogged down by unnecessary red tape.

Encouraging Flexible Contracting Approaches for Efficient Project Delivery

Currently, 40 states authorize some form of alternative construction contracting to enable earlier collaboration among owners, designers and contractors. At Granite, we have found these collaborative strategies have helped to reduce project cost overruns, delays and other risks.

As an example, our company recently worked with the California Transportation Commission and Caltrans on a plan to widen and improve U.S. Hwy 101 in Santa Barbara County. Using $40 million in state resources as a starting point, Caltrans deployed Granite and a design partner under the Construction Manager/General Contractor (CMGC) method, through which we worked together in determining the most efficient and "constructible" design for the project.

Caltrans then received IIJA funding to complement the state investment and begin construction. The use of early collaboration in this case helped accelerate project delivery and optimize funding resources.

Similarly, in response to the urgent need to replace the Francis Scott Key Bridge, the Maryland Transportation Authority selected an alternative contracting method known as progressive design-build to ensure an expedited and effective delivery process. These examples highlight how various contracting methods can be used to address different project needs, particularly when speed and complexity are key factors.

While the TCC supports innovation, the coalition remains opposed to federal mandates on design and materials and encourages Congress to reject any legislation that would diminish the role of engineers in the specification and procurement of construction materials for taxpayer-funded infrastructure projects.

- **Recommendation:** The next infrastructure bill should support flexibility for states to consider and utilize appropriate alternative contracting methods when they can enhance efficiency, collaboration, and cost-effectiveness for complex projects.

Hold Down Project Costs by Maintaining Existing, Limited Buy America Exemptions

Through its Build America, Buy America Act (BABAA), the IIJA strengthened domestic preference requirements on federal-aid infrastructure projects, including highway and transit projects, for iron and steel and manufactured products. Congress also expanded coverage to include construction materials, which were later defined by the Office of Management and Budget (OMB). Federal and state transportation agencies, contractors and suppliers continue working towards the optimal implementation of the BABAA requirements.

At the same time, Congress purposefully chose not to expand Buy America coverage to "cement and cementitious materials, aggregates such as stone, sand, or gravel, or aggregate binding agents or additives." The rationale for that important exemption remains just as compelling today.

All concrete and asphalt pavements are produced in the U.S. However, while the domestic production of certain components – such as cement, liquid asphalt and aggregates – is already fully maximized, it is necessary to supplement these supplies with foreign-sourced products to meet demand for infrastructure improvements. These market dynamics depend in part on geography, state and local environmental permitting limitations, and the needs of competing industries. Extending domestic preference requirements to pavement products would severely disrupt existing supply chains for pavements, resulting in elevated project costs.

- **Recommendation:** By preserving the exemption for aggregates and paving materials, Congress can uphold the intent of Buy America while ensuring that critical infrastructure projects remain cost-effective and on schedule.

Prevent Project Delays by Expediting Consideration of Targeted Buy America Waivers

The TCC fully supports Buy America's objective of strengthening U.S. manufacturing capabilities. However, in the short term, domestically made versions of key products needed on highway, bridge and transit projects may carry significantly higher price tags or require longer lead times, while others are simply not made in the U.S. at this time. These realities can result in unintended project delays and cost overruns.

In enacting BABAA and previous Buy America provisions, Congress authorized the possibility of common-sense waivers to overcome unreasonable cost or nonavailability concerns and to help minimize conflicts between the policy objectives of improving transportation infrastructure and bolstering the domestic manufacturing sector. State and local transportation agencies – in consultation with contractors, designers and suppliers – attempt to identify these challenges as early as possible in the project development process and submit waiver applications to FHWA or FTA as needed. In reality, though, the current waiver process lacks certainty, consistency and transparency, deficiencies which Congress can address in the next reauthorization bill.

While BABAA requires all waiver requests to be posted for public comment, long delays between submission by funding recipients and public posting by federal agencies creates a bottleneck in the process. These delays can stretch for months or, in some cases, years, making it difficult for stakeholders to plan effectively. More timely agency action on waiver requests will serve Congress's underlying intention with BABAA, to encourage capital investments in U.S. manufacturing capacities. Appropriate waivers will send a clear signal to manufacturers of emerging demand for domestically produced items where no or inadequate current capacity exists. In other words, a more efficient waiver process would give them a clearer and more timely business case for initiating or expanding their production.

As an example of inconsistencies in the waiver process, one state department of transportation took 14 months to receive a waiver for a necessary project component that was built, in part, outside the U.S. Two other states applied for the same waiver and received approval in a short period of time, demonstrating the lack of consistency and room for improvement in the waiver process. In such instances when multiple requests are made for the same item, it may be appropriate for a targeted, time-limited "public interest" waiver of general applicability to be issued as a means of eliminating redundant requests.

Waiver process improvements have become even more urgent because of FHWA's announcement, during the final week of the Biden administration, that it will roll back its longstanding general waiver for manufactured products, with a dual-step transition period beginning with projects obligated on or after October 1. Since 1983, this waiver has exempted a myriad of critical end products (including electronics, specialty mechanical items, intelligent transportation systems and many others) from Buy America requirements, unless they were predominantly comprised of iron or steel. While project sponsors will now need to pursue more targeted waivers for specific manufactured products, this process can take at least a year, extending well into FHWA's intended phase-out of the general waiver.

To address these concerns, Congress should direct the U.S. Department of Transportation to establish a more transparent and expedited waiver process, including defined and reasonable timelines for waiver determinations, clear criteria for approval, and improved tracking of waiver requests.

In addition, the Manufacturing Extension Partnership (MEP) Program has been successful in helping identify and connect domestic manufacturers with project stakeholders seeking compliant materials. Further leveraging MEP's resources could help in finding domestic alternatives before a waiver is needed, improving supply chain visibility and reducing the number of waiver requests over time. Federal agencies should work with MEP to maintain an up-to-date, publiclyaccessible database of available Buy America-compliant materials and provide project stakeholders with better procurement options upfront.

If done correctly, creating efficiencies and adding transparency to the waiver process could be a win-win for project sponsors and for U.S. manufacturers and their workers.

- **Recommendation:** A streamlined, transparent, and timely process to evaluate project-specific waivers would mitigate unnecessary project delays. Moreover, in certain circumstances, targeted, time-limited "public interest" waivers of general applicability may be appropriate to eliminate redundancies. Congress should ensure that FHWA and FTA provide clear implementation guidelines to avoid disruptions to infrastructure projects.

Infrastructure Resiliency

The federal government's 2023 National Climate Assessment, compiled by 10 agencies, found extreme weather events are becoming more frequent, more severe, and more likely to disrupt and damage critical infrastructure, with 18 weather events causing more than a $1 billion in damages during 2022.[2] Since the passage of the IIJA, significant new resources have been dedicated to strengthening transportation infrastructure resilience through programs such as the PROTECT (Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation) grant. However, more must be done to ensure that resiliency is integrated into every phase of infrastructure construction.

As industry works to build IIJA-funded projects such as new transportation infrastructure or rebuilding after a disaster, federal programs should emphasize durable and adaptable design

[2] U.S. Global Change Research Program, Fifth National Climate Assessment

strategies that minimize damage, maintain functionality, and reduce recovery time. The IIJA provides funding for resilience efforts, but ensuring those investments are used effectively requires clearer federal guidance and coordination. FHWA and FTA should continue developing and refining guidance on resilient design, construction, maintenance, and repair strategies that incorporate best practices in material selection, risk assessment, and engineering innovation.

Related to efforts to improve resiliency efforts and cutting costs for future projects, during times of disaster recovery or otherwise, the IIJA law does not incentivize or encourage the use of recycled paving materials. Many states like Ohio, Washington, Virginia and Oregon average over 25% reclaimed asphalt pavement in new asphalt paving materials while California, New Jersey, Arkansas and Arizona use less than 15% on average. Use of recycled materials can lower paving costs, reduce truck trips, increase safety and reduce air emissions. The recycled materials are not imported from outside the US, increasing the amount of US-manufactured materials.

Investing in more resilient infrastructure will generate long-term cost savings by reducing maintenance needs, extending asset lifespans, and mitigating the financial impact of extreme weather events. Additionally, improved resiliency can enhance mobility and economic stability, ensuring that communities remain connected and functional in the face of extreme weather disruptions.

- **Recommendation:** As Congress considers future transportation legislation, it should prioritize policies that enhance infrastructure resilience, streamline project delivery for resiliency-focused improvements, and encourage the adoption of innovative, high-performance materials that support sustainability and durability.

Keep Projects and Industry Firms Viable Through Price Adjustment Clauses

The volatility of material prices in recent years has posed a significant challenge for transportation construction, making it difficult to plan and execute projects within original budget estimates. The fluctuations in the cost of essential materials, driven by supply chain disruptions, inflation, and geopolitical factors, have underscored the urgent need for federal-aid contracts to incorporate price adjustment clauses. These contractual terms seek to allocate financial risks among project stakeholders, ensuring that projects remain viable despite potential market instability.

As is widely known, the pandemic and related factors resulted in unprecedented cost spikes for key materials and products in the 2020-22 timeframe. Numerous specialty contractors and suppliers -especially small businesses – faced financial threats to their very existence, with some having to cease operations if their project sponsors could not make accommodations.

Many state DOTs already use price adjustment provisions for certain materials, but inconsistent federal policies have left contractors exposed to unpredictable cost escalations. Unlike the FTA, which allows transit agencies to make retroactive cost adjustments in extreme circumstances, the FHWA has declined revisiting its prohibition in this regard.

Looking to future such crises, Congress should explicitly authorize the use of federal-aid funds for retroactive cost adjustments in situations where material price spikes threaten project viability and completion. Bringing FHWA policies into parity with FTA standards would create a more sustainable contracting environment.

In addition to mitigating financial risk, price adjustment clauses also promote competition in the bidding process. When contractors can anticipate reasonable protections against extraordinary cost increases, they are more likely to submit competitive bids, ultimately benefiting taxpayers.

- **Recommendation:** Implementing standardized federal guidance on price adjustments would help stabilize the construction market and ensure that critical transportation projects are delivered on time and within budget.

Enhancing Safety for Roadway Construction Workers

Ensuring the safety of roadway construction workers remains a top priority for the transportation construction industry. In 2022, the National Work Zone Information Clearinghouse estimated a total of 96,000 work zone crashes and 37,000 related injuries, while documenting 891 fatalities.[3] Work zones present unique hazards, including high-speed traffic and heavy machinery. The IIJA made important investments in work zone safety by enhancing programs to include traffic control measures, creation of safety contingency funds, and promotion of the use of advanced safety technologies. These include additional resources for the Highway Safety Improvement Program (HSIP) and funding for intelligent transportation systems that improve real-time communication between work zones and motorists.

One critical area of progress under the IIJA is the expanded focus on work zone intrusion prevention. The law encourages the adoption of automated flagging assistance devices (AFADs) and other technologies designed to reduce direct worker exposure to traffic. Additionally, it promotes greater use of positive protective barriers, which have been proven to significantly reduce work zone fatalities and injuries. Congress should continue supporting these efforts by ensuring state DOTs have the flexibility and funding necessary to deploy these safety measures effectively.

Beyond infrastructure investments, the IIJA also emphasizes workforce safety through expanded training programs. The law provides funding for work zone safety education initiatives, ensuring that both workers and motorists understand best practices for reducing risks in construction zones. To build on this progress, by prioritizing worker safety alongside infrastructure improvements, we can ensure that the benefits of infrastructure investments are realized without unnecessary risks to the men and women who build and maintain America’s transportation network.

[3] National Work Zone Safety Information Clearinghouse, 2022 Work Zone Data

- **Recommendation:** Congress should continue incentivizing states to implement stricter enforcement measures, such as automated speed enforcement in work zones, and invest in research on emerging safety technologies.

The Industry is Prepared to Help

The construction industry remains committed to maximizing the benefits of federal infrastructure investments. TCC members will continue to highlight successful projects that demonstrate how streamlined regulations, innovative practices, and proper funding can accelerate project completion. By sharing best practices and working collaboratively with federal agencies, the industry can help drive continuous improvements in project delivery.

Additionally, TCC will remain a vocal advocate for long-term transportation funding solutions. A stable Highway Trust Fund and sustained investment in infrastructure are essential to ensuring that America's roads and bridges remain safe and efficient. The industry stands ready to support policies that enhance revenue streams and increase funding predictability.

By fostering strong partnerships between industry and government, the U.S. can build a more resilient, efficient, and cost-effective transportation network for future generations.

I thank the Committee for the opportunity to testify today. I appreciate its continued efforts to help improve our nation's infrastructure and enact policies that create good paying jobs in America. I look forward to working with you to keep America moving. I would be honored to answer any questions you may have.