

**STATEMENT OF
THE HONORABLE ANTHONY FOXX
SECRETARY OF TRANSPORTATION**

**BEFORE THE
APPROPRIATIONS SUBCOMMITTEE ON
TRANSPORTATION, HOUSING, AND URBAN DEVELOPMENT AND
RELATED AGENCIES
UNITED STATES SENATE**

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Introduction

Chairman Murray, Ranking Member Collins, and Members of the Subcommittee thank you for the opportunity to meet with you today to discuss the President's FY 2015 Budget request for the U.S. Department of Transportation. I know all of you share President Obama's and my commitment to ensuring our Nation's transportation networks continue to provide all American's with safe and reliable transportation service.

America's transportation infrastructure is a National asset we all share-- and it needs our attention. For many years our leaders have invested in providing, maintaining, and improving transportation networks to meet the needs of our citizens and businesses. It is because of these investments that we have reliable transportation today. But increasingly, our investments are not keeping pace with the needs. Today, we have 100,000 bridges in our country that are old enough for Medicare and a Highway Trust Fund that is running dry.

As we consider the state of transportation today, we have two important responsibilities we must address. First, we have to look forward to take charge of transportation decisions that impact our country's future. As America continues to grow, we need to ensure that transportation choices are poised to meet the new demands that result from expanding Regions and emerging cities. This is about so much more than just making travelling easier. It is about providing access to new job and educational opportunities that open new doors and provide a better quality of life for our citizens. It is about supporting a growing business network that helps keep local economies strong and provides consumers with expanded choices. It's about making our cities and communities places where we all want to be – with easy access to the day-to-day services we all need as well as providing for leisure and other enriching experiences that we all value.

At the same time, we need to acknowledge that in far too many cases, our current transportation systems have not been maintained to optimal standards and as a result, are not operating in a state of good repair. This neglect is costly and results in inefficiencies and inconvenience to travelers every day. Based on the Department's Conditions and

Performance Report, for Transit alone the maintenance backlog for transit systems in our country totals \$86 billion and that is growing by an additional \$2.5 billion each year. It is important to note that these aren't just Federal dollars, but, nonetheless, our metrics demonstrate a huge gap between needs and current investment levels.

The President's Surface Transportation Program Reauthorization Proposal

But it doesn't have to be this way. The President has laid out his vision for a four- year \$302 billion surface transportation reauthorization proposal to modernize the country's infrastructure, address our infrastructure deficit, and better connect people to their jobs, schools, and communities every day.

There are several key elements of this proposal that separate it from its predecessors that I would like to highlight today. First, the President's proposal recognizes that moving freight efficiently is critical to our economy and our transportation systems. The budget requests \$10 billion over four years in dedicated funding to invest in freight networks that will improve the movement of goods. These funds will be used to foster economic growth, advance the President's export initiative, and improve the efficiency and reliability of freight movement nationwide. We will reach out to our industry partners such as shippers, truck and rail representatives and associated labor organizations, to ensure that they will play a meaningful role in crafting investment decisions in partnership with State and local officials.

We recognize that improving project delivery and streamlining the Federal infrastructure permitting processes can yield tangible benefits for Americans while protecting communities and the environment. The President's surface transportation reauthorization plan will increase transparency and accountability while at the same time improving interagency coordination. To advance this effort, the proposal includes \$8 million to establish a new interagency permitting acceleration team to be administratively housed within the Office of the Secretary. This team will work towards the President's goal of reducing the current permitting processes time by half so that the benefits of new projects will bring can be realized more quickly.

This surface transportation reauthorization plan acknowledges the important role transportation plays in creating ladders of opportunity for our citizens by including \$2.2 billion over four years for a new Rapid Growth Area Transit program that will link people to job and educational opportunities in fast growing areas. In addition, \$120 million is requested over four years for a workforce development program that focuses on improving the size, diversity and skill of our Nation's construction workforce through partnerships with the Department of Labor and the States.

The President's surface transportation reauthorization plan also includes a new \$2 billion competitive grant program that will encourage innovative solutions to meet our most pressing transportation challenges. State and local partners will be evaluated on their willingness to commit to performance improvements in key areas such as safety and congestion management.

The President's vision includes a major emphasis on preserving and improving today's highway and transit systems. Known in the proposal as "Fix-it First", the reauthorization proposal encourages government and other transportation stakeholders to

make optimal use of system capacity; to implement sound asset management principles, and to focus on achieving and maintaining a state of good repair for transportation assets.

Together, these areas of emphasis will provide a strong foundation from which to manage our surface transportation programs over the next four years. We are hard at work completing the details of this plan, and will soon be proposing formal legislation for your consideration.

Funding Overview

Moving forward on these objectives will require funding increases in the Department's current surface transportation programs over the next four years. To accomplish this, a total of \$72 billion – with nearly \$18 billion in FY 2015 is requested for transit programs to focus on the transportation needs of growing suburbs and the deferred maintenance of transportation assets in our cities. The budget request also includes \$500 million for a new Rapid Growth Area Transit Program beginning in FY 2015 to help communities experiencing fast-growing populations meet new transportation demands.

Funding for Highway programs would increase to \$199 billion over four years with \$49 billion requested for FY 2015. Included within this total is funding for a new Freight Program and for highway-specific “Fix-it-First” initiatives to focus investments on the critical safety and capital needs of our existing bridges and roadways. In addition, more than a billion is provided to support construction and repair of significant transportation infrastructure assets on Federal and Tribal lands. The President's FY 2015 request continues the progress achieved to date on alternative financing approaches by providing \$1 billion to the Transportation Infrastructure Finance and Innovation Act Program.

The President's proposal includes funding for rail within the surface transportation reauthorization framework and requests \$19 billion over four years to fund rail programs. For FY 2015, \$5 billion is requested to establish a National High-Performance Rail System to support current operations and to improve the rail system of the future. This bulk of this funding would be divided into two programs—one focused on current passenger rail service initiatives and the other specifically focused on service improvements.

The President's proposal continues the Department's commitment to safety by requesting nearly \$7 billion for highway safety modes over four years. For FY 2015, \$669 million is requested to support Federal Motor Carrier Safety Administration initiatives to ensure the safe operation of trucks and buses. Another \$851 million will support the ongoing efforts of the National Highway Traffic Safety Administration to focus on emerging issues with vehicle safety and to address new challenges posed by new technologies.

Finally, the President's surface transportation reauthorization proposal includes \$5 billion over four years to fund the competitive TIGER grant program. TIGER grants provide funding for infrastructure projects of national and regional significance and have been an effective infrastructure improvement mechanism for the past five years. The FY 2015 Budget requests \$1.25 billion to continue the TIGER grants program.

Paying for the Proposal

In developing the President's surface transportation reauthorization proposal, we are mindful of the important funding commitment this will require. That is why the President has devoted \$150 billion from transition revenue generated from pro-growth tax reform to supplement current revenues from the gas tax. When combined, these resources will help finance long-term, critical investments in our Nation's infrastructure. This proposal provides sufficient funds to ensure the solvency of the Trust Fund during the proposed reauthorization period, to prevent the cash shortfall that is projected to occur later this year. An additional \$87 billion will fund new investments in the surface transportation reauthorization.

Other Departmental Program Highlights

While much of this discussion has focused on surface transportation needs, the President's FY 2015 budget request also funds important resource needs for our other critical Transportation programs.

The President requests \$15.4 billion in FY 2015 to continue the Federal Aviation Administration's management of the National Airspace System. This request supports FAA's current programs in the areas of air traffic controller and safety staffing, research and development and capital investment. It also advances the modernization of our air traffic system through "NextGen" – the Next Generation Air Transportation System, which encompasses the deployment of new systems, technologies, and procedures that will help reduce delays, expand air traffic system capacity, and mitigate aviation's impact on the environment, while ensuring the highest levels of safety. The President's plan includes nearly \$1 billion in NextGen related initiatives.

The President's budget request also acknowledges our responsibilities to ensure the safe transportation of energy products as they travel by rail or truck through our communities. Recognizing that effective solutions to these transportation concerns require a multimodal focus, the budget also requests \$40 million to support the establishment of a new Safe Transportation of Oil Fund to support multimodal prevention and response activities associated with the increased safety issues surrounding the transport of crude oil. This fund would be housed in the Office of the Secretary and would be available to support initiatives in the Pipeline and Hazardous Materials Safety Administration, the Federal Railroad Administration, and the Federal Motor Carrier Safety Administration.

Thank you again for the opportunity to share the President's budget plan for transportation with you today. I look forward to working with all of you.