

**TRANSPORTATION AND HOUSING AND URBAN
DEVELOPMENT, AND RELATED AGENCIES
APPROPRIATIONS FOR FISCAL YEAR 2013**

THURSDAY, MARCH 15, 2012

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 9 a.m., in room SD-138, Dirksen Senate Office Building, Hon. Patty Murray (chairman) presiding.

Present: Senators Murray, Lautenberg, Pryor, Collins, and Inouye.

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

STATEMENT OF HON. RAY LAHOOD, SECRETARY

OPENING STATEMENT OF SENATOR PATTY MURRAY

Senator MURRAY. Good morning. This subcommittee will come to order.

Today, we will hear testimony from Transportation Secretary Ray LaHood on the President's budget request for fiscal year 2013.

Mr. Secretary, welcome back to our subcommittee. It is always good to have you here. And just personally, congratulations on your son's safe return. We are all glad he is home; I am sure you are as well.

As we begin our work on next year's budget, there are encouraging signs that our economy is moving in the right direction. Although we are obviously not moving quickly enough for families that continue to struggle, and we certainly have a long way to go, the private sector has been adding jobs for almost 2 years, businesses are growing, confidence is up, and we seem to have stepped back from the precipice. That is encouraging, but to keep growing these improvements over time, we need a transportation system that supports job creation, fosters economic growth, is sustainable, and most importantly, is safe to use.

Unfortunately, today we have a transportation system that is riddled with bottlenecks, slowing down the movement of freight, and leading to higher costs for our businesses. We have a system that makes airline passengers suffer through flight delays and keeps commuters stuck in traffic jams instead of allowing them to get to work or get home for their families.

Independent assessments show us that the infrastructure of our country is falling behind and holding us back. All of these reports reach the same conclusion: That the need to invest in our transportation infrastructure is huge and needs to be done.

Many of us have seen the report card for America's infrastructure put together by the American Society of Civil Engineers. Their overall grade for our Nation's infrastructure is a "D," and their grade for roads is even more depressing, a "D-minus." Our Nation's rail network earned a paltry "C-minus," and transit only rates a "D."

Last year, the World Economic Forum ranked U.S. infrastructure 23rd in the world; 10 years ago, we were 6th. And without aggressive investment, I am very concerned about where we will be 10 years from now.

The U.S. Chamber of Commerce found that, given expected growth in population and trade, we need to invest an additional \$50 billion a year in our highway and public transportation system just to maintain current performance, and we need to double that number each year to improve performance.

Taken together, these assessments are alarming, and sadly the condition of our Nation's infrastructure comes at significant costs. On average, Americans now spend an extra \$400 per year on car maintenance as the result of driving on poor roads, money every family, I know, could put to better use. We spend an extra 4 billion hours a year sitting in our cars due to traffic congestion, burning through an almost extra 3 billion gallons of fuel in the process.

We have the world's worst air traffic congestion with delays that average twice as long as those in Europe. And freight delays have gotten so bad that bottlenecks cost the economy an estimated \$200 billion a year. And let us be clear, holding back on investing in transportation infrastructure does not actually save us money. It simply turns a budget deficit into an infrastructure deficit. In fact, kicking the can down the road will end up costing our Nation even more over the long term, and forces the next generation to pay to clean up our mess.

So we can invest now and lay down a strong foundation for long-term growth, or we can let the system continue to crumble and pay even more later. I think the choice is clear.

To address this problem, the President's budget request for next year proposes to reauthorize the service transportation programs at a funding level of \$476 billion over the next 6 years. This is a substantial increase over current funds.

The reauthorization proposal is very similar to the one the President included in his budget request last year, and like last year, I applaud the administration's effort to promote investment in our Nation's infrastructure. I am glad we are seeing progress on a reauthorization bill, but I am still very concerned about how we are going to move forward on financing transportation programs this coming year. We have significant challenges ahead of us.

The Appropriations Committee is now working under tight caps on discretionary spending set by the Budget Control Act, and unfortunately, the budget request does not offer a realistic picture of how to fund transportation under those caps. The President's budget, again, seeks to reclassify as mandatory spending at least \$4 bil-

lion in programs that have long been funded by this subcommittee. That request leaves a big hole this subcommittee will have to fill. In addition, there is a long way to go before a reauthorization bill is signed into law, and it is not yet clear what kind of package will be considered in the House.

This leaves us with a lot of questions for how we are going to sustain the Highway Trust Fund and fund transportation programs next year. Recent projections from both CBO (the Congressional Budget Office) and the administration show the Highway Trust Fund may not stay solvent throughout fiscal year 2013. And even though the Senate reauthorization bill would address this problem, no legislation is effective until it is enacted into law. In addition, until the reauthorization bill is completed, or until we see a full-year extension of the transportation program, we do not know what levels of contract authority there will be for next year.

For the past 3 years, I have been put in the position of writing appropriation acts without knowing the full-year levels of contract authority. I am prepared to do that again, but this is not how a program should be funded. We all know that State departments of transportation need a stable source of funding in order to build transportation infrastructure. They need predictability. They deserve better than a few months of funding at a time, and more than that, our commuters who are stuck in traffic and businesses trying to get their goods to market deserve a better transportation system.

Despite these concerns, I do want to take a minute to acknowledge some areas where the Department of Transportation (DOT) has made progress.

Not long ago, the En Route Automation Modernization (ERAM) program at the Federal Aviation Administration (FAA) fell years behind schedule, putting the agency's Next Generation Air Transportation System (NextGen) program at risk. For too long the agency was unwilling to work with its own air traffic controllers on getting ERAM back on track. The Department has come a long way. The program is under new management, stakeholders have a seat at the table, and it is achieving new milestones. In addition, the recent reorganization at the FAA has placed a stronger emphasis on the management of its technology programs. That was the right move to make.

In the area of highway safety, the Department has led a very public campaign to address distracted driving. This past week, Mr. Secretary, you announced a partnership with Consumer Reports aimed at getting young people to put down their phones while they are behind the wheel, which is an effort to save lives.

The Department has also raised the profile of rail transportation. It is a reliable, safe, and environmentally sound means of passenger and freight transportation. Building more roads and wider roads is not enough. We need to continue to make targeted rail investments to improve mobility in and between America's congested cities.

Mr. Secretary, these are some of the areas where your leadership has truly made a difference, and we thank you.

PREPARED STATEMENT

During this hearing, I look forward to discussing these issues and addressing some questions we have, but before turning this over to Senator Collins, I want to thank you for your efforts. As Secretary of Transportation, Mr. Secretary, you really have proven strong leadership for this agency, and you have always worked on a bipartisan basis, which is something we do not see often enough today. And I truly want to thank you for that.

With that, let me turn it over to my colleague, Senator Collins.
[The statement follows:]

PREPARED STATEMENT OF SENATOR PATTY MURRAY

The subcommittee will come to order. Today we will hear testimony from Transportation Secretary Ray LaHood on the President's budget request for fiscal year 2013.

Mr. Secretary, welcome back to the subcommittee. Thank you for being here.

And congratulations on your son's safe return. The past 2 months must have been a difficult time to say the least. I can only imagine what a relief it must be for you and your family.

As we begin our work on next year's budget, there are encouraging signs that our economy is moving in the right direction.

Although we aren't moving quickly enough for families that continue to struggle—and we certainly have a long way to go. The private sector has been adding jobs for almost 2 years. Businesses are growing, confidence is up, and we seem to have stepped back from the precipice.

This is encouraging. But to keep growing these improvements over time, we need a transportation system that supports job creation, fosters economic growth, is sustainable, and most importantly, is safe to use.

Unfortunately, today we have a transportation system that is riddled with bottlenecks, slowing down the movement of freight and leading to higher costs for businesses.

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Last year, the World Economic Forum ranked U.S. infrastructure 23rd in the world. Ten years ago we were sixth. And without aggressive investment, I am very concerned about where we will be 10 years from now.

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Taken together, these assessments are alarming. And sadly, the condition of our Nation's infrastructure comes at a significant cost. On average, Americans now spend an extra \$400 per year on car maintenance as a result of driving on poor roads—money every family could be putting to better use. We spend an extra 4 billion hours a year sitting in our cars due to traffic congestion, burning through almost an extra 3 billion gallons of fuel in the process. We have the world's worst air traffic congestion, with delays that average twice as long as those in Europe. And freight delays have gotten so bad that bottlenecks cost the economy an estimated \$200 billion a year.

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we can invest now and lay down a strong foundation for long-term growth, or we can let this system continue to crumble and pay even more later. I think the choice is clear.

THE DEPARTMENT OF TRANSPORTATION'S BUDGET PROPOSAL AND SAFETEA-LU

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The Appropriations Committee is now working under tight caps on discretionary spending set by the Budget Control Act. And unfortunately, the budget request does not offer a realistic picture of how to fund transportation under those caps.

The President's budget again seeks to reclassify as mandatory spending at least \$4 billion in programs that have long been funded by this subcommittee. This request leaves a big hole that this subcommittee will have to fill.

In addition, there is a long way to go before a reauthorization bill is signed into law. It is not yet clear what kind of package will be considered on the House floor.

This leaves us with a lot of questions for how we are going to sustain the Highway Trust Fund and fund transportation programs next year.

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ACCOMPLISHMENTS

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For too long, the agency was unwilling to work with its own air traffic controllers on getting ERAM back on track. But the Department has come a long way. The program is under new management, stakeholders have a seat at the table, and it is achieving new milestones.

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Building more roads and wider roads is not enough. We need to continue to make targeted rail investments to improve mobility in and between American's congested cities.

Mr. Secretary, these are some of the areas where your leadership has been making a difference.

CLOSING

During this hearing, I look forward to discussing these issues and addressing some other questions that I have.

But before turning this over to Senator Collins, I want to thank you for your efforts as Secretary of Transportation.

You provided strong leadership for the Department, and you have always worked on a bipartisan basis. Which is something we don't see often enough today.

I will now turn it over to my partner on the subcommittee, Senator Collins.

STATEMENT OF SENATOR SUSAN M. COLLINS

Senator COLLINS. Thank you, Chairman Murray. Your final comments echo my opening comments to the Secretary.

I too want to welcome Secretary LaHood and thank him for his very strong leadership. We used exactly the same terms at the Department and for working so closely with both sides of the aisle as we worked together to promote fiscally responsible investments in our Nation's transportation infrastructure. Like the chairman, I too am so relieved that your son, Sam, his wife, and other Americans are safely out of Egypt. I just cannot imagine what a difficult time that must have been for you, and we are so happy that he is safely home.

Transportation investments create jobs and establish the foundation for future economic growth, but it is equally important to our economic future that we rein in Federal spending and keep our national debt under control. The administration is proposing a \$74.5 billion budget for the DOT. That is approximately a 2-percent increase over fiscal year 2012.

This request helps insure that transportation investments keep pace with the latest advancements in technology and that Federal programs continue to promote innovation, and help meet the needs of our municipalities and States.

One of the most innovative DOT programs is the National Infrastructure Investments program, a nationally competitive program known as Transportation Investment Generating Economic Recovery (TIGER), and a program that Senator Murray and I have both strongly supported on a bipartisan basis. I am very pleased to see that the President's budget proposes \$500 million for this vital program. By design, TIGER has the flexibility to fund a wide range of transportation projects as long as they demonstrate national or regional significance to economic growth. Most TIGER projects are multimodal, multijurisdictional, or otherwise challenging to fund through existing programs. So this funding supports critical projects nationwide that otherwise would not be built and yet are absolutely essential to the communities that they are supporting.

An interesting component of TIGER is the eligibility to receive credit assistance through the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program. I am pleased to see that the administration is proposing to dramatically increase funding for the TIFIA program from \$122 million to \$500 million, and here is why. On average a TIFIA loan allows every dollar provided in Federal funding to leverage approximately \$30 in additional transportation infrastructure investment. That is a great ratio, a great return, and it is the kind of innovation in infrastructure finance that we need to produce a greater return to taxpayers, particularly at this time of budget constraint.

In addition to innovative programs, this budget makes investments in several important technology improvements. The Federal Aviation Administration (FAA) is in the middle of undertaking the Next Generation Air Transportation System (NextGen), the largest transformation of the air traffic control system ever, and the budget provides more than \$1 billion to advance this technology.

Through the use of satellite surveillance, new methods of routing pilots, planes, and landing procedures, NextGen will change how Americans fly. It will ensure that the traveling public is flying in an even safer and more efficient airspace. But obviously, any program of this type is not without its challenges.

For investments in our roads and bridges, the budget includes \$42.6 billion for the Federal Highway Administration; \$2.7 billion more than last year. I appreciate the inclusion of reform proposals designed to simplify the program structure and improve upon project delivery to bring the benefits of these investments to the public sooner. These investments and reforms will help modernize our highway system, and as Senator Murray has pointed out, that is long overdue and much needed.

I also look forward to working closely with the administration to urge States to pass stronger distracted driving laws to avoid tragic accidents, and to ensure that traffic fatality numbers continue dropping from current historic lows.

I share the administration's belief that investment in transportation is critical to our economy. We must balance this commitment, however, with other pressing needs. I was, and am, disappointed to see that the budget continues to request a substantial investment for high-speed rail at a time when too many of our roadways and bridges are crumbling, and require billions of dollars in investments.

The continuation of a multibillion dollar commitment to high-speed rail is particularly troubling in light of our ongoing battle to control deficits, and the endless spiraling costs of high-speed rail projects. The map is very clear that the challenges that we are facing, Highway Trust Fund revenues and balances over the next 6 years, support approximately \$260 billion in spending, and the budget request implies a 6-year surface transportation reauthorization that spends \$476 billion out of a trust fund that is projected to be insolvent some time in the next fiscal year.

[The referenced map was not available at press time.]

Congress and the administration must work together. I know the Secretary said that numerous times, to come up with a better, more solvent plan for investing in our transportation system.

PREPARED STATEMENT

I look forward to working with the Secretary and his able staff, and with you, Chairman Murray, and the rest of the subcommittee members as we consider this budget request.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF SENATOR SUSAN M. COLLINS

Thank you, Chairman Murray. Welcome, Secretary LaHood. I appreciate your strong leadership at the Department of Transportation (DOT) and look forward to

continuing to work together to promote fiscally responsible investments in our Nation's transportation infrastructure. And I am so relieved that your son, Sam, and other Americans are now safely out of Egypt.

Transportation investments create jobs and establish the foundation for future growth. But it is equally important to our economic future that we rein in Federal spending and keep our national debt under control.

The administration is proposing a \$74.5 billion budget for DOT, a 2-percent increase over fiscal year 2012. This request helps ensure that transportation investments keep pace with the latest advancements in technology and that Federal programs continue to promote innovation.

One of the most innovative DOT programs is the National Infrastructure Investments program, a nationally competitive program that we all know as Transportation Investment Generating Economic Recovery (TIGER). I am pleased to see the \$500 million request for this vital program. By design, TIGER has the flexibility to fund a wide range of transportation projects so long as they demonstrate national or regional significance to economic growth. Most TIGER projects are multimodal, multijurisdictional, or otherwise challenging to fund through existing programs so this funding supports critical projects nationwide that would not otherwise be built.

An interesting component of TIGER is the eligibility to receive credit assistance through the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program. I am pleased to see that the administration is proposing to dramatically increase funding for TIFIA from \$122 million to \$500 million. On average, a TIFIA loan allows every \$1 provided in Federal appropriations to leverage approximately \$30 in additional transportation infrastructure investment. That's the kind of innovation in infrastructure finance that we need to produce a greater return for taxpayers.

In addition to innovative programs, this budget makes investments in several important technology improvements. The Federal Aviation Administration (FAA) is in the middle of undertaking the Next Generation Air Transportation System (NextGen), the largest transformation of air traffic control ever, and the budget provides over \$1 billion to advance the NextGen air traffic control technology. Through the use of satellite surveillance, new methods of routing pilots, planes, and landing procedures, NextGen will change how Americans fly. It will ensure the traveling public is flying in an even safer and more efficient airspace.

For investments in our roadways and bridges, the budget includes \$42.6 billion for the Federal Highway Administration, \$2.7 billion more than fiscal year 2012. I appreciate the inclusion of reform proposals designed to simplify the program structure, and improve upon project delivery to bring the benefits of highway and bridge investments to the public sooner. These investments and reforms will help modernize our highway system. I also look forward to working with the administration to urge States to pass distracted drivers' law to avoid tragic accidents and to ensure that traffic fatality numbers continue dropping from current historic lows.

I share the administration's belief that investment in transportation is critical to our economy. We must balance this commitment, however, with other pressing needs. I was disappointed to see the budget continue to request a substantial investment for high-speed rail, at a time when too many of our roadways and bridges are crumbling and require billions of dollars in investment.

The continuation of a multibillion dollar high-speed rail proposal is particularly troubling in light of our ongoing battle to control deficits. This budget request implies a 6-year surface transportation reauthorization that spends \$476 billion out of a trust fund that is projected to be insolvent sometime in the next fiscal year. While I share the administration's commitment to investing in our future transportation needs, responsible budgeting is just as important as responsible investing. The math here is clear: Highway Trust Fund revenues and balances over the next 6 years support approximately \$260 billion in spending. Congress and the administration must work together to come up with a better plan for investing in our transportation system while reducing an unsustainable deficit.

I look forward to working with you, Chairman Murray, as we consider the Department's fiscal year 2013 budget request.

Senator MURRAY. Thank you very much, Senator Collins.
Senator Pryor, do you have an opening remark?

PREPARED STATEMENT

Senator PRYOR. Thank you, Madam Chairman.
I do, but I will just submit it for the record. Thank you.

[The statement follows:]

PREPARED STATEMENT OF SENATOR MARK PRYOR

Thank you, Chairman Murray and Ranking Member Collins for holding this hearing. I look forward to visiting with Secretary LaHood and learning more about the administration's budget proposal for fiscal year 2013.

Given the fiscal predicament facing our country, it's obvious that Congress will have to make some difficult decisions and identify areas to save taxpayer dollars and reduce spending at the Department of Transportation (DOT) and every other agency. No agency should consider itself exempt from needing to find savings. However, we must not back down from making the needed investments in areas that will foster short-term and long-term economic growth as well as areas that protect consumers. If we fail to make such investments, the United States will struggle to compete in the global market in the coming years.

As a strong proponent in developing transportation infrastructure, I'm hopeful Congress and the administration can agree on a bold commitment to meeting the transportation demands of the coming years by addressing our aging infrastructure while also carrying a vision for the future. I also hope we can come together and find reasonable and creative ways to finance these investments. We cannot afford to continue to pile up deficits while pretending revenues are matching our needs and investments.

Another high priority for me is continuing to improve upon highway, automobile, and motor carrier safety. I hope to work closely with the administration and my colleagues in this area. We've made great strides in recent years, and we must continue to improve.

As this subcommittee reviews the fiscal year 2013 budget request for the DOT, I look forward to working with the chair and ranking member to ensure that taxpayer dollars are spent responsibly.

Again, I thank Senators Murray and Collins for conducting this hearing. I look forward to Secretary LaHood's testimony and look forward to discussing the fiscal year 2013 budget request.

Senator MURRAY. Okay. Thank you very much.

We will then turn it over to Secretary LaHood for your testimony this morning.

Again, thanks for joining us.

SUMMARY STATEMENT OF HON. RAY LAHOOD

Mr. LAHOOD. Thank you, Madam Chair, and Ranking Member Collins, and Senator Pryor.

Really good to be with all of you today. This is really a hallelujah day for transportation for what you all did yesterday.

I think passing a bipartisan bill reflects the very best values of the Senate. Transportation has always been bipartisan, and you all proved it again yesterday. I hope the House will take your lead. I hope you have shined a bright light on the House that the values that people really understand in America about transportation were carried out yesterday.

And big, big congratulations to Senator Boxer and Senator Inhofe. They worked very hard together, they really did, but without the votes of all of you, it would not have happened. I just cannot say enough about the way the Senate worked in a very bipartisan way and in a way that has always been about the way that transportation has been passed. The bill was a significant step forward, and as I said, we hope the House will move swiftly in a similar bipartisan fashion.

As you know, transportation has been in the news a lot, and that is a good thing. There is good news on the horizon and reason for optimism. For one thing, after 23 short-term extensions, Congress finally passed, and President Obama signed, the FAA bill. Presi-

dent Obama has detailed his vision for a long-term transportation infrastructure bill, part of his Blueprint for an America Built to Last. All of this would be fully paid for.

President Obama is proposing to cap the funding for overseas contingency operations over the next 10 years, thereby saving hundreds of billions of dollars. We would use half of these savings to pay down the debt, and the other half on a 6-year transportation bill, which lets us do some nation-building right here at home.

The facts are that our budget proposal has three broad goals: Creating jobs by investing in infrastructure, spurring innovation across our transportation system, and maintaining a laser focus on safety, which is our number one job. Let me take these goals one at a time.

REBUILDING OUR INFRASTRUCTURE

An America Built to Last needs a strong transportation infrastructure. The President's budget will improve America's highways, railways, and transit networks, and will continue to ensure that these systems are safe.

The President's fiscal year 2013 budget request, includes \$42.6 billion to fund roads and bridges, \$305 billion is proposed over 6 years for this program. This is a 34-percent increase over the previous authorization for roads and bridges.

Investing in our transit systems is another critical need. The President's budget includes \$10.8 billion in fiscal year 2013; a total of \$108 billion is proposed over 6 years for transit, a 105-percent increase. It will prioritize projects that rebuild and rehabilitate existing transit systems, and include an important new \$45 million transit safety program. That program was actually included in the bill that passed yesterday, and we are grateful that transit safety is now being addressed.

The President's budget provides \$2.5 billion in 2013 as a part of \$45 billion 6-year investment to continue support of intercity passenger rail, including the construction of a national highway rail network.

I consider it unfortunate that the fiscal year 2012 appropriation bill did not include funding for high-speed rail. You know that I am very passionate about that. You know that I made a plea to all of you for that funding. This is a very high priority. It is a very big vision that the President has for the next generation of transportation for the next generation in America.

For the more than \$10 billion in grant funding that Congress has provided, we received applications from 39 States, the District of Columbia, and Amtrak. These applications, which were well in excess of available funding, were for funding and corridors in every region of the country. Our current high-speed rail funds are being used in five key corridors around the Nation. These corridors will create new choices for travelers, reduce national dependence on oil, foster livability in urban and rural communities, and promote economic expansion across the Nation.

INNOVATION

As we rebuild, we can no longer afford to continue operating our transportation system the same way we did 50 years ago with out-

dated processes and financial tools that were made for yesterday's economy. The President's 2013 budget will invest in research and technologies that our children and grandchildren will use to bolster America's economic competitiveness.

The Federal Aviation Administration is in the midst of the largest transformation of the air traffic control system ever undertaken. The 2013 President's budget request includes \$15.2 billion to support FAA programs. More than \$1 billion of these funds will be used to advance the modernization of our air traffic control through NextGen, the next generation of air traffic control technology.

Our proposal will also elevate the vital role research plays in transportation decisionmaking by moving the Research and Innovation Technology Administration (RITA) into the Secretary's office, into a position as an Assistant Secretary for Research and Technology. This change will provide a prominent, centralized focus on research and technology, which will improve collaboration and coordination among the Department's operating administrations through research programs.

SAFETY

Keeping our transportation system safe will always be our top priority. Consistent with this commitment, President Obama has proposed a record level of investment in safety. The President's proposal will provide \$981 million in fiscal year 2013, and \$7.5 billion over the next 6 years to the National Highway Traffic Safety Administration (NHTSA) to promote seatbelt use, get drunk drivers off the road, and reduce distracted driving. This will help ensure that traffic fatality numbers continue dropping from current historic lows.

We will also double the investment in highway safety infrastructure funding by providing \$2.5 billion in fiscal year 2013 and \$17 billion over 6 years to Federal Highway Administration safety construction programs. The budget will also dedicate \$580 million in fiscal year 2013 and \$4.8 billion over 6 years to the Federal Motor Carrier Safety Administration (FMCSA). These dollars will ensure that commercial trucks and bus companies maintain high operational standards, and that our dedicated safety professionals can get high-risk trucks and bus companies, and their drivers, off our roadways.

Our safety focus must also include the transportation of hazardous materials in our network of pipelines. The President's budget requests \$276 million for Pipeline and Hazardous Material Safety Administration. These resources will ensure that families, communities, and the environment are unharmed by the transportation of the very chemicals and fuels on which our economy relies.

PREPARED STATEMENT

And so with that, again, thank you for all your leadership from this subcommittee of the Committee on Appropriations, particularly when it comes to transportation. We have had a great partnership and we look forward to continuing that.

[The statement follows:]

PREPARED STATEMENT OF HON. RAY LAHOOD

Chairman Murray, Ranking Member Collins, and members of the subcommittee, thank you for the opportunity to appear before you today to discuss the administration's fiscal year 2013 budget request for the U.S. Department of Transportation. The President is requesting \$74 billion for Transportation in fiscal year 2013.

The President has called on us to rebuild America—to put people back to work repairing our roads, bridges, transit systems, and airports. To achieve this, he has laid out a blueprint for “an America that’s built to last”—a plan that will equip American workers to seize the opportunities of tomorrow and make certain that businesses and families have the safest, fastest, and most efficient ways to connect with these opportunities.

President Obama has proposed a 6-year transportation jobs plan that puts people back to work rebuilding our airports, roadways, railways, and transit systems. The fiscal year 2013 President’s budget reflects the first year of this bold 6-year \$476 billion reauthorization proposal that will transform the way we manage surface transportation for the future.

This proposal will be fully paid for. We will pay for the investments proposed under the Surface Transportation Reauthorization Proposal with the savings achieved from ramping down overseas military operations to do some Nation-building right here at home.

INVESTING IN AMERICA’S FUTURE BY REBUILDING OUR INFRASTRUCTURE AND
CREATING JOBS

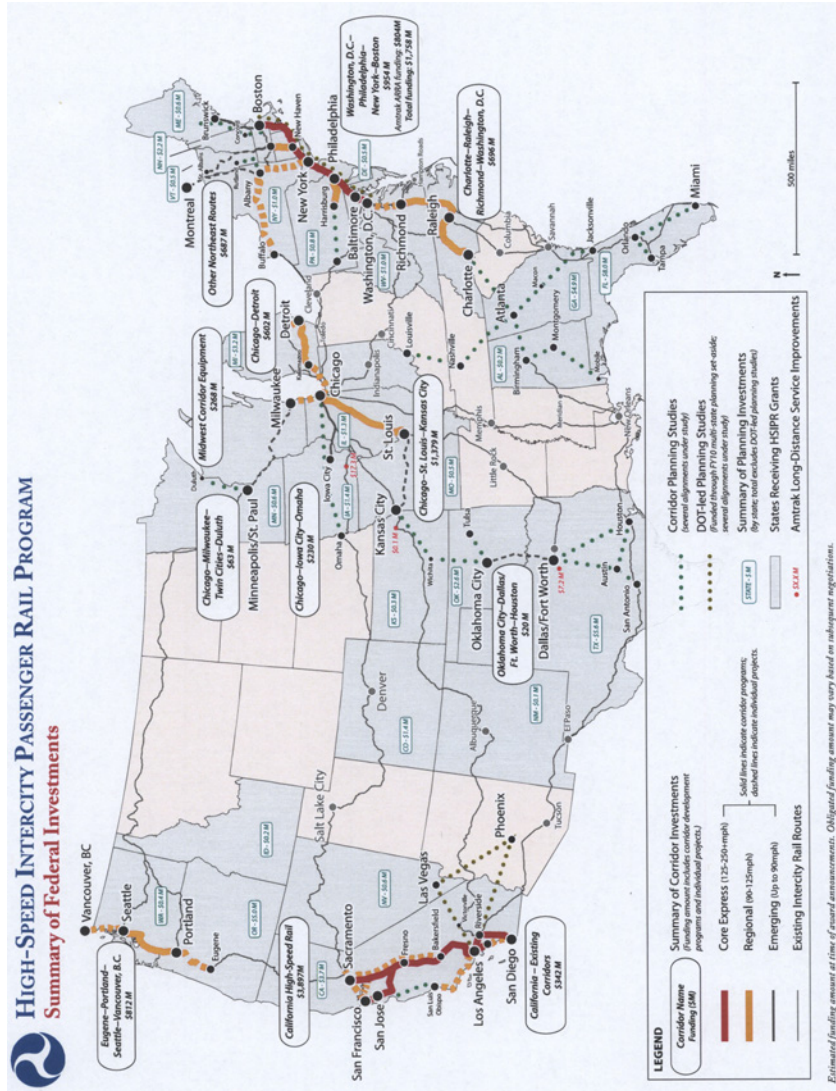
Investment in transportation is critical to the success of our Nation’s economy. The fiscal year 2013 President’s budget for the Department of Transportation will enable us to build America’s infrastructure for the future—while putting people back to work today. The President’s \$476 billion 6-year surface transportation reauthorization proposal will improve the Nation’s highways, transit, and rail infrastructure and will ensure that these systems are safe.

The President’s fiscal year 2013 budget requests \$2.5 billion, the first year of \$47 billion over 6 years, to continue construction of a national high-speed rail network. The Federal Railroad Administration is working with States across the country to plan and develop high-speed and intercity passenger rail corridors. These projects include upgrades to existing services, as well as entirely new rail lines exclusively devoted to 125 to 220 miles per hour trains. These corridors will promote economic expansion, create new choices for travelers, reduce national dependence on oil, and foster livable urban and rural communities.

We are already putting America on track toward providing rail access to new communities and improving the reliability, speed, and frequency of existing lines. To date, Congress has provided more than \$10 billion in grant funding for high-speed rail through the American Recovery and Reinvestment Act (ARRA) and annual Appropriations for fiscal year 2009 and 2010. Interest in this program is strong: 39 States, the District of Columbia, and Amtrak have submitted applications—well in excess of the available funding—for projects and corridors in every region of the country.

As shown in the attached map, our current high-speed rail funds are being used in five key corridors. We are focusing on projects offering the greatest public benefits, as well as those projects ready for implementation. The funding that has been provided to date will be used to improve upon existing services, spur new passenger rail capabilities, and initiate long-term planning activities. Ninety-five percent of the funding is committed to corridors that will operate at 90 miles per hour or faster—and nearly 50 percent will operate at speeds greater than 125 miles per hour. These projects will ultimately lay thousands of miles of track and ties, build new stations and make existing facilities more functional, comfortable, and accessible for all passengers, install advanced signaling and communications systems, and procure hundreds of modern and more efficient and comfortable locomotives and passenger cars.

[The referenced map follows:]



The President's fiscal year 2013 budget requests \$42.6 billion, the first year of \$305 billion over 6 years, in funding for road and bridge improvements and construction—a 34-percent increase over the previous authorization. It will also simplify the highway program structure, accelerate project delivery, and realize the benefits of highway and bridge investments to the public sooner. These investments and reforms will modernize our highway system while creating much-needed jobs. The proposal consolidates more than 55 programs into five new programs that invest in roads most critical to the national interest: The National Highway Program; Highway Safety; Livable Communities; Federal Allocation; and Research, Technology, and Education. It also establishes a performance-based highway program in the critical areas of safety and state of good repair, and provides resources and authorities to spur innovations that will shorten project delivery and accelerate the deployment of new technologies.

The President's fiscal year 2013 budget requests \$10.8 billion, the first year of \$108 billion over 6 years—a 105-percent increase—in funding for transit. It will

prioritize projects that rebuild and rehabilitate existing transit systems, include an important new transit safety program, and allow larger transit authorities (in urbanized areas of 200,000 or more in population) to temporarily use formula funds to cover operating costs in limited circumstances.

The administration's Surface Transportation Authorization proposal also acknowledges the important role that innovation and modern business tools play in putting our transportation dollars to work wisely. We can no longer afford to continue operating our systems the same way we did 50 years ago, with outdated processes and financial tools that were made for yesterday's economy.

Recognizing that competition often drives innovation, the fiscal year 2013 budget requests \$700 million, the first year of nearly \$20 billion over 6 years, for a "race-to-the-top"-style incentive program, called the Transportation Leadership Awards, to encourage fundamental reforms in the planning, building, and management of the transportation system. This program would reward States and regions that implement proven strategies that further the Department's strategic goals, strengthen collaboration among different levels of government, focus on performance and outcomes, and encourage the development of a multimodal transportation system that connects people to opportunities and goods to markets. Examples of best practices that applicants might implement to compete in this program include passage of a primary seatbelt law, use of lifecycle cost analysis, aggressive deployment of operating practices that reduce need for more costly congestion solutions and implementation of a performance-based funding distribution system.

We will also be leveraging our Federal investment farther than we ever have before through the use of Federal infrastructure loans, which enable State and local governments to significantly leverage Federal dollars when financing transportation infrastructure. The fiscal year 2013 budget requests \$500 million, the first year of \$3 billion over 6 years, for the Transportation Infrastructure Finance and Innovation Act (TIFIA) program. The TIFIA program leverages each \$1 of Federal funds into \$10 of credit assistance, which supports \$30 in transportation infrastructure investment. Therefore, our \$3 billion TIFIA investment is expected to produce up to \$90 billion in transportation infrastructure projects.

In addition, the President's budget makes the investments that we need to strengthen America's small towns and rural communities. Increased highway funding will expand access to jobs, education, and healthcare. Innovative policy solutions will ensure that people can more easily connect with regional and local transit options—and from one mode of transportation to another.

At the same time, our proposal will bolster State and metropolitan planning; award funds to high-performing communities; and empower the most capable communities and planning organizations to determine which projects deserve funding.

MODERNIZING OUR NATION'S TRANSPORTATION SYSTEM THROUGH RESEARCH AND TECHNOLOGY

The fiscal year 2013 President's budget request will support the success of our economy by ensuring that our transportation investments keep pace with the latest innovations and advancements in technologies.

For example, the Federal Aviation Administration (FAA) is in the middle of undertaking the largest transformation of air traffic control ever. The fiscal year 2013 President's budget requests \$15.2 billion to support the FAA current programs in the areas of air traffic controller and safety staffing, research and development, and capital investment—and over \$1 billion of these funds will be used to advance the modernization of our air traffic system through "NextGen"—the next generation of air traffic control technology. Using satellite surveillance, new methods of routing pilots, planes, and landing procedures, NextGen will change how Americans fly.

In addition, we will be focusing our efforts on unmanned aircraft systems (UAS), which will play an increasing role in both Federal and civil missions, including homeland security, national defense, law enforcement, weather monitoring and surveying. Currently, technical and procedural barriers still exist in the interoperation of UAS with manned aircraft in the National Airspace System (NAS). In fiscal year 2013, the Joint Planning and Development Office (JPDO) will lead efforts with the NextGen partners to formulate and develop a national plan that will achieve the integration of UAS into the NAS, and accelerate strategic decisionmaking on UAS implementation issues.

The fiscal year 2013 budget also proposes to elevate the vital role research plays in transportation decisionmaking by moving the Research and Innovative Technology Administration (RITA) into a new Office of the Assistant Secretary for Research and Technology. This proposal will strengthen research functions across the Department by providing a prominent centralized focus on research and technology,

which will improve collaboration and coordination between the Department's Operating Administrations.

We will also promote research into Intelligent Transportation Systems, including Vehicle-to-Vehicle technologies. Vehicle-to-Vehicle (V2V) connectivity provides constant communication between vehicles to warn drivers of the potential risk of a collision. In fiscal year 2013, the Intelligent Transportation Systems (ITS) program will dedicate a total of \$22.4 million to the V2V program, and the corollary programs including human factors research, the implementation of a safety pilot, vehicle connectivity policy research and standards development to further explore and advance technologies that will ultimately reduce the number of collisions and save lives.

PRESSING FORWARD ON SAFETY

Keeping travelers on our transportation systems safe is my top priority. That is why preventing roadway crashes continues to be a major focus at the Department. In fiscal year 2010, highway fatalities were the lowest since 1949—and yet over 30,000 lives are still lost each year on our Nation's highways.

Our budget proposes a record level of investment in safety. The fiscal year 2013 budget requests \$981 million, the first year of \$7.5 billion over 6 years, for the National Highway Traffic Safety Administration to promote seatbelt use, get drunk drivers off the road, and ensure that traffic fatality numbers continue dropping from current historic lows. Within this amount, \$50 million in fiscal year 2013 and \$330 million over 6 years is provided for the Department's ongoing campaign against America's distracted driving epidemic. In addition, we will almost double the investment in highway safety infrastructure funding over 6 years. The fiscal year 2013 budget requests \$2.5 billion, the first year of \$17 billion over 6 years, for Federal Highway Administration (FHWA) safety construction programs. The fiscal year 2013 budget also requests \$580 million, the first year of \$4.8 billion over 6 years for the Federal Motor Carrier Safety Administration (FMCSA) to ensure that commercial truck and bus companies maintain high operational standards, while removing high-risk truck and bus companies and their drivers from operating.

Transit safety is another important priority. Rail transit provides over 4 billion passenger-trips each year, and safely moves millions of people each day. However, as shown by recent accidents and safety-related incidents, we need to strengthen the existing Federal transit oversight authorities in order to maintain the safe performance of our transit systems. The fiscal year 2013 President's budget proposes \$45 million to enable the Federal Transit Administration to oversee rail transit safety across America. Funds will be used to develop, promote, and conduct safety oversight activities for rail transit systems nationwide.

Finally, our safety focus must also include the transportation of hazardous materials and our network of pipelines. The President's fiscal year 2013 budget requests \$276 million for the Pipeline and Hazardous Materials Safety Administration to help ensure that families, communities, and the environment are unharmed by the transport of chemicals and fuels on which our economy relies. We are proposing a new Pipeline Safety Reform initiative that will expand the oversight of our Nation's pipeline system. Under this initiative, we will hire 120 new inspectors and provide an additional \$20.8 million in grant funding to work collaboratively with the States on the oversight of interstate and intrastate pipeline facilities.

CONCLUSION

Thank you for the opportunity to appear before you to present the President's fiscal year 2013 budget proposal for the Department of Transportation and our Surface Transportation Reauthorization proposal. Our infrastructure belongs to all of us. It is more than the way we get from one place to another; it is the way we lead our lives and pursue our dreams. The President's plan charts a bold new course for transportation infrastructure investment in the United States over the years to come. I look forward to working with the Congress to put people back to work making a transportation system that is the envy of the world—and an America that is built to last.

I will be happy to respond to your questions.

Senator MURRAY. Mr. Secretary, thank you very much for all your work on this, again.

Senator LAUTENBERG. I'd like to make a statement, if I might.

Senator MURRAY. Turn your mike on.

STATEMENT OF SENATOR FRANK R. LAUTENBERG

Senator LAUTENBERG. My wife never tells me I need a mike.

I'd like to congratulate Secretary LaHood for a job well done. A lot of hard work, but it is a little bit of a salutary moment. One, is to congratulate him for the return of his son from—

Mr. LAHOOD. Thank you.

Senator LAUTENBERG [continuing]. Incarceration in Egypt.

Two, to say to our colleague from Maine that we wish her well in the impending marriage and soon engagement.

Senator MURRAY. I decided not to embarrass her and bring that up.

Senator LAUTENBERG. I ask that my full statement be put in the record.

Senator MURRAY. Without objection. Absolutely.

[The referenced statement was not submitted.]

VOW TO HIRE HEROES ACT

Senator MURRAY. Again, Secretary, thank you.

I wanted to ask you about one of my highest priorities, which is to help veterans transition from their life in the military into civilian employment.

Last year, we passed the VOW To Hire Heroes Act, which includes a number of provisions to help our servicemembers as they transition, plan for employment after they leave the military, to help translate their military skills into the private sector, and to gain civilian work experience.

I understand that the Federal Motor Carrier Safety Administration, the Department of Defense (DOD), and the teamsters have worked together on a commercial driver's license (CDL) veterans-to-work initiative to help our military drivers transition to the commercial motor carrier industry.

And as part of the effort, FMCSA issued a regulation last May that gave State DMVs (departments of motor vehicles) the ability to streamline their licensing process for veterans so that they can meet certain comparable standards of experience.

Today, we only have 15 States that have taken advantage of this new authority. Three are in the process, and 8 States have declined, the remainder are still talking about it.

Can you share with us any knowledge that you have about why States are not taking advantage of that new authority?

Mr. LAHOOD. Senator, first of all, let me thank you for your leadership on Veterans Affairs, and the interest that you have taken in veterans.

We are working to increase opportunities for veterans. In May 2011, our Federal Motor Carrier group promulgated a new regulation that does allow States to waive the skills test portion of the CDL licensing process for military personnel who can prove 2 years of safe driving experience. The regulation makes it easier for current military CMV (commercial motor vehicle) drivers to become licensed through a civilian DMV. We are working with the American Association of Motor Vehicle Administration and the U.S. Army to implement the regulation.

But your statistics are correct. We need to continue to work with States on this to promote this program, to make sure that States understand that this opportunity exists. At this time, 15 States now offer the waivers of the skills test for military personnel who do provide proof of safe driving experience. Three States are moving to make this happen, 8 States have declined, and 25 other States have not indicated their plans.

I want to commit to you that we will continue. We have great partners at the States on these safety programs, and our motor carrier organization provides money to States for other safety. And we want to, we are going to step up on this, we really are.

Senator MURRAY. Okay. I really appreciate that, and if you can find out for us, is it a barrier in those States? Is there something we do not see? Or is it just a matter of them not knowing the program is available?

Mr. LAHOOD. Yes, I think it is probably a matter of whether we have not been as aggressive as we can be, and really going to legislative leaders, and Governors, and asking them to really make this available. I think we can do better.

[The information follows:]

The Federal Motor Carrier Safety Administration (FMCSA) administers the commercial driver's license (CDL) program nationwide by assuring that State Driver Licensing Agencies (SDLA) are in compliance with Federal statutes and Agency regulations. Each State has authority to issue CDLs following guidelines (Regulations) promulgated by FMCSA. These guidelines represent the minimum States must do. States may implement additional requirements on drivers seeking a CDL.

In May 2011, FMCSA promulgated a new rule (49 CFR 383.77) that allows SDLAs to waive the CDL skills test for military personnel with 2 years of safe driving experience. The latest survey shows that 17 States now offer to waive the skills test; 5 States are in the process of instituting this option; and 8 States have opted not to take advantage of the option at this time. The remaining 21 States have not responded to queries of their status. The States that do not offer the waiver explain that for a variety of reasons, this is not a priority. These reasons include that instituting the waiver may require State legislative revisions or instituting new administrative and technical processes. In some cases, States provide budgetary and personnel limitations as reasons for not implementing the provision.

When comparing the civilian equivalent of a CDL to the military heavy-duty truck license, the best comparison is the Army's 88M training, which both the Army and Marine Corps use to gain this qualification. FMCSA, in cooperation with the American Association of Motor Vehicle Administrators (AAMVA) and the U.S. Army Reserve Command's MPO, has developed a standardized process to make the transition from 88M qualification to a CDL less burdensome. A waiver form has been created that allows a State to validate the soldier, sailor, airman, or marine's safe driving record in the appropriate vehicle, supported by the signature of the soldier's commanding officer.

FMCSA is currently exploring additional opportunities to help servicemembers and veterans that operate or have operated a CMV in the military to get a CDL. These options include waiving the domicile rule requirement for military personnel (which would require an act of Congress) as well as designating the military as a third-party tester for the standardized CDL skills test.

Senator MURRAY. Yes, okay. Good. I know the Army has been a really great partner in that effort.

Mr. LAHOOD. Right.

Senator MURRAY. Is there any way we can expand that collaborative partnership that you have developed with the Army to help our other services?

Mr. LAHOOD. Maybe what I should do is try and meet with the Secretaries of the other armed services, and I will do that, and the

appointed secretaries and make them aware of this program. That is a good idea.

Senator MURRAY. Okay, great. I would really appreciate that, and certainly let me know if there is anything I can do to help—

Mr. LAHOOD. Thank you.

Senator MURRAY [continuing]. Help move that along. I would also encourage you to work with the Department of Labor and let them know what you are doing, as they have been involved with a lot.

Mr. LAHOOD. Good idea.

SAFETY FITNESS DETERMINATION

Senator MURRAY. Great. I appreciate that.

Since 2000, the National Transportation Safety Board (NTSB) has recommended that the FMCSA change its method of evaluating the safety and performance of carriers. And as a result, FMCSA began to implement its Comprehensive Safety and Accountability program, known as CSA, back in 2004.

The Safety Fitness Determination rulemaking is the cornerstone of that program, and the rule was initially scheduled to be finalized in 2009. It has been delayed repeatedly. Until the rule is finalized, FMCSA is still using the review system that NTSB believes is inadequate.

So I wanted to ask you when you expect to publish the Notice of Proposed Rulemaking (NPRM), and if you still intend to assess driver fitness, and what the plan and timetable is for that.

Mr. LAHOOD. This is, obviously, a part of our safety agenda. It is very important and our staff is working with our colleagues at Office of Management and Budget (OMB) to make sure that we get it right.

But for the record, I will get back to you and give you some clearer date on when we will be issuing the—

Senator MURRAY. Okay. So is the challenge at OMB at this point?

Mr. LAHOOD. The challenge is just working through this, and making sure we get it right, and working with our colleagues at the White House.

[The information follows:]

The Federal Motor Carrier Safety Administration (FMCSA) is preparing to publish a notice of proposed rulemaking (NPRM) later this year that will revise how the Agency determines the safety rating of motor carriers. This NPRM will incorporate a motor carrier's on-road safety performance and compliance data into the Agency's safety fitness determination (SFD) while continuing to use the findings from investigations that currently determine a carrier's safety rating. This will allow the Agency to incorporate for the first time data from more than 3.5 million annual roadside inspections into a motor carrier's safety rating and will ensure sustained safe performance by the motor carrier industry.

This rulemaking will only cover the safety ratings of carriers because FMCSA does not currently have explicit authority to include drivers. The Agency contends it has explicit authority to establish safety fitness provisions applicable to CMV "owners and operators" but it is not clear that these provisions expressly apply to drivers.

FMCSA provided technical drafting assistance to Congress in May 2011 that would clarify its authority to determine the safety fitness of commercial motor vehicle (CMV) drivers. The Senate included this provision in its surface transportation reauthorization bill that passed the Senate on April 24, 2012. Enacting the Senate provision would strengthen FMCSA's ability to identify high-risk commercial drivers and remove them from service.

Conceptually, a driver SFD would entail the Agency establishing an SFD standard through which it would rate a driver unfit based on a series of factors rather than waiting for the driver to be convicted of a disqualifying offense. This would allow the Agency the opportunity to look at a driver's overall safety and compliance history (violation rates, crashes, etc.) and determine that the driver's safety performance is poor enough to warrant a proposed SFD of "unfit."

This clarification would help the Agency address recommendations and concerns from the Government Accountability Office, the National Transportation Safety Board, and stakeholders.

Senator MURRAY. Okay. Senator Collins.

DISTRACTED DRIVING

Senator COLLINS. Thank you, Chairman.

Mr. Secretary, as I mentioned in my opening statement, you have demonstrated very strong leadership on the growing safety problem that is caused by distracted driving. In fact, I read one newspaper story that said you have been known to drive around Washington honking at drivers who are using their portable devices when they should be paying attention to the road ahead and behind them.

But the fact is, this is a very serious problem. Just last week in my home State of Maine, text messaging was the key factor in a crash that killed the driver and seriously injured her passenger. In 2009, hundreds of thousands of people were injured in crashes reported to involve some kind of distraction, and the proliferation of electronic devices is clearly contributing to this growing problem.

Could you explain to the subcommittee what the Department is doing through its budget to encourage greater public awareness of the dangers of distracted driving, and also, to urge States to pass distracted drivers laws?

Mr. LAHOOD. Thank you.

This is obviously something that is at the top of our safety agenda. When we started this campaign 3½ years ago, only 8 States had passed laws. Now 35 States plus the District of Columbia and Guam have passed laws. We need every State to pass a law.

In the past, in the Senate, there have been bills introduced about distracted driving, and I would encourage any of you. We would be happy to provide any of you technical assistance if you all wanted to introduce a bill on distracted driving. We get asked all the time, "Will there be a Federal law?" And I do not know that there have been any bills introduced this year in this session of Congress about distracted driving. So if we can be helpful on that, we certainly would be.

We are making progress. The money that is being proposed in the budget would be used for grants to States, similar to what we did with "Click It Or Ticket" so that law enforcement people can give tickets to people who are not wearing their seatbelts. As a result of two decades of Click It Or Ticket—good enforcement, good laws—86 percent of the people, the first thing they do when they get in their car is buckle up, but it has taken two decades, good laws, good enforcement, and some of these grants.

We would also similarly use some of the money to give to communities like we did for Hartford and Syracuse. We gave them each \$200,000. They matched it with \$100,000. They put police on street corners; that is how they used the money. They wrote tickets

for people that were on cell phones; and distracted driving went down. So that is one of the ways we would obviously raise awareness, use it for enforcement. When States want to pass laws, we have model legislation that we provide to them.

Senator COLLINS. Thank you for that update.

I think that kind of technical assistance and helping to share best practices that the Department has found is very helpful. And that is very impressive that the number of States with such laws has grown from 8 to 35.

Mr. LAHOOD. Yes.

HIGHWAY TRUST FUND INSOLVENCY

Senator COLLINS. And I think that is directly due to the fact that you have personally made it a priority, and put a real spotlight on it.

Let me turn now to the Highway Trust Fund. This is a very difficult issue. As you know, it has been operating at an unsustainable deficit since 2008, and has required approximately \$35 billion in transfers, and those are deficit finance transfers in order to keep the Fund solvent. CBO estimates that the Fund will, once again, be insolvent or bankrupt sometime in the next fiscal year.

The President's budget request really does nothing to fix that shortfall. In fact, you could argue that the spending increases will make matters worse, and yet we have such needs out there.

The administration's solution appears to be to transfer billions of dollars from the General Fund to the Highway Trust Fund every year. And it is my understanding that the budget estimates some \$17 billion in transfers will be required to keep the Trust Fund solvent through the end of fiscal year 2013.

Are you concerned that using the General Fund in this matter undermines the whole concept of the Highway Trust Fund?

Mr. LAHOOD. We know the Highway Trust Fund has been diminished because people are driving less and driving more fuel efficient cars. So the money is just not there for all the things we need to do in America.

The President this year in his budget proposed using the Highway Trust Funds, plus the funds that have been used for Iraq and Afghanistan, half of those funds as a means to pay for his budget. And I do want to send up a flare, and I want to send up a little alarm.

You all have done your work here. You passed a transportation bill. If the House does not pass a transportation bill, and passes another short-term extension, to be honest, in a State like yours, Senator Collins, where you have a very short construction window because of the weather in Maine, it will be very difficult for your State DOT to really do anything big in your State.

We need a transportation bill. We need the bipartisan bill that was passed in the Senate. If that happens, then we do have a big blueprint. In the absence of that, a short-term extension does no good for your State in terms of your ability to really fix up roads and bridges, and it is of great concern to us.

I know that really was not your question, but since you raised the issue of funding and the Highway Trust Fund, and the fact

that you all have passed a bipartisan bill, it is another way for us to emphasize this to the House of Representatives, this idea of passing just a short-term bill is not going to be good for States like Maine.

Senator COLLINS. I certainly concur with that. And the fact is, short-term extensions drive up the cost because contractors cannot plan. They cannot hire—

Mr. LAHOOD. That is right.

Senator COLLINS. Their employees and thus, they are forced to bid a higher amount.

Mr. LAHOOD. That is right.

Senator COLLINS. Because of the uncertainty. So that part, we agree on.

Senator MURRAY. Senator Pryor.

MARIAH'S LAW

Senator PRYOR. Thank you.

Mr. Secretary, let me thank you for being here, and begin with a thank you for helping the Conway Airport in Arkansas.

Mr. LAHOOD. Yes, sir.

Senator PRYOR. You helped move it out of a very congested area abutting a freeway and a neighborhood, where there have been some fatalities. Thank you for your help, and my understanding is that Conway is happy because they have moved from a 5-year plan down to a 3-year plan with your assistance, so thank you for that.

Also, thank you for mentioning bipartisanship. I think the way we all feel around here is that if Senator Boxer and Senator Inhofe can agree on important things, then we all ought to be able to agree on important things because they are at different ends of the spectrum, but they really provided a great example for us.

And one point of clarification is that in the bill that we passed yesterday, there is a provision on distracted driving called Mariah's Law, which sets up incentive programs for States to try to pass—

Mr. LAHOOD. Great. Thank you.

Senator PRYOR. More laws against distracted driving, so that may have missed your attention, but I hope you will look at that.

Mr. LAHOOD. Yes, thank you.

SEQUESTRATION

Senator PRYOR. And help us implement that.

Let me start with a question that I know you do not want to answer, you do not want to get into, and that is sequestration. If that does happen and there is sequestration, have you looked at what it will do to the Department of Transportation's programs?

Mr. LAHOOD. Let me ask our CFO (chief financial officer) just to comment on that.

Senator PRYOR. OK.

Mr. LAHOOD. Chris Bertram.

Senator PRYOR. Sure.

Mr. BERTRAM. We have not done a very detailed analysis of that yet. I think part of the question will have to be to what extent trust funded programs from the Highway and Aviation Trust Funds are affected as opposed to the General Fund, but we do not have a detailed analysis of that yet.

Senator PRYOR. Thank you for that. As you do that analysis, I think it would be helpful if you would get back with the subcommittee here and let us know what the ramifications—

Mr. LAHOOD. We will do that.

PRIORITY CORRIDORS

Senator PRYOR. Of sequestration might be.

Also, I have a question about future interstate corridors. I know that we are in a very difficult budget environment and difficult fiscal times for the Federal Government. However, I think it is critical that we continue to invest in our infrastructure that not only creates jobs now, but it is huge investment in the future.

I know that when you look at a map of the various interstate highway systems in the country, there are several highways that have not been built, several interstates have not been built. In these difficult budget times, I know that we do not really take care of that in the recently passed surface transportation bill, but as we look out to the future, do you have a recommendation for how we should fund these future significant corridors or these high-priority corridors to try to make sure that we actually do get them built, given the constraints that we have?

Mr. LAHOOD. I think the States need to get into a position of getting everything planned, get the environmental work done so that if there are resources available, they are in a position to come to the Department of Transportation.

This idea that we cannot continue to make progress without earmarks is not accurate. We got \$48 billion in the economic recovery plan. It came directly to DOT, and because of the great partnerships we had with States and transit districts and airports, we spent that in 2 years on 15,000 projects and put 65,000 people to work, and there were no earmarks.

So if States are ready with projects, and they have their environmental work done, and the money becomes available, we are ready to go and they are ready to go.

I think if nothing else, that is what one thing that the economic recovery, our stimulus money, proved—that we can do this without earmarks because of the great partnerships we have with the States.

VETERANS TO WORK

Senator PRYOR. Okay. Thank you for that.

Let me also follow up on something that Senator Murray said a few moments ago when she was talking about veterans.

Mr. LAHOOD. Yes.

Senator PRYOR. And obviously, that is important to you and you all have discussed the Veterans to Work Initiative.

We do something in our State that is not directly related to veterans, but could be, and it could be a national model, and that is the trucking industry has partnered with some community colleges to do some training. If someone finishes their training, and gets their CDL and gets a job, then part or maybe all of their tuition is forgiven to help them jumpstart their career.

We could very easily tailor that towards veterans, and it sounds very similar to what you are doing.

Mr. LAHOOD. Yes.

Senator PRYOR. If you are not aware of what they are doing in Arkansas, I would encourage your people to look at it.

Mr. LAHOOD. Yes.

Senator PRYOR. And see if it could apply, because really, that is a good example of a State and industry partnership.

Mr. LAHOOD. Yes.

Senator PRYOR. And you could fit the Federal Government, the VA (Department of Veterans Affairs), and everybody else in.

Mr. LAHOOD. Sure.

TIGER GRANTS

Senator PRYOR. It could really help a lot of our veterans.

I am really out of time here, so let me just ask if you have a timeframe on when you will release or announce this round of TIGER grants?

Mr. LAHOOD. Late May.

Senator PRYOR. Late May.

Mr. LAHOOD. Yes.

Senator PRYOR. So they are due about now.

Mr. LAHOOD. They are due next Monday.

Senator PRYOR. Okay. So late May we will know.

Mr. LAHOOD. Yes.

Senator PRYOR. Okay. Thank you, very much.

Mr. LAHOOD. Thank you for all of your leadership, Senator. It has been great to work with you, not only for the country, but for your State, and we look forward to doing that.

Senator PRYOR. Thank you.

Senator MURRAY. Thank you very much.

Senator Lautenberg.

AMTRAK GATEWAY TUNNEL

Senator LAUTENBERG. Thanks, Madam Chairman. And thanks again, Mr. Secretary.

Amtrak has proposed building the Gateway Tunnel under the Hudson River to increase high-speed rail and commuter rail capacity. The current tunnel is at capacity during rush hour and ridership is expected to double in the next two decades.

It is not unlike the development of the highway system being done in the early 1950s when the country had a population of 170 million. Now we have a population of 310 million and we are suffering from not having done the things that we should have done many years ago.

You have looked at this proposal many times. What impact might the Gateway Tunnel project have on mobility and the economy in the Northeast corridor?

Mr. LAHOOD. We are working with both New Jersey and New York. We know this tunnel is absolutely critical and we will continue our work.

Look, if this is the priority for the region, then it becomes a priority for us.

Senator LAUTENBERG. Mr. Secretary, do you see this tunnel in a larger context because what happens there in terms of rail service affects much of the country, much of the Atlantic coast. And it also

would get some over 20,000 cars a day off the highway. And so it is of national interest, whether it is convenience and reliability or whether it is better air and less dependence on foreign oil.

We have a situation in New Jersey where we have a 100-year-old bridge called the Portal Bridge. It is one of the few things in New Jersey that is older than I am. The bridge has persistent problems that delay trains and cause devastating ripple effects in the entire Northeast corridor (NEC).

What is the Administration's plan for helping to upgrade this important, critical bridge?

Mr. LAHOOD. The Department has funded about \$1.7 billion in NEC through the high-speed rail funds. The Portal Bridge replacement, \$38 million for the final design and the Moynihan Station Phase 1, \$83 million. Both projects are 100 percent obligated.

TRANSIT FUNDING

Senator LAUTENBERG. Public transportation use is approaching record levels. Yet, our friends in the House recently tried to eliminate dedicated funding for transit programs.

What impacts would commuters face if they prevail and had their way, and transit funding was not protected?

Mr. LAHOOD. Senator, one of the reasons that I said that that particular House bill was the worst House bill that I had seen in 35 years of public service is because it gutted transit. When gasoline prices go up, transit ridership goes up. We know gasoline prices are going up. Transit is the lifeblood of transportation for many people in America to get to work, to get to a doctor's appointment, to go to the grocery store.

And certainly in your area, which is a transportation-centric center of the world, transit is absolutely critical. We need a good, strong transit program to continue state of good repair, but also to innovate and create new opportunities.

NATIONAL RAIL PLAN

Senator LAUTENBERG. I agree with that. The number of jobs that could be created almost instantly is enormous, and the subsequent job opportunities for commutation and travel through the area represent an almost magic look at what could be.

My 2008 Amtrak law required DOT to complete a comprehensive national rail plan. The Surface Transportation Bill that the Senate approved this week was a good bill, bipartisan, excellent bill, really. Each side gave a little bit, and each side took a little bit. It really is a great move forward.

So the bill that the Senate approved this week further details the need for the plan. When might we see a final national rail plan from DOT?

Mr. LAHOOD. We are working on it and we will, for the record, get you a date certain when we will be complete.

[The information follows:]

The Federal Railroad Administration (FRA) published a Preliminary National Rail Plan (NRP) in October 2009 following the direction of Congress, and a subsequent update of the NRP was made in the September 2010 Progress Report. These documents—combined with the policies and funding levels described in the Adminis-

tration's fiscal year 2013 budget proposal and 6-year investment strategy—articulate the future of intercity passenger rail for America.

In October 2011, FRA submitted to Congress a Public Investment and Business Case for four major corridor programs that were funded through fiscal year 2010 appropriations (Los Angeles-San Francisco, Chicago-Detroit, Chicago-St. Louis, and Chicago-Iowa City). Consistent with requirements established in the fiscal year 2010 appropriations, these documents summarized the need for these investments, quantitatively and qualitatively assessed benefits and costs, and reviewed implementation and operating plans.

Since fiscal year 2009, State and Federal rail planning has progressed significantly as well as their experience with new rail development. The need to revise and update the NRP will be incorporated as the program matures. FRA continues to undertake a number of interrelated planning and analysis efforts—all of which include substantial engagement with our State partners and other stakeholders—that will result in further iterations of the NRP and related documents.

Senator LAUTENBERG. I would appreciate that. Thanks very much.

Mr. LAHOOD. Senator, I look forward to being with you on Monday. You and Senator Menendez, I think, were going to be together in Hoboken talking about the transportation bill and about transit.

Senator LAUTENBERG. Yes, I look forward to that.

The Secretary was in New Jersey yesterday, Madam Chairman and colleagues, at a funeral for a Congressman Donald Payne. And the place was overflowing with, yes, sadness, but also the fact that he was almost an icon in terms of being the first minority member of the House from New Jersey. And the Secretary was there and made a very good speech, and it was very helpful, and we thank you.

You are always welcome in New Jersey, and if you cannot get a ticket on the train, I know some people. Thank you.

FERRY SYSTEMS

Senator MURRAY. Thank you, Senator Lautenberg.

Mr. Secretary, when you came out and visited my home State of Washington, you saw and rode on our ferry system, and saw how essential it was to our transportation system. And you know that the Federal partnership that supports our ferry system is very important.

In the Senate transportation bill that we hope the House takes up, I worked to create a formula to really prioritize and target Federal funding to our Nation's largest ferry systems, and it requires enhanced coordination among the numerous DOT agencies and programs that support ferries. These changes, we believe, will help reduce administrative costs and improve the efficiency and effectiveness of our Federal investments.

I am going to continue working for a Federal program that will support our Nation's ferry systems, but you already have the authority to make improvements at DOT on coordination and data collection. And I wanted to ask you if you will work with me to make sure DOT is focused on that.

Mr. LAHOOD. The way the trains are important for the Northeast corridor, ferries are important for the Northwest, and we recognize that. And certainly the opportunity that you provided to me to see firsthand the importance of it—you have my commitment that we will make sure that the Northwest, and particularly the State of Washington, has the ability to deliver people around on ferries.

PASSENGER FACILITY CHARGES

Senator MURRAY. I appreciate that very much.

Another topic. Your budget request would cut airport grants drastically and focus the program only on general aviation and small commercial airports. To replace the grants that would have gone to the large and medium airports, you are asking Congress to increase the cap on passenger facility charges (PFCs).

This request, as you know, is the same one that you submitted last year. However, last year, Congress was still developing its bill to reauthorize the FAA. This year, we have enacted FAA reauthorization laws and it does not include an increase to the cap on PFCs.

So I wanted to ask you how you now propose paying for airport infrastructure when we do not have an increase to PFCs?

Mr. LAHOOD. I am going to let Chris just talk about this for a minute, because he has worked with OMB on this.

Mr. BERTRAM. Senator, our proposal would only take effect if there were a change in the PFC cap. So in the absence of a change in the PFC cap, we would propose to have the same funding level as we had last year, the baseline level for AIP (Airport Improvement Program).

Senator MURRAY. Okay. We have got to make sure airports can make capital investments, and airport grants and PFCs both play a really important role in that.

So as part of the next reauthorization bill, would you support allowing large and medium airports to voluntarily opt out of the airport grant program in order to increase their PFCs?

Mr. LAHOOD. We believe airports are a real economic engine for communities. They provide a lot of jobs, and obviously, we have to have modern airports. Airports need the ability to improve infrastructure and to build new facilities and to make sure they have the capability to continue, that planes can fly in and out safely. I certainly would be willing to work with all of you on that and also with airports.

NEXT GENERATION AIR TRANSPORTATION SYSTEM

Senator MURRAY. Okay. On another topic.

Your budget request includes over \$1 billion for NextGen, the effort to modernize our air traffic control system. For NextGen to work, each aircraft has to be equipped with compatible technology, as you well know. The FAA has mandated that aircraft be equipped with some of this technology by the end of the decade, but there is no guarantee that airlines will be able to meet that requirement.

The FAA reauthorization law allows DOT to set up a program to provide loan guarantees to support the equipage of aircraft with this NextGen technology.

Can you talk a little bit about what steps you have taken to explore setting up that program?

Mr. LAHOOD. We have had many, many meetings with our colleagues at the White House, particularly those on the economic team, about this. And we have involved the airlines in this also.

We recognize that the airlines are starting to come back. They are starting to be more financially viable. Many are actually start-

ing to make money, and we want to make sure that putting a requirement for this kind of technology in every airplane does not inhibit their ability to continue to make progress financially.

We are trying to figure out a way that we can be helpful with the funding, so that the airlines keep up with the progress we are making in putting the technology in the TRACONS (terminal radar approach control facilities). We have had a lot of meetings about this, and I think everybody recognizes that some way, shape or form we have to be helpful here to the airlines, at least in the early stages as this technology is being put in airplanes.

Senator MURRAY. Do you have all the legal authority you need as a Department to implement something to——

Mr. LAHOOD. Yes, I believe we do.

Senator MURRAY. Okay. I appreciate that.

Senator Collins.

REINCARNATED MOTOR CARRIERS

Senator COLLINS. Thank you, Madam Chairman.

Mr. Secretary, there are unscrupulous motor carriers that reregistered themselves under new identities in an effort to evade accountability for past poor safety practices.

So, one of the goals discussed in your budget is preventing these chameleon carriers from reentering the commercial motor carrier industry. However, only about 2 percent of new carriers each year are examined by FMCSA prior to entering the industry.

What are your plans to try to prevent these reincarnated bad actors from invading FMCSA enforcement action by reentering the industry as supposedly new carriers?

Mr. LAHOOD. I want to say that our administrator, Anne Ferro, has worked very hard on this. This is a very, very serious problem.

If safety is our number one priority, which it is, then it has to be safety in all modes including trucking and busing. We have motor coach carriers doing the same thing; put them out of business, and they slap another name up on the bus.

And so, what Anne has done is set up a taskforce where she gets all of the key people in the room, and they begin to track these companies, and make sure that they are not just putting another name up on the company so that they can continue to operate. And we are working very hard on this; it is a top priority.

We have a taskforce that works 24/7 to make sure that these companies do not operate.

Senator COLLINS. That is great to hear, and this is something where I believe the industries, whether the motor coach side or the commercial truckers, are very eager to work with you.

Mr. LAHOOD. They are.

Senator COLLINS. They do not want to see——

Mr. LAHOOD. They do not.

Senator COLLINS. Those bad actors on the road.

Mr. LAHOOD. You are absolutely right.

CONTRACT TOWERS

Senator COLLINS. Next, I would like to turn to another provision of the budget, which proposes an increase in the local share for the Contract Tower Cost-Sharing Program.

Under the budget proposal, the local share, which is currently capped at 20 percent, would increase to 50 percent. Now, that does help the Federal budget. It results in savings of about \$2 million. But I worry that smaller community airports will simply not have the funds to contribute more than the current 20 percent, and could potentially be forced to shut down operations.

As these changes were evaluated, were the impacts on smaller airports considered and included in your decisionmaking?

Mr. LAHOOD. Let me say that the fiscal year 2013 budget that the President proposed was released shortly before the FAA authorization. We need to get the two in sync here; we know how important these contract towers are, and we know that people have limited resources.

We will make sure that what we do comports with the idea that, number one, the contract towers are important. And number two, that we do not impede on their ability to really be able to continue these.

Senator COLLINS. Thank you.

Thank you, Madam Chairman.

Senator MURRAY. Thank you very much, and we have been joined by the distinguished chairman of our subcommittee. We are delighted to have him here.

Senator Inouye.

HONOLULU RAIL PROJECT

Senator INOUE. Thank you very much.

Mr. Secretary, I thank you for your request of \$250 million for the city and county of Honolulu rail project, and I understand that this was the single largest request in the New Starts portfolio, and I thank you for your support of this important project for my State.

The city and county of Honolulu is currently involved, as you may be aware, in a Federal court case regarding the rail project. According to media reports in Hawaii, as part of the discovery process, emails from 2006 and 2009, written by Federal Transit Administration staffers, express concerns about the rail project.

So Mr. Secretary, I wonder whether you could share with us the Department of Transportation's stance on this project at this moment.

Mr. LAHOOD. Senator, the press reports, the emails that you make reference to were prior to my taking this position. And since I have taken this position, I have had the privilege of being with you in your State. We have talked about this project. You were kind enough to convene a meeting about this and other projects in Hawaii. And I want you to know that we are committed to this project.

This is an important project. This will deliver people all over the island. It is an important project, and at this point, we are going to continue to work through whatever issues need to be worked through. We are committed to this. We are committed to the money. We are committed to the project, and until we hear differently from others who are intimately involved in this, I see no reason why we will not go forward.

Senator INOUE. Mr. Secretary, thank you very much. On behalf of all the people of Honolulu, thank you.

Mr. LAHOOD. Thank you, sir.
 Senator INOUE. Thank you, Madam Chairman.

CHAMELEON CARRIERS

Senator MURRAY. Thank you, very much, Senator Inouye. I just wanted to quickly follow up on Senator Collins's discussion of the chameleon carriers. I know that you are looking at passenger and business, but freight is an important part of that. I know the GAO (Government Accountability Office) report identified that as a concern as well.

Are you going to include freight in that?

Mr. LAHOOD. We have really focused on motor coach and trucks, but we can take a look at freight, sure.

Senator MURRAY. Okay. The GAO identified that as a concern as well.

Mr. LAHOOD. Okay.

COLUMBIA RIVER CROSSING BRIDGE

Senator MURRAY. So I appreciate Senator Collins bringing that up.

I did want to ask you about a local project that you know a lot about as well—the Columbia River Crossing Bridge. I really appreciate your focus on that. It is so important to us in the Pacific Northwest. We have been working on it for years. It is a very complex project, but it is making progress and, in fact, in December, all the environmental planning work was completed. And last month our State Senate approved tolling authority that they need to help pay for it. So I am really pleased to see that your budget includes funding for it as well.

But I was concerned to see some recent press reports that there may be disagreements between your Department and other Federal agencies about the bridge's planned height, an issue everyone thought, frankly, was resolved years ago. And I wanted to ask you what kind of impact would changing the design of the Bridge at this point, as the Coast Guard is suggesting, have on this project?

Mr. LAHOOD. First of all, we are totally committed to the Columbia River Crossing. This is going to be a model for multimodal transportation. When you look at all the different modes of transportation that will be involved with that bridge, it truly is multimodal, and it is bi-State, it is bipartisan, it is about everything, any way you can describe it. It is a great project.

What I would like to suggest, Senator, is either you, or you and I convene a meeting, maybe in your office as soon as you want to do that to make sure everybody is on the same page, and that the deadlines are met.

Senator MURRAY. Okay.

Mr. LAHOOD. We have had a little hiccup here, but that is not going to stand in the way of this project moving forward. We are not going to let it stand in the way of that, but to make sure that everybody knows what the facts are.

Senator MURRAY. Right.

Mr. LAHOOD. What the deadlines are—if you want to convene a meeting, or if you want me to, or you and I both, we will get the Coast Guard, DOT, and everybody else that is involved in this, the

two States, and make sure everybody is on the same page so there are no delays.

Senator MURRAY. Okay. Very good. I would really like to do that, and perhaps the FAA as well, because if you make the bridge—
Mr. LAHOOD. Fine. Yes. Perfect.

BIOFUELS

Senator MURRAY [continuing]. Higher than the airport—it is a complex project. Okay. Very good. We will follow up with that.

Let me ask you about rising gas prices, an issue that everybody is concerned about. We are seeing increases in transit ridership, as she talked about a few moments ago. Gas prices are hurting everyone. And as you and I have talked about before, we need to look at all the alternatives to fossil fuels when it comes to cars, and buses, and ferries, and ships, and planes.

One of those alternatives is biodiesel, which is a cleaner burning, homegrown product that has huge potential. And I am working with the Department of Defense, major airlines, and a lot of people to expand the availability and market for biodiesel and other biofuels, working with agriculture and the biofuels industry. So I think there is a real capacity here.

And I wanted to ask you today, what do you think it will take to expand the use of biodiesel and other biofuels across the modes of transportation, so we can help expand and really get a market for these types of alternatives?

Mr. LAHOOD. As you know, this administration from the President to just about every Cabinet Secretary involved has worked very hard on fuel efficiency. You know where we have gotten.

By 2025, cars will get 54.5 miles per gallon. Every car manufacturer has signed off on this. They stood with the President when he made the announcement. This is an extraordinary opportunity for our country to set the very highest standards possible, and we have worked very closely with the Environmental Protection Agency to develop these standards.

On biodiesel and on the use of diesel, I think if Congress sends a loud message, you are not going to hear any heartburn or criticism from the administration. We need good partners on this and if you all send a message, I think it can be very helpful.

Senator MURRAY. Okay. Very good. Thank you very much, Mr. Secretary.

Mr. LAHOOD. Thank you.

Senator MURRAY. Senator Collins.

Senator COLLINS. Thank you, Madam Chairman. I am going to submit the vast majority of the rest of my questions for the record.

HIGH-SPEED RAIL

Senator COLLINS. I do just want to raise one more issue on high-speed rail, even though I hate to end on a note where we have different views when we agree on so much.

But one of the concerns that I have is whether States are going to be able to sustain the investment, and California is a perfect example of that.

The administration has put \$3 billion into the California High-Speed Rail Project. Recently the GAO has confirmed that the cost

of building the line is likely to increase from \$33 billion to \$98 billion. Now that is GAO's opinion, maybe there are other estimates, but that obviously is of great concern.

One of my concerns is if the Department makes this kind of investment of billions of dollars, and then the States prove to be unable to do their share, and the cost estimates go through the roof, then we have not accomplished the goal the administration wants. I would rather see that money spent on traditional mass transit, and roads, and bridges.

So my question is, what is the Department doing to ensure when you give money to a State for a project like this, that the State is going to be able to handle it financially?

Mr. LAHOOD. First of all, I think we are at the point in this country when the interstate system was started. It took 50 years to build it and it was not all built in 1 day. I guarantee you, when the interstate system was conceived, not everybody knew where all the lines were going to be, and certainly I do not think people knew where all the money was going to come from.

But I know this: All the money is not going to come from the Federal Government. You all have made that pretty clear in the money that you have not given us in our last request. But for the States that have received money, \$3 billion, the largest share, has gone to California, over \$2 billion to Illinois, and a lot on the Northeast corridor. And the States are our partners.

I just spent a week in California. I spent a lot of time with the legislature there. In some States what they have done is they have passed referendums and they have passed bonding issues. So that will be part of what the State will put up.

There are several foreign companies in California right now, meeting with Governor Brown on their ability to invest in high-speed rail. I think there will be three sources of funding for most States, particularly in California where we really will have high-speed rail. You will have trains going 200 miles an hour.

I think the funding sources will be: The Federal Government—we have made a good investment, as you mentioned, \$3 billion; the State will be putting money in through the selling of bonds; and I think there will be a lot of foreign investment. I really do. These foreign investments are there, foreign investors are there. They are meeting with the governor. They are talking about partnerships.

The same is true in Illinois. The Illinois governor is working with some foreign investors to make investments in the corridor in Illinois. And of course, our partners along the Northeast corridor have been Amtrak. Amtrak is doing very well. Ridership is up. They are making money. They have good leadership. Things have really improved. We just invested about \$1 billion in Amtrak for new cabs, for new cars, and to fix up some of the tracks.

So I do not see all the money coming from the Federal Government. There is not enough money. I do see other sources, but as an example, the people are way ahead, with all due respect, the people are way ahead of Washington on this. And what I mean by that is if you look at our TIGER guidance, we put in there up to \$100 million for high-speed rail. As of today, we have \$1 billion worth of requests for that \$100 million.

People in America want different forms of transportation. The next generation of transportation for America, for the next generation, is high-speed rail. It is what Americans want. Every State now has their interstate build out and where communities have good transit, they want their highways in a state of good repair. But they want passenger rail. They do, and that is not just Ray LaHood saying it, or President Obama saying it. It is what the people want, and that is reflected in the request that we have received for \$1 billion for up to \$100 million.

When Florida gave back their money, \$2.3 billion, we got \$10 billion worth of requests. This is not for Ray LaHood. It is not for you two, with all due respect. It is for our kids and grandkids.

What are we going to do for the next generation? What is the next generation of transportation? It is not the interstate. That is pretty much built out. It is not transit. We are doing well with transit. It is high-speed rail. That is what we need to leave to the next generation.

FREIGHT RAIL

Senator COLLINS. Thank you, Mr. Secretary, I know you feel very passionately about this issue.

Let me just end my comments today by thanking you and the Department for your commitment, which helped us save freight rail—

Mr. LAHOOD. Exactly.

Senator COLLINS [continuing]. In northern Maine. This was 233 miles of freight rail track that was going to be completely abandoned, cutting off the top half of my State. Through a partnership that involved a State bond, private sector investment, and the Federal funding, we were able to save that track.

And I want to report to you that it is going extremely well, that shipments are up, the track is being repaired so the service is so much better. And that was really a lifeblood that saved literally an estimated 1,700 jobs in a part of the State that really needed those jobs. So thank you.

Mr. LAHOOD. Look, Senator, it is thanks to you. I mean, we would not have known about that if you had not pointed it out to us at one of these hearings that we had. Both of you senators have been great leaders on transportation.

You are never going to hear a complaint from me or a criticism for either one of you for the work that you do, the partnership that we have had, in being in your States, and making sure that the transportation needs of your State are met, whatever they are. And we will continue to do that. It is very important.

You all have been great, great friends and great partners, and we could not do the work we do without great leadership from both of you.

Senator COLLINS. Thank you.

Senator MURRAY. Thank you, Mr. Secretary. We really appreciate all your work in this, your passion, your energy, and we will continue to work with you throughout this year to put the best bill we can together. So thank you very much.

Mr. LAHOOD. Thank you.

ADDITIONAL COMMITTEE QUESTIONS

Senator MURRAY. With that, I will remind my colleagues that the hearing record will be open for 1 additional week for questions.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

AIR QUALITY—UNION STATION AND DIESEL EMISSIONS

Question. After the Chicago Tribune reported Metra passengers and workers were exposed to excessively high levels of diesel soot, Metra took quick action to improve air quality in their cars by installing cabin air filters, switching to cleaner burning diesel fuel, and employing automatic idle shut-offs on many of their engines. Amtrak worked to identify additional solutions for the area around the train station itself. These actions had an immediate effect, reducing pollution emissions by as much as 75 percent.

Are other transit agencies taking similar steps to assess and, if needed, improve the air quality at their stations and in their train cars?

Answer. While transit agencies across the country work with local governments to meet air quality goals of the Clean Air Act administered by the Environmental Protection Agency (EPA), these goals are not specifically tied to individual transit stations or within transit vehicles. EPA regulates emissions from diesel-hauled rail transit vehicles and locomotives. The Federal Railroad Administration (FRA) regulates most aspects of intercity, regional, commuter, and light (interurban) rail transit systems operating on the General Railroad System. This would include diesel-hauled commuter and interurban systems. Additionally, while the EPA maintains exhaust emission standards for heavy-duty highway compression-ignition engines and urban buses, these standards are focused on tailpipe emissions and not focused on specific environments such as the inside of a transit vehicle or station.

Federal agencies must ensure that their actions such as grants or approvals in nonattainment or maintenance areas conform to State air quality plans for achieving and maintaining air quality standards. Air quality factors are considered through the Department of Transportation (DOT) and metropolitan planning organization must comply with EPA's General Conformity or Transportation Conformity regulations, as applicable.

EPA's Office of Transportation and Air Quality's (OTAQ) mission is to reconcile the transportation sector with the environment by advancing clean fuels and technology, and working to promote more livable communities. OTAQ is responsible for carrying out laws to control air pollution from motor vehicles, including their engines, and fuels. Mobile sources include: Cars and light trucks, large trucks and buses, farm and construction equipment, lawn and garden equipment, marine engines, aircraft, and locomotives. OTAQ's activities include: Characterizing emissions from mobile sources and related fuels; developing programs for their control, including assessment of the status of control technology and in-use vehicle emissions; carrying out a regulatory compliance program, in coordination with the EPA Office of Enforcement and Compliance Assurance, to ensure adherence of mobile sources to standards; fostering the development of State Motor Vehicle Emissions Inspection and Maintenance Programs; and implementing programs for the integration of clean-fueled vehicles into the market.

Question. Have any studies been conducted to assess which transit agencies and stations are most in need of taking corrective steps to improve air quality for their passengers and transit workers?

Answer. To our knowledge no specific study or synthesis report has been compiled specifically documenting transit agency stations in need of taking corrective steps to improve air quality specifically for transit passengers or transit employees. Within current operational environments, it is not unusual to detect a slight odor of diesel exhaust inside the one or two passenger cars directly behind the locomotive, inside diesel-hauled interurban trains, and on station platforms where such platforms are protected from breezes and other natural air circulation. This usually passes naturally once the vehicle is at speed or a few moments after the vehicle has departed the station. Operations in tunnels, covered stations and other below-grade configurations may exacerbate this issue.

While the Federal Transit Administration (FTA) does sponsor research centered on reducing transit emissions through advanced and innovative technologies, there

is no specific research targeting the passenger environment in vehicles and on station platforms. Further, there are currently no transit industry standards or FTA Requirements that address air quality specifically for passengers.

Question. How can DOT help improve the air quality in diesel powered trains and around train stations?

Answer. On a continuing basis, DOT, through its various modal administrations and programs, works with State and local communities to address air quality. FTA specifically has targeted its Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER) program and its Clean Fuels program grant funds to transit agencies in both attainment and non-attainment areas to help them adopt new technologies that reduce vehicle idle time, overall energy usage, and harmful emissions. For example, using fiscal year 2010 TIGGER funding, FTA provided Metra, through the Illinois Department of Transportation, Federal funds to modify locomotives by implementing innovative automatic shut-down/start-up systems to reduce unnecessary idle time.

FAA AIRPORT PRIVATIZATION PROGRAM—MIDWAY AND OTHER AIRPORTS

Question. The recent Federal Aviation Administration (FAA) reauthorization doubled the number of airports that can apply for the FAA Airport Privatization Pilot Program from 5 to 10. The privatization of such large publicly held assets naturally raises questions regarding responsible stewardship, particularly during times of economic uncertainty.

Midway Airport

Midway Airport in Chicago is currently the only large-hub airport in this privatization program. How much total Federal funding has gone to build and maintain Midway Airport?

Answer. Since 1982, Chicago's Midway Airport has received a total of \$378,350,793 in Federal Airport Improvement Program (AIP) funds under the Airport and Airway Improvement Act of 1982.

Question. How much Federal funding would the City of Chicago need to repay if it were successfully privatized under the program and FAA did not use their authority to exempt repayment of previously received Federal grants?

Answer. Since 1982, Chicago's Midway Airport has received a total of \$378,350,793 in Federal Airport Improvement Program funds under the Airport and Airway Improvement Act of 1982. If a private operator is selected for the airport, it may apply for an exemption under the FAA's Airport Privatization Pilot Program. At that time, FAA will evaluate the application for exemption.

Question. What other large hub airports have expressed interest in the privatization program?

Answer. To date, no other large hub airport has approached FAA with a formal request to participate in the program. From time to time, we do receive informal inquiries from airports.

Other Airports

Question. Puerto Rico is currently soliciting bids to sell or lease Luis Muñoz Marín International Airport. How much total Federal funding has gone to build and maintain this airport?

Answer. Since 1982, Puerto Rico's San Juan Luis Muñoz Marín International Airport has received a total of \$180,353,147 in Federal Airport Improvement Program funds under the Airport and Airway Improvement Act of 1982.

Question. How much Federal funding would Puerto Rico need to repay if it were successfully privatized under the program and FAA did not use their authority to exempt repayment of previously received Federal grants?

Answer. Since 1982, Puerto Rico's San Juan Airport has received a total of \$180,353,147 in Federal Airport Improvement Program funds under the Airport and Airway Improvement Act of 1982. If a private operator is selected for the airport, it may apply for an exemption under the FAA's Airport Privatization Pilot Program. At that time, FAA will evaluate the application for exemption.

If an airport is required to repay Federal funding, what would DOT do with those funds?

Answer. The existing privatization statute does not have any specific direction on how repayments are to be handled. In the 16 years that the airport privatization program has been in effect, no repayments have been required. Repayments would be handled on a case-by-case basis.

Question. Does DOT believe there are sufficient public interest protections in the current Airport Privatization Pilot Program law and regulations?

Answer. The statute and regulation creating the FAA Airport Privatization Pilot Program (Program) specify how FAA evaluates the competencies of a proposed private operator. The FAA will not grant a part 139 airport operating certificate to a private operator that is unable to demonstrate the ability to meet or exceed existing airport operating requirements and standards. The FAA must also be satisfied, under the Program, with the private operator's plans to maintain, modernize and improve the airport, including its 5-year capital improvement plan. The Program also requires the FAA to find that the public sponsor undertook a process consistent with aeronautical users' interests, including consultation, limitations on fees, rights to object to the sponsor's planned use of proceeds, and impact on general aviation users, and that the private operator's plans with respect to aeronautical users are also consistent with their interests under the Program. Further, pursuant to the Program, the FAA must find that the privatization transaction will not abrogate any collective bargaining agreement that covers airport employees and that is in effect on the date of the transaction. In addition, the FAA must find that operations of the privatized airport will not be interrupted in the event of bankruptcy. Finally, all airports that have accepted Federal grants, regardless of public or private ownership, must meet the same grant assurance and safety requirements.

GENERAL HIGHWAY PRIVATIZATION

Question. A 2008 Government Accountability Office (GAO) report was critical of highway privatization deals. The report recommended several actions for Congress and the administration. Specifically, GAO recommended Congress require the Secretary of Transportation to develop and submit objective criteria for identifying national public interests in highway public-private partnerships.

Does DOT currently have the legal authority to develop public interest criteria for highway public-private partnerships?

What additional legal authority does DOT need to develop public interest criteria to ensure national public interests are protected in future highway public-private partnerships?

What action is DOT taking now to ensure that national interests are considered in proposed highway public-private partnerships like the Ohio Turnpike?

Answer. DOT does not have any statutory authority to require States to use any particular public interest criteria when determining whether and how to pursue a public-private partnership (P3) for highway infrastructure development. However, section 1534 of Public Law 112-141 Moving Ahead for Progress in the 21st Century Act (MAP-21) directs the Department to develop and post information on best practices in P3s, including "policies and techniques to ensure that the interests of the traveling public and State and local governments are protected" in any P3 agreement. That section also allows DOT to provide technical assistance to a State, public transportation agency, or other public official "in analyzing whether the use of a public-private partnership would provide value compared with traditional public delivery methods" if requested to do so. DOT is currently working to implement this provision and could provide such technical assistance for the Ohio Turnpike if requested to do so.

QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

EMERGENCY RELIEF FUND

Question. Secretary LaHood, I want to thank you and your whole Department for all of the help and support you have provided to the State of Vermont in the wake of Hurricane Irene's devastation last August. I am amazed at how quickly the engineers and construction crews have rebuilt roads, bridges, and rail lines that were completely washed away just a few months ago. I'm especially grateful that we were able to get the Federal Highway Administration (FHWA) the additional Emergency Relief (ER) funding that the States need and the flexibility to grant waivers lifting the State cap and emergency-operations deadline. I really appreciate you granting of these waivers, which have been crucial to Vermont's rebuilding efforts.

What is the current status of the Emergency Relief Fund? Do you anticipate needing more than the statutory \$100 million in ER funding in fiscal year 2013 to deal with the backlog? How do you plan to cover potential shortfalls as Vermont and other States continue to request funding as they rebuild from past disasters?

Answer. FHWA is authorized \$100 million annually in Emergency Relief funds. In addition, the Consolidated and Further Continuing Appropriations Act, 2012 (Public Law 112-55) provided a one-time general fund appropriation of \$1.662 billion. As of July 31, 2012, FHWA had a balance of \$197,573,131.79 in ER funds from

both the annual funds and the one-time funds. A large portion of this balance is the result of FHWA's more aggressive review of unobligated ER balances that States have been holding for work that is complete. Since January of this year, FHWA has recovered over \$200,000,000 in unneeded ER funds for completed events that resided in State Department of Transportation (DOT) accounts. These funds can now be used to cover expenditures for other events.

In addition, FHWA has \$19,000,000 in Public Law 107-117 and Public Law 107-206 funds which were appropriated for damages associated with 9/11. These funds are still needed to complete roadway infrastructure work when the reconstruction of the World Trade Center site is completed.

FHWA also has a balance of \$40,776,019.62 of Fiscal Year 1990 Supplemental Appropriations (Public Law 101-130), which were appropriated for the Loma Prieta Earthquake and are no longer needed. Since the funds were specifically appropriated for the Loma Prieta Earthquake, they cannot be used for other events.

In October 2012, FHWA anticipates asking field offices for their 2013 obligation needs beyond the funding they have in hand.

The available funding is sufficient to cover immediate needs. However, a major disaster in the late summer or fall of this year could impact our ability to respond to that event along with previous events.

FHWA will continue to review unobligated balances and redistribute ER funding as necessary to maximize available ER resources.

RESTORING AMTRAK SERVICE TO MONTREAL

Question. Secretary LaHood, Vermont used to have cross-border Amtrak service along the old Montrealer line between Washington, DC, and Montreal, Quebec. Passenger rail access to Montreal went away in 1995, though, when St. Albans, Vermont, became the terminus for Amtrak's new Vermonter train.

The State of Vermont is very interested in reestablishing Amtrak service to Montreal—and our Governor, Peter Shumlin, has made it one of his administration's top priorities.

One of the major obstacles to cross-border travel today is passenger security screening, and I am pleased that easing the burdens of cross-border train travel is a goal of the recently announced Beyond the Border Initiative with Canada.

With other trains already operating across the Northern Border in New York State and Washington State, I know it can be done. We just need help and support from Amtrak and U.S. Customs and Border Protection to make it happen.

Will you work with me, the State of Vermont, the Department of Homeland Security, Amtrak, and the Canadians to explore reestablishing passenger train service to Montreal and finding reasonable solutions to the passenger screening issue?

Answer. DOT stands ready to support the improvement of existing rail corridors and the development of new rail corridors where markets exist. The development of such services is driven by the State and regional plans for intercity passenger rail. Vermont's initial planning efforts to extend intercity passenger rail service through the State and on to Montreal has focused on the cross-border and customs requirements of the proposed service. Those issues are the subject of the United States-Canada Transportation Border Working Group (TBWG), which includes United States and Canadian transportation agencies as well as Federal Railroad Administration (FRA), the Department of Homeland Security, U.S. Customs and Border Protection, State and provincial governments, and other relevant agencies. The TBWG's passenger rail subcommittee, as well as other interested parties such as Amtrak, met on April 17-18, 2012, to address cross-border transportation issues including security and customs procedures that would affect service to Montreal. FRA will continue fully engaging with the TBWG, Congress, and other stakeholders to address these important issues.

When Vermont's planning process advances to the next stage, we're prepared to provide technical assistance where necessary for their full Service Development Plan (SDP). The SDP process includes the analysis of a multitude of technical, financial, and policy considerations unique to the corridor and a completed SPD will be a critical next step to securing Federal funding, should additional funds become available, or identifying State and other funding resources to build the service.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

PIPELINE SAFETY

Question. When will the Department of Transportation (DOT) begin verifying pressure testing records and requiring pressure testing of grandfathered pipelines

that were never tested, as required by the recently enacted Pipeline Safety legislation?

Answer. On April 13, 2012, the Pipeline and Hazardous Materials Safety Administration (PHMSA) published a notice (72 FR 22387) to inform the public of the agency's intention to modify its information collection requirements. This information collection modification, which will be reflected in gas transmission annual reports, will allow PHMSA to collect operator pressure test information. Further, the operator pressure test information will be used to support proposed rulemaking (ANPRM—August 25, 2011) (76 FR 5308) relating to removal of the grandfather clause.

Question. About 50 percent of pipeline miles, including a majority of the oldest and highest risk lines, cannot be inspected using “smart pigs” due to the design of the pipelines themselves. What is your Department doing to develop a better smart pig, capable of inspecting more pipeline miles?

Answer. Many pipelines cannot be “smart-pigged” using current in-line inspection technology. Assessing the integrity of these pipelines requires new, innovative solutions and technologies. PHMSA is actively promoting increased development of smart pig technology through Research and Development (R&D) projects that are typically co-sponsored with industry; PHMSA is neither structured nor funded to independently develop smart pig equipment.

On July 18 and 19, 2012, PHMSA hosted a public R&D forum to identify technology gaps in addressing the key technical challenges facing pipeline integrity assurance. The forum was to allow public, Government, and industry pipeline stakeholders to develop a consensus on the technical gaps and challenges for future government-led research. R&D forums like this one, allow the Government to learn what research projects are already underway by other stakeholders. At these forums participants discuss which projects deserve Government funding by analyzing and prioritizing the research project plans. This helps ensure PHMSA does not direct funding towards a project that is already being paid for or that is not beneficial to its mission. The national research agenda coming out of these types of events is aligned with the needs of the pipeline safety mission, makes use of the best available knowledge and expertise, and considers stakeholder perspectives.

Question. The President's fiscal year 2013 budget request proposes a significant increase in pipeline inspectors. Please describe how these inspectors will likely increase safety.

Answer. In fiscal year 2013 PHMSA requested additional inspection and enforcement staff to successfully implement the Pipeline Safety Reform initiative. Additional personnel will be used to help determine the safety and fitness for service of pipelines. PHMSA will continue to raise the bar on the safety of the Nation's pipeline infrastructure, making sure that companies comply with the critical safety rules that protect people and the environment from potential dangers.

In 2011, Secretary LaHood issued a national Call to Action for all stakeholders to address the need for repair, rehabilitation, and replacement of high-risk pipeline facilities transporting hazardous liquids and flammable gases through American communities and environmentally sensitive areas. PHMSA is working with State regulatory communities, rate-setters, and the pipeline industry to establish remediation programs for these high-risk pipelines. Additional inspection and enforcement staff members are needed to assure these facilities practice good risk analysis and aggressively apply integrity management principles until these pipelines are repaired or replaced.

Further, the Nation is experiencing a boom in development of unconventional energy resources, i.e., gas shales and oil plays throughout the country. Along with swift commercial development of these resources, pipelines are being constructed at an increasingly rapid pace to transport the oil and gas from the source to processing facilities. More inspectors are needed to assure these pipeline facilities are safely constructed and in accordance with applicable standards and regulatory requirements.

FEDERAL AVIATION ADMINISTRATION

Question. According to the Congressional Research Service, 36 percent of Airport Improvement Program dollars go to airports without commercial service. However, more than 99 percent of travelers fly commercial. Do you think this is the right balance of funding priorities in this time of shrinking budgets?

Would you support a higher percentage of Airport Improvement discretionary funding going to improving the safety and facilities of airports that most Americans use?

Answer. The goal of the Airport Improvement Program (AIP) is to maintain and improve the Nation's airport system. AIP funds are awarded (based on national priorities) to different-sized airports so they can address critical airport safety, capacity, and security projects.

General Aviation airports provide the national airport system with specialized services like emergency medical services, aerial firefighting, and law enforcement and border control. However, they do not have access to airport development funding such as passenger facilities charges and the bonds market that are otherwise available to airports with commercial service.

The FAA-issued study, General Aviation Airports: A National Asset (May 2012), provides additional information on the Nation's general aviation airports. A copy of the study can be accessed at http://www.faa.gov/airports/planning_capacity/ga_study/.

LOS ANGELES SUBWAY SYSTEM

Question. The people of Los Angeles want rapid construction of their subway system, and no one that has experienced LA traffic can blame them. What can and should the Federal Transit Administration and Los Angeles do to get the two subway projects seeking full funding grant agreements in fiscal year 2013 prepared to execute that agreement?

Answer. FTA has been very supportive of the two projects, including recommending the Regional Connector project for \$31 million and the Westside Subway Extension project for \$50 million in the President's fiscal year 2013 budget to help advance the projects through preliminary engineering and final design. Additionally, in response to their transmittal of a Letter of Interest, the Department invited the Los Angeles County Metropolitan Transportation Authority (LACMTA) to submit an application for a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan for the Westside Subway Extension project.

Before the two projects will be ready for Full Funding Grant Agreements (FFGAs), they must complete engineering and design, obtain firm funding commitments for all non-New Starts funding sources, and obtain a satisfactory rating from FTA under the statutory evaluation criteria. Currently the financial plan submitted by LACMTA assumes an extension of the Measure R half-cent sales tax that will be placed on the upcoming November election ballot and approved by voters. This vote would need to occur and be successful, or the financial plan would need to be revised to demonstrate other available and committed resources, before FTA could move forward with the FFGAs.

Question. Last year DOT invited the Westside Subway to the Sea to file its final TIFIA loan application, which should lead to loan term negotiations. What is the status of this loan?

Answer. The Westside Subway to the Sea project is a major transit investment that is expected to improve mobility and connectivity in the city of Los Angeles. Recognizing these and other important benefits, DOT invited the project sponsor to apply for TIFIA financing in response to the fiscal year 2011 TIFIA Notice of Funding Availability (NOFA). As with other major projects, there are a number of milestones that the project sponsor, the Los Angeles County Metropolitan Transportation Authority (LACMTA), needs to reach in order to move toward closure on a TIFIA financing. The environmental review of the project was finalized with the record of decision date of August 9, 2012. In addition, the project is advancing through the Federal Transit Administration (FTA) New Starts program with the eventual aim of financing the project in part through a full funding grant agreement. It is our understanding that with the progress that has been made in these areas, LACMTA plans to submit a TIFIA loan application for the project in the fall. When DOT receives the loan application the TIFIA office will commence its review of the application including a comprehensive credit evaluation of the project.

Question. "America Fast Forward" is a proposal to build transit more rapidly using subsidized bonding and low interest lending. The Transportation-HUD Subcommittee has increased the size of the TIFIA and Transportation Investment Generating Economic Recovery (TIGER) TIFIA lending programs in recent years to grant your Department more than three times the lending authority it had just a few years ago. Do you agree that expanding the TIFIA program has been an important step in implementing America Fast Forward?

Answer. In recent years national demand for TIFIA credit assistance has been overwhelming. The increased funding for TIFIA provided in Moving Ahead for Progress in the 21st Century Act (MAP-21) will enable the Department to provide credit assistance to significantly more projects.

HIGH-SPEED RAIL

Question. Will you direct someone within your office to serve as the full-time point person, trouble shooter, and leader of the Department's high-speed rail effort full-time?

Answer. FRA has organized its grant project development and delivery office into geographic teams with a leader of each of its nine regions spanning the United States. This regional lead manages oversight efforts for projects and acts as single, centralized point of contact for State officials and other stakeholders. In turn, each regional lead coordinates an FRA team composed of project managers, engineers, environmental specialists, grant managers, attorneys, and other experts. Together these regional teams used a risk-based approach to track project progress, provide grantee technical assistance, and conduct grant monitoring and oversight efforts.

For the California HSR project in particular, FRA has recently hired a Senior Executive Service-level Project Manager, who has been designated as DOT's senior point-person on high-speed rail issues to oversee the California High-Speed Rail project on a full-time basis.

FUEL ECONOMY LABELS

Question. The fiscal year 2012 Transportation-HUD Senate Report directed the Department of Transportation to develop fuel economy labels for medium-duty vans and pickup trucks like the Ford F-250 within 3 model years. Small businesses—often in the construction business—buy many of these types of vehicle. But the business owner has no way to calculate the fuel costs of various models until this sticker is added to these vehicles. What is the National Highway Traffic Safety Administration doing to comply with this subcommittee's direction that these labels be required within 3 years?

Answer. NHTSA is currently focused on completing the final rulemaking for the Corporate Average Fuel Economy (CAFE) standards for model year 2017–2025 vehicles. On July 29, 2011, President Obama announced plans for these rules and charged NHTSA and the Environmental Protection Agency with developing these rules. The two agencies issued a proposal last November, have held numerous public hearings around the country, and are working to complete the rulemaking. NHTSA is devoting all focus and energy to finalize this presidential priority rulemaking as expeditiously as possible. After the conclusion of this important rulemaking effort, the agency will determine the timing and resources needed to address the committee's concerns about fuel economy labels for medium trucks and pick-ups.

TRUCK SAFETY

Question. A few years ago I wrote to your Department supporting mandatory use of electronic onboard recorders to enforce hours of service limits on truck drivers. Some of my constituents have been killed by tired truck drivers who were falsifying paper records. I learned there is almost no enforcement to prevent this kind of hours of service violation, and it is believed to be widespread.

At the time, the Department of Transportation said that the electronic onboard recorders were too expensive. I understand that the Department has proposed a draft regulation to require these recorders in some cases, but costs remains an issue.

My staff informs me that there is now an iPhone application that can perform all of the key functions of an electronic onboard recorder at no substantial cost.

What is DOT doing to consider this technology in its rulemaking?

Answer. FMCSA is committed to the development of electronic logging device technical specifications focused on hours of service compliance, and fulfilling all of the requirements included in MAP-21. The Agency does not believe the technical specifications it is currently considering would preclude the use of low-cost innovative approaches to electronic logging, such as smart phones, provided such devices have a means of meeting the MAP-21 requirement concerning electronic communications between the device and the commercial motor vehicle to ensure accurate date, time, and location information the beginning and end of driving time periods, i.e., integral synchronization of the device with the commercial motor vehicle.

FMCSA acknowledges that an electronic logging device mandate would impose nearly \$2 billion in costs on the commercial motor vehicle (CMV) industry. This estimate is based on the Agency's Regulatory Impact Analysis (RIA) for the 2011 notice of proposed rulemaking (NPRM) in which the Agency estimated initial total costs of \$1.984 billion per year.

While the estimated costs are economically significant, the electronic logging device rulemaking would be considered cost-beneficial. The Agency estimated total

benefits of \$2.699 billion resulting in an annual net benefit of \$715 million. A significant portion of these benefits would come from \$1.965 billion in annual paperwork reduction—a savings of \$688 per driver each year—due to drivers no longer completing and submitting logbooks. Therefore, FMCSA continues to believe that a mandate for electronic logging devices, potentially including smart phones with an hours-of-service application, would be cost-beneficial.

The Agency is currently preparing a supplemental NPRM that will re-examine the estimated costs and benefits (both paperwork savings and safety) associated with an electronic logging device mandate for carriers using handwritten records of duty status (RODS), and all of the MAP-21 requirements concerning this rulemaking.

QUESTION SUBMITTED BY SENATOR FRANK R. LAUTENBERG

Question. The Obama administration has yet to release a comprehensive National Rail Plan as required by my 2008 Amtrak law. This Amtrak law required the Department of Transportation (DOT) to develop a National Rail Plan in order to ensure that the administration was focused on the long-term needs of the intercity passenger rail system, and to make sure that Amtrak and States can successfully meet the public's increasing demand for passenger rail. The Plan should also ensure a cohesive, efficient, and optimized rail system for the movement of goods and people.

Yesterday, the Senate passed the surface transportation reauthorization, which further detailed the need for this Plan and clarified steps that the Department of Transportation should take to complete it. Additionally, the DOT Inspector General's office recently released a report and noted that DOT does not have an expected completion date for the entire plan.

When will we see a final National Rail Plan from DOT?

Answer. The Federal Railroad Administration (FRA) published a Preliminary National Rail Plan (NRP) in October 2009 following the direction of Congress, and a subsequent update of the NRP was made in the September 2010 Progress Report. These documents—combined with the policies and funding levels described in the administration's fiscal year 2013 budget proposal and 6-year investment strategy—articulate the future of intercity passenger rail for America.

In October 2011, FRA submitted to Congress a Public Investment and Business Case for four major corridor programs that were funded through fiscal year 2010 appropriations (Los Angeles-San Francisco, Chicago-Detroit, Chicago-St Louis, and Chicago-Iowa City). Consistent with requirements established in the fiscal year 2010 appropriations, these documents summarized the need for these investments, quantitatively and qualitatively assessed benefits and costs, and reviewed implementation and operating plans.

Since fiscal year 2009, State and Federal rail planning has progressed significantly as well as their experience with new rail development. The need to revise and update the NRP will be incorporated as the program matures. FRA continues to undertake a number of interrelated planning and analysis efforts—all of which include substantial engagement with our State partners and other stakeholders—that will result in further iterations of the NRP and related documents.

QUESTIONS SUBMITTED BY SENATOR SUSAN M. COLLINS

Question. The continued delay in issuing the final Notice of Proposed Rule Making (NPRM) for part 145 repair stations has created a growing problem for industry and a continued frustration for security regulatory agencies. Recognizing that much of the remaining work is dependent on the Transportation Security Administration (TSA), can you provide a sense of when the final NPRM will be issued? What will be the process for new certifications once the final NPRM is issued?

Answer. The public comment period for TSA's Proposed Aircraft Repair Station Security Rule closed February 19, 2010. The rules are intended to improve the security of maintenance and repair work conducted on aircraft and aircraft components at domestic and foreign repair stations certificated by the Federal Aviation Administration (FAA) (14 CFR part 145), thereby reducing the likelihood of a terrorist attack on civil aviation via a certified repair station. The NPRM proposed that repair stations (both foreign and domestic) would be required to adopt and carry out a standard security program developed by TSA and comply with TSA-issued security directives.

According to the Federal Register (July 7, 2011), the proposed rules were then in the final rulemaking stage. No additional information is available at this time as to when a final rule will be published.

Absent a final rule, current law prohibits FAA from certificating new foreign repair stations.

Upon the publication of the final rule, FAA intends to prioritize applications using the agency's Certification Services Oversight Process (CSOP).

Question. The Government Accountability Office (GAO) issued a report in 2009 with 47 recommendations addressing internal control weaknesses at the U.S. Merchant Marine Academy (USMMA). What progress has the U.S. Maritime Administration (MARAD) made in addressing GAO's recommendations to improve the Academy's internal controls?

Answer. GAO completed a follow-up audit of the USMMA, and issued report GAO-12-369, in July 2012. The report confirms closure of 32 recommendations, and acknowledged agency actions and progress addressing all of the recommendations. The report identified no new issues in the areas of concern identified in the 2009 audit report. GAO reports "the Academy and MARAD had made substantial progress in addressing weaknesses related to specific control activities by successfully implementing 32 of the 46 control deficiency-related recommendations identified in our 2009 report. For example, the corrective actions taken to improve controls were sufficient for us to conclude that all recommendations related to training vessel use, personal service acquisitions, accountability for Academy reserves, and NAFI camps and clinics using Academy facilities were successfully implemented." Additionally, the July 2012 GAO report identified one new recommendation for the USMMA concerning capital improvement management.

The report indicated a need for additional documentation or action for 14 remaining recommendations, and identified one recommendation as overarching, for examination after all other recommendations have been addressed and closed. In those areas where GAO subsequently determined that additional detail would need to be taken to fully address recommended actions, MARAD is working to complete the actions by December 31, 2012.

Question. While the FAA pursues new regulations overseeing the public and private use of unmanned aircraft, can you assure the modeling community that FAA will not promulgate new regulations for recreational use of model aircraft unless consistent with the language and intent of the Special Rule?

Answer. FAA can assure that any regulatory actions involving modelers will be consistent with the FAA Reauthorization and Modernization Act of 2012 regarding model aircraft.

Question. FMCSA's Compliance Safety Accountability (CSA) program counts crashes against motor carriers and truck drivers, including crashes they did not cause. For example, a wrong-way crash where a car is going the wrong direction on an interstate and runs into a truck could be counted against the truck by CSA. To better target those carriers and drivers accountable for crashes, I understand DOT is planning to screen accident reports for crashes that were unavoidable. I think that is extremely important; otherwise CSA, is unfairly labeling companies and their drivers guilty unless proven innocent. What is DOT's timetable for improving the CSA crash data and fully implementing a Crash Accountability program? Will you commit to making this change a priority?

Answer. The Federal Motor Carrier Safety Administration (FMCSA) agrees that better understanding a carrier's role in a crash is important. After discussions with stakeholders and taking an initial look at the use of police accident reports (PARs), FMCSA concluded that more work was necessary to develop a program that is fair, uniform and administratively feasible.

On July 23, 2012, FMCSA began conducting a study to research the safety benefits of adjusting crash weights in the Agency's Safety Measurement System (SMS) based on the carrier's role in the crash (i.e., preventability). FMCSA is considering modifying the Crash Indicator to weight crashes not only based on severity and timeliness but also on the role of the motor carrier in the crash. FMCSA designed the SMS to be continually improved as better data, information, and analysis become available. This research study is expected to conclude in the summer of 2013. Upon completion of the research study, FMCSA will publicize the results and announce next steps. FMCSA's Crash Weighting Research Plan can be found at http://csa.fmcsa.dot.gov/Documents/CrashWeightingResearchPlan_7-2012.pdf.

SMS is the Agency's system for identifying high-risk carriers, and it scores any carrier that meets our data sufficiency requirements. Currently, SMS uses all crashes within the Crash Indicator regardless of the role of the motor carrier in those crashes. This safety measurement area has proven to be one of the better predictors of future crash risk, irrespective of the cause of the crash. Recent analysis has demonstrated that SMS is an effective tool in identifying those carriers most likely to have crashes. FMCSA's data system identifies 525,000 active motor carriers; 200,000 of those carriers have sufficient data to be assessed in at least one of our

SMS Behavior Analysis and Safety Improvement Categories (BASIC). These 200,000 carriers have been involved in 92 percent of crashes reported to FMCSA.

Question. I understand DOT's analysis of the recently published Hours of Service rule demonstrates the estimated safety benefits of the changes to the rule do not outweigh the costs. In this difficult economy, it is important the Federal Government adequately consider the costs of regulatory changes. I am concerned the elements of the final rule may violate this important cost-benefit principle. I understand the American Trucking Association recently filed a petition with the U.S. Circuit Court of Appeals for the District of Columbia asking the court to review the new rule. How does the administration plan to address stakeholder concerns like those raised in the ATA's court petition?

Answer. In 2010 alone, large truck crashes resulted in 3,675 fatalities. In these large truck crashes, fatigue is a leading factor. In 2009, large truck crashes cost nearly \$20 billion in societal costs, including medical, insurance, infrastructure damage, lost wages, and productivity. These far-reaching impacts on the economy and taxpayers point to the need for policies that reduce the causes of truck accidents, including driver fatigue, in order to prevent needless tragedies on our highways.

FMCSA's 2011 final rule concerning hours of service contains estimated costs of \$470 million per year, which are less than half the costs in FMCSA's preliminary plan published in the notice of proposed rulemaking, which were estimated to be \$1 billion. This new safety rule will result in many public safety benefits, as well as benefits due to improved driver health. The final rule provides \$280 million in annual economic benefits from reducing crashes and \$350 million in economic benefits from improved driver health, totaling \$630 million in benefits. Based on FMCSA's regulatory impact analysis, the economic benefits significantly exceed the \$470 million annual costs of the rule.

Question. FAA has recently undertaken successful service-based programs including the surveillance broadcast services (SBS) for nationwide ADS-B deployment. In these times when budget constraints are the norm not the exception, what is FAA's view of expanding its use of fee for service contracts like SBS in areas including communication, navigation, surveillance, and automation?

Answer. Automatic Dependent Surveillance-Broadcast (ADS-B) services are procured by the FAA in the same way that power and telecommunications services are secured. The FAA owns the surveillance and flight data transmitted and received between aircraft and the ATC ground stations, but does not own the actual hardware and other components necessary to provide the services.

The FAA will consider performance-based service contracts as a potential method of procuring communication, navigation, surveillance, automation, and other services. The FAA's Acquisition Management System encourages the use of this method of contracting. As with all procurements, however, the acquisition strategy will be evaluated to determine the most cost-effective approach and the approach most likely to result in the best value for the agency and taxpayer. Should another major procurement be done utilizing the service-based approach, the agency will utilize lessons learned from the ADS-B and other performance based service acquisitions.

CONCLUSION OF HEARINGS

Senator MURRAY. And with that, this subcommittee is recessed until further notice.

[Whereupon, at 10:14 a.m., Thursday, March 15, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]