

**STATEMENT OF  
THE HONORABLE ANTHONY FOXX  
SECRETARY OF TRANSPORTATION  
BEFORE THE  
APPROPRIATIONS SUBCOMMITTEE ON  
TRANSPORTATION, HOUSING, AND URBAN DEVELOPMENT AND  
RELATED AGENCIES  
UNITED STATES SENATE**

**March 16, 2016**

**Introduction**

Chairman Collins, Ranking Member Reed, and members of the Subcommittee, I want to thank you for the opportunity to meet with you today to discuss the President's fiscal year (FY) 2017 budget plan for the Department of Transportation. The President's request totals \$98.1 billion in resources that will support the Department's top priority, safety. This plan is focused on the future with high impact investments in the safe integration of emerging technologies, such as autonomous vehicles and unmanned aircraft systems (UAS). It supports improvements that have the potential to transform transportation systems, save lives, and reduce carbon emissions. The President's Budget charts a path towards fundamental changes in the way the government balances and integrates transportation options in planning for the future.

**Enhancing Surface Transportation**

The surface transportation investments in the President's FY 2017 Budget build on the recently enacted *Fixing America's Surface Transportation (FAST) Act*, which President Obama signed into law on December 4, 2015. The *FAST Act* is an important down-payment for building 21<sup>st</sup> Century surface transportation systems. It includes a series of important changes, to improve the efficiency of permitting and project delivery, including a number of provisions fostering ladders of opportunity, establishes new freight-focused funding programs, and makes changes to a number of the Department's safety programs. These changes include creating a new grant program and enhancing authority with respect to recalls, civil penalties, and the collection of safety data.

However, the *FAST Act* largely maintains current programs – including the traditional funding and program distribution between highway and transit funding, with limited support for multimodal plans and projects. While the *FAST Act* included authorization for rail programs, rail funding will continue to be determined on an annual basis, without the certainty provided by the multi-year trust fund structure that currently supports highway and some transit programs.

Thus, the FY 2017 Budget builds on the *FAST Act*, taking the next steps to reform funding streams and encourage better planning and projects at the State and regional levels

through increased investment in areas such as rail and transit. It also includes a series of new, multimodal programs that increasingly cut across traditional siloes, in support of more comprehensive regional strategies that connect communities and support climate and greenhouse gas reduction goals.

To address these concerns, the President's request directs investments over a 10-year period towards a 21<sup>st</sup> Century Clean Transportation plan that reflect America's changing demographics and economy, while at the same time providing access to opportunity.

- As more Americans move to cities, regions, and megaregions, it is time for us to reassess how we plan for and use our limited transportation dollars.
- At the same time, this Clean Transportation Plan recognizes the impact today's transportation systems have on climate change and the environment and seeks to build incentives that will encourage new, cleaner forms of transportation and better land use planning.
- This plan also acknowledges the important role that innovation and technology play in keeping transportation safe, reliable, and efficient by requesting funds for programs such as a new autonomous vehicle deployment pilot that will yield important benefits.

Overall, the President's Budget request represents a combination of these proposed 21<sup>st</sup> Century Plan investments and funding for the Department's traditional transportation programs. Key elements of the request include the following:

**Investing in Clean, 21<sup>st</sup> Century Surface Transportation Options that Reflect America's Changing Demographics and Provide Access to Opportunity**

*Enhances clean transportation options for American families:* Over the next decade, the Budget invests an average of nearly \$20 billion per year in new investments to reduce greenhouse gas emissions and provide new ways for families to get to work, to school, and to the store. The Budget would expand transit systems in cities, fast-growing suburbs, and rural areas; make high-speed rail a viable alternative to flying in major regional corridors; modernize our freight system; and expand the successful Transportation Investment Generating Economic Recovery (TIGER) program to support high-impact, innovative local projects.

*Supports investment decisions towards a "21<sup>st</sup> Century Regions" approach that reflects a changing demographics and economy:* Currently, the majority of Federal transportation funding flows, via formula, through the State. To address the shifting demographics in America, this Budget balances that funding stream, by directing billions of dollars through regional governments, such as Metropolitan Planning Organizations, empowering them to play a stronger role in decision-making. Over a 10-year period, the Budget invests an average of \$10 billion a year towards a series of new, innovative multimodal programs that improve the balance of funding and decision-making and will accelerate the move towards smarter, cleaner, and more integrated communities. The funding would flow across transportation modes to support transit-oriented development; reconnect downtowns divided by freeways; and, bicycle and pedestrian networks.

*The President's Budget fully supports FAST-authorized funding levels for surface transportation programs, aimed at keeping the system safe and in a state of good repair. In*

addition to the proposed increases for surface programs, the Budget fully funds *FAST Act* levels for FY 2017, across transportation modes which include: \$44 billion to invest in the Nation's critical highway and bridge systems; nearly \$10 billion to support operations of public transit systems across the Nation; roughly \$730 million for the National Highway Traffic Safety Administration (NHTSA) to research and develop new, life-saving technologies and programs; and over \$640 million to support nationwide motor carrier safety through the Federal Motor Carrier Safety Administration (FMCSA).

### **Advances Public and Private Sector Collaboration to Accelerate Cost-Competitive, Low-Carbon Technologies and Intelligent Transportation Systems**

*Continues the transition to the Next Generation Air Transportation System (NextGen):* The Budget requests a total of \$1 billion to support NextGen. This includes \$877 million for NextGen Capital investments, an increase of \$22 million above FY 2016, which will advance modernization efforts; enhance automation; implement satellite-based surveillance capabilities; improve data communication practices and technology; and maximize traffic flow.

*Funds pilot deployments of safe and climate-smart autonomous vehicles to create better, faster, cleaner urban and corridor transportation networks:* To accelerate the development and adoption of autonomous vehicles, the Budget includes \$3.9 billion over 10-years for large-scale deployment pilots to develop a common multistate interoperability framework for connected and autonomous vehicles.

### **Ensures Transportation Safety Keeps Pace with Changing Technology and Organizational Needs**

*Integrates surface transportation technologies safely into the transportation system:* High impact investments will support activities such as NHTSA's New Car Assessment Program (NCAP), to test vehicle safety through state-of-the-art equipment and more realistic crash dummies. The Budget invests \$35 million in FY 2017 for this integration.

*Strengthens regulatory enforcement agencies across the Department through resources and organizational changes:* Across the Department, agencies are taking action to strengthen the regulatory and enforcement capabilities that are key to protecting the safety of travelers and movement of goods.

- Investments would provide over \$47 million for NHTSA's Office of Defects Investigation to improve its effectiveness in identifying safety defects quickly, ensuring remedies are implemented promptly, and notifying the public of critical defects.
- The Budget's \$295 million request for the Pipeline and Hazardous Materials Safety Administration (PHMSA) also includes proposed organizational changes to elevate the role of research and analysis in support of regulatory development and enforcement.

*Supports rail safety through research and development and implementation of positive train control (PTC):* The Budget includes \$213 million to support the Federal Railroad Administration's (FRA's) rail safety and development programs, including implementation and enforcement of PTC, as well as related track and bridge safety activities, and another \$53 million

for additional safety research. This includes \$12.5 million to analyze and demonstrate the safety and environmental benefits of Electronically Controlled Pneumatic brakes.

*Protects our maritime interests:* The Budget provides over \$428 million for the Maritime Administration to implement programs that promote the economic competitiveness, efficiency, and productivity of U.S. Maritime transportation.

### **Invests in 21<sup>st</sup> Century Government and Project Delivery**

*Modernizes permitting and project delivery:* The Budget supports investments, consistent with new requirements in the *FAST Act* that ensure we are making 21<sup>st</sup> Century investments through 21<sup>st</sup> Century delivery mechanisms. The Budget expands the Administration's progress to expedite permitting and approval processes while protecting safety and the environment.

*Supports ongoing establishment of a National Surface Transportation and Innovative Finance Bureau:* Building on the Administration's successful Build America Investment Initiative, the *FAST Act* created a new office to streamline and improve the application processes for credit programs, expedite project delivery, and promote innovative financing best practices. The Budget requests resources for implementation, as well as \$275 million for the Transportation Infrastructure Finance and Innovation Act (TIFIA) Program, along with flexibility to also use resources from a range of new multi-modal programs to cover credit subsidy costs.

*Protects cybersecurity and data integrity:* The Budget includes \$15 million to continue improvements to the Department's cybersecurity protections, and another \$4 million to assist the Department in meeting the requirements of the Digital Accountability and Transparency Act of 2014.

When taken together all of these new initiatives support our expanding freight network, and address the ongoing need for improvements in the transportation options that support ladders of opportunity for all Americans.

### **Preparing for Reauthorization of the FAA**

*Planning for the future of the FAA:* The President's FY 2017 Budget request includes a total of \$15.9 billion to support the ongoing work of the Federal Aviation Administration (FAA). This funding level would provide the FAA with "steady-state" funding overall when compared with FY 2016 levels. The FAA's authorization is set to expire on March 31, 2016. As new legislative proposals are offered and considered, the President's budget continues to propose expanded funding flexibilities that would help FAA manage its resources in a more efficient and effective way.

Thank you again, for the opportunity to appear before you today and I will be happy to answer your questions.