

# **House Transportation and Infrastructure Committee Holds Hearing on Infrastructure Investment**

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## **Body**

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House Transportation And Infrastructure Committee Holds Hearing On Investing In Infrastructure

February 06, 2019 09:30 A.M.

SPEAKERS:

REP. PETER A. DEFAZIO (D-ORE.), CHAIRMAN

DEL. ELEANOR HOLMES NORTON (D-D.C.)

REP. EDDIE BERNICE JOHNSON (D-TEXAS)

REP. ELIJAH E. CUMMINGS (D-MD.)

REP. RICK LARSEN (D-WASH.)

REP. GRACE F. NAPOLITANO (D-CALIF.)

REP. DANIEL LIPINSKI (D-ILL.)

REP. STEVE COHEN (D-TENN.)

REP. ALBIO SIRES (D-N.J.)

REP. JOHN GARAMENDI (D-CALIF.)

REP. HENRY C. JOHNSON JR, (D-GA.)

REP. ANDRE CARSON (D-IND.)

REP. DINA TITUS (D-NEV.)

REP. SEAN PATRICK MALONEY (D-N.Y.)

REP. JARED HUFFMAN (D-CALIF.)

REP. JULIA BROWNLEY (D-CALIF.)

REP. FREDERICA S. WILSON (D-FLA.)

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REP. DONALD M. PAYNE JR. (D-N.J.)

REP. ALAN LOWENTHAL (D-CALIF.)

REP. MARK DESAULNIER (D-CALIF.)

DEL. STACEY PLASKETT (D-V.I.)

REP. STEPHEN F. LYNCH (D-MASS.)

REP. SALUD CARBAJAL (D-CALIF.)

REP. ANTHONY G. BROWN (D-MD.)

REP. ADRIANO ESPAILLAT (D-N.Y.)

REP. TOM MALINOWSKI (D-N.J.)

REP. GREG STANTON (D-ARIZ.)

REP. DEBBIE MUCARSEL-POWELL (D-FLA.)

REP. LIZZIE FLETCHER (D-TEXAS)

REP. COLIN ALLRED (D-TEXAS)

REP. SHARICE DAVIDS (D-KAN.)

REP. ABBY FINKENAUER (D-IOWA)

REP. JESUS GARCIA (D-ILL.)

REP. ANTONIO DELGADO (D-N.Y.)

REP. CHRIS PAPPAS (D-N.H.)

REP. ANGIE CRAIG (D-MINN.)

REP. HARLEY ROUDA (D-CALIF.)

REP. SAM GRAVES (R-MO.), RANKING MEMBER

REP. DON YOUNG (R-ALASKA)

REP. RICK CRAWFORD (R-ARK.)

REP. BOB GIBBS (R-OHIO)

REP. DANIEL WEBSTER (R-FLA.)

REP. THOMAS MASSIE (R-KY.)

REP. MARK MEADOWS (R-N.C.)

REP. SCOTT PERRY (R-PA.)

REP. RODNEY DAVIS (R-ILL.)

REP. ROB WOODALL (R-GA.)

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REP. BRIAN BABIN (R-TEXAS)

REP. GARRET GRAVES (R-LA.)

REP. DAVID ROUZER (R-N.C.)

REP. MIKE BOST (R-ILL.)

REP. RANDY WEBER (R-TEXAS)

REP. DOUG LAMALFA (R-CALIF.)

REP. BRUCE WESTERMAN (R-ARK.)

REP. LLOYD K. SMUCKER (R-PA.)

REP. PAUL MITCHELL (R-MICH.)

REP. JOHN KATKO (R-N.Y.)

REP. BRIAN MAST (R-FLA.)

REP. MIKE GALLAGHER (R-WIS.)

RES. CMMSR. JENNIFFER GONZALEZ-COLON (R-P.R.)

REP. ROSS SPANO (R-FLA.)

REP. PETE STAUBER (R-MINN.)

REP. CAROL MILLER (R-W.VA.)

REP. TROY BALDERSON (R-OHIO)

REP. GARY PALMER (R-ALA.)

REP. BRIAN FITZPATRICK (R-PA.)

REP. GREG PENCE (R-IND.)

[\*]SAM GRAVES: Thank you, Mr. Chair. I ask unanimous consent that the chairman be authorized to declare A recess during today's meeting.

DEFAZIO: Without objection, so ordered. Welcome.

And by the way, just for a moment of history, this was in the trust of Ward McCarragher, long time counsel with the committee, and it was a Jim Oberstar's gavel and I'm honored to be using it here today. So it's inspiring.

(APPLAUSE)

So welcome to the organization meeting for the Transportation and Infrastructure Committee for the 116th Congress. I want to begin by thanking most of my colleagues for being here today. We will have a lot to do and I can think of no better partner than Representative Sam Graves, our new ranking member--

(APPLAUSE)

--I know we can accomplish some good stuff together. Didn't wear your transportation tie today. I'm also looking forward to working with all of you, in the tradition of this committee on both sides of the aisle. We've gotten a--a lot

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of good things done in an otherwise somewhat gridlocked Congress and I intend to condition--continue that tradition with all of you. It's the way all of Congress should work. I only wish that it did.

So today we're meeting to introduce new members of the committee, adopt rules, appoint subcommittee chairs and ranking members, and appoint members to the subcommittee

First, I will welcome new members to the committee. This Congress has set records in terms of diversity, background, education, skills. With members, I got permission to expand the committee by six, three members on each side, so we can better capitalize on that diversity and expertise. New Democratic members, there's some that are not new to the Congress, but are joining the committee for the first time.

Representative Steve Lynch, Massachusetts, 17 years in Congress. He joins us now as the sole representative of Massachusetts and Steve has been a champion of working Americans, workers rights, and American families.

Representative Salud Carbajal, from California. Representative Carbajal joins the committee from California. I'm proud to announce he will be our committee's new vice chair for this Congress. He served as the Santa Barbara County supervisor. I was a county commissioner also, great way to get here and train. And as a board member for the National Association of Counties.

Rep. Anthony Brown--and I can't see where but he is, but I know you're out there. I saw you earlier. There you go. - joins us from Maryland, not too far from where we sit today. As lieutenant governor, he helped pass more than \$4 billion in new infrastructure investments in the state. And he's going to help us with our colleagues on Ways and Means, extracting the money we need for these programs.

Rep. Adriano Espaillat, he's the committee's only representative from New York City. The first Dominican-American in Congress and the first formerly--I didn't know this, undocumented immigrant to be elected to Congress. Well, welcome Adriano.

The freshman Democratic members who will be joining our committee our Rep. Tom Malinowski, New Jersey. Prior to running he served as a senior director of President Clinton's National Security Council, assistant secretary of State for Democracy, Human Rights and Labor, under President Obama.

Rep. Greg Stanton of Arizona. Rep. Stanton joins us from Arizona served as mayor of Phoenix for 6 years. He successfully led a bipartisan voter approved plan to triple Phoenix light rail system, expand bus service, and improve thousands of miles of roadways. And he did raise those taxes while he was up for reelection, which should inspire some here who are concerned about revenues.

Rep. Debbie Mucarsel-Powell. She is from South Florida. Passionate about restoring the Everglades. Working for properly maintained water infrastructure. And her district, like many, would benefit from an increased connectivity, improved highways, and I know there's one area where we need to restore water flow. I've visited that issue, that problem before.

Rep. Lizzie Fletcher from Texas joins us from the greater Houston area. Prior to election she represented Houstonians in the courtroom as a lawyer on a wide range of matters. We welcome her expertise.

Rep. Colin Allred, also from Texas. Civil rights attorney, former NFL linebacker. Allred also served at the U.S. Department of Housing and Urban Development.

Rep. Sharice Davids from Kansas. She's from the Kansas City metro area, transportation intermodal hub for freight rail and trucking. White House Fellow at the Department of Transportation under President Obama. Also spent time working on the Pine Ridge Reservation, bringing infrastructure to places where there was none. We have a long neglected Indian country in--in our service bills and I think that Sharice will be sure that we don't in this one.

Rep. Abby Finkenauer, Iowa, joins us from Northeast Iowa. Before coming to Congress she served in the Iowa Legislature, where she served on the Transportation Committee.

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Rep. Jesus Chuy Garcia from Illinois. He, before he ran for Congress, he served on the Cook County Board of Commissioners.

Rep. Antonio Delgado of New York. He has--has the eighth most rural district in the nation, if you can believe there's still places like that in New York. Before running for Congress, Rep. Delgado had a career in the music industry as well as working as an attorney.

Rep. Chris Pappas, New Hampshire. Rep. Pappas joins from New Hampshire where is an executive councilor, led efforts to update New Hampshire's 10-year transportation plan. Familiar with the importance of transportation to local, state, and now federal levels. And his experiences will be important to our committee.

Rep. Angie Craig from Minnesota. She believes in investing in transportation as a critical part of keeping the economy competitive and putting people back to work and keeping Americans safe.

And finally, a Rep. Harley Rouda from California, Southern California. He believes in using infrastructure policy to combat, I think that probably means climate change. My notes a policy change, but who knows.

Welcome to our new members of the committee. Welcome to you all. And welcome to our returning members. And I--I want to note at this point, we are going to have a stakeholder reception tonight and all members are invited starting at 5:00. Sam and I are hosting that and look forward to be--you all be in there and meeting with some of the people in the industries that you'll be working with.

And with that, I recognize up Sam Graves, the ranking member, for a statement.

SAM GRAVES: Thank you, Mr. Chairman. And I want to congratulate you again, on being selected chair of the committee.

DEFAZIO: Thanks.

SAM GRAVES: I look forward to working with all the members, and with the chairman, on both sides of the aisle.

You know, infrastructure can bring us together like few other issues really can. It's why this committee has a longstanding tradition, as has been mentioned by the chairman, a longstanding tradition of bipartisanship, which is a tradition that produces results. It's also why I have continued to serve on the TNI committee since I first came to--to Congress and that's why I'm proud to serve as the committee's Republican leader.

We've passed some very good bipartisan legislation but we all know we have a lot of work to do to improve our roads, bridges, airports, inland waterways, our ports, transit systems, and the nation's rail system, disaster programs, and many, many more things.

It's pretty rare that the stars align like this on any issue in Washington but the president indicated in his State of the Union Address that he wants to get something done for our nation's infrastructure. Republicans and Democrats in Congress want to get something done, and the American people want us to get something done. I hope we can take advantage of this opportunity because we can't afford to let our efforts get stuck in idle. But I'm confident we can get this job done.

Moving on with today's business, I do want to welcome all the new members to the committee and we'll go through real quick. Our new Republican members, as was mentioned, we had members added. We ended up with eight new members on the Republican side, four incumbents, four that are freshmen.

First is congressman Gary Palmer, from Central Alabama's 6th District. Before coming for Congress--to Congress he ran the Alabama Policy Institute and helped establish a national network of state-based think tanks.

Next is Congressman Brian Fitzpatrick, who joins us from Pennsylvania's 1st District. His district includes many transportation assets that are vital to the Northeast Corridor, one of the most populated and complex economic regions of the entire nation.

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Also joining the committee is Congresswoman Jenniffer Gonzalez-Colon. She's the resident commissioner from Puerto Rico. As we know, the island and its 3.1 million Americans she represents are still recovering from devastating hurricanes Irma and Maria, and continue to face a variety of infrastructure issues. Congresswoman Gonzalez-Colon, I know you're going to continue to work hard on behalf of the constituents in the rest of the country and I look forward to working with you.

Next we have Congressman Troy Balderson, who joins us from the committee from Ohio's 12th District. His district includes parts of Columbus, which won the 2016 Smart City Challenge and provides a great model for incorporating technology into our emerging infrastructure.

Congressman Ross Spano joins us from--representing Florida's 15th District. As a small business owner with a law practice in Hillsborough County he advocated for individuals with small businesses and it continues to be the same after his election to the Florida House of Representatives. Florida always has a unique set of infrastructure challenges, and I look forward to working with you on those issues, congressman.

Next, we have Congressman Pete Stauber from Minnesota's 8th District. His district has strong ties to the Transportation and Infrastructure Committee, most notably as a--former Chairman Jim Oberstar. Congressman Stauber, given your experience at the local level as county commissioner, commissioner of the Duluth Seaway Port Authority Board, and the area commander with the Duluth Police Department, I know you bring a lot of experience to the--to the table.

Next, is Congresswoman Carol Miller from the 3rd District of West Virginia. She's a bison farmer and a small business owner. She also serves--served in the West Virginia House of Delegates. Congresswoman Miller, I have--I have a very strong opinion that we can't have enough farmers and business people on the Transportation and Infrastructure and I know you're going to prove a valuable asset to the--to the committee.

And finally, Congressman Mike--or Greg Pence, representing the 6th District of Indiana. He comes to us with an impressive background that included services in Marine--or as an officer in the Marine Corps and a career as a small businessman. Congressman Pence, thank you for your service to our country and I look forward to--to working with you to find solutions to the infrastructure challenges in your district and throughout the United States.

We have a lot of interest, a lot of interest on our side in joining the committee and I believe we've got an outstanding group of new and returning members on both sides of the aisle who understand just how important infrastructure is to the economy and to all our constituents. So with that, Mr. Chairman, I'll yield back.

DEFAZIO: Thank you, Sam.

Okay. First order of business committee's considerations adoption of the rules of the Committee on Transportation and Infrastructure for the 116th Congress. A copy of the proposed rules in your binder together with a summary of the proposed changes of the rules from the 115th Congress. The rules are very similar to the rules that have been in place in previous Congress's, however, the committee rules have been revised to include technical and conforming changes to meet the House rules adopted this past January, such as a requirement for a member day hearing and changing the notice requirement for committee markups to three calendar days unless they House is in session on Saturdays, Sundays, or legal holidays. And an adjustment to the ratio for the Subcommittee on Highways and Transit.

We were able to coordinate these changes with Mr. Graves and I worked closely with the staff. I recognize Representative Graves restatement on proposed rules.

SAM GRAVES: Thank you, Chairman DeFazio. I'm pleased to support the committee's rule package. The rules are relatively unchanged from the last Congress, with only a few more minor adjustments to comply with the revisions and the House rules for this Congress.

As we get underway, I truly appreciate your leadership and the bipartisan nature in which these rules are grafted. Moving forward, these rules are going to allow the committee to work together to accomplish the mutual goal of

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transforming transportation and infrastructure in a bipartisan manner. And I would urge all of my colleagues to support the--the passage of the rules. And with that, I yield back.

DEFAZIO: I thank the gentlemen.

Any further discussion on the rules? If not, I recognize Representative Graves for a motion.

SAM GRAVES: I move the rules of the Committee on Transportation and Infrastructure now before us be approved and adopted as the rules of the committee for the 116th Congress.

DEFAZIO: The question is on the motion. All those in favor signify by saying aye.

MEMBERS: Aye.

SAM GRAVES: Those opposed signify by saying nay. In the opinion of the chair or the ayes have it. The motion is agreed to.

Pursuant to House rules, the rules of the Committee on Transportation and Infrastructure for the 116th Congress will be printed and made available to all members of the committee and the public on the committee's website.

Now, we will approve the subcommittee chairs and ranking members. Your binders include rosters for the full committee and each subcommittee listing the chairs and ranking members. As mentioned earlier, the full committee vice chair will be Rep. Salud Carbajal, from California. The subcommittee chairs are, Aviation Rep Rick Larson, Washington, the Coast Guard Maritime and Transportation. Rep. Sean Patrick Maloney, New York, Economic Development Public Buildings and Emergency Management. Rep. Dina Titus, Nevada, Highways and Transit. Rep. Eleanor Holmes Norton, Washington DC, Railroads, Pipelines and Hazardous Materials. Rep. Daniel Lipinski, Illinois, Water Resources and Environment. Rep. Grace F. Napolitano, California.

I recognize Mr. Graves to introduce the subcommittee ranking members.

SAM GRAVES: Thank you, Chairman DeFazio.

We have new Republican leaders on each of our subcommittees for this Congress. I'll introduce Garret Graves, from Louisiana, who's been selected as the ranking member for the Subcommittee on Aviation.

Next, we're going to have Congressman Bob Gibbs of Ohio, who's going to be the ranking member of the Subcommittee on Coast Guard and Marine Transportation.

Next is Congressman Mark Meadows of North Carolina. He's going to be the ranking member on Subcommittee on Economic Development, Public Buildings, Emergency Management.

Next, Congressman Rodney Davis of Illinois, to serve as ranking member of the Subcommittee on Highways and Transit.

Next is Congressman Rick Crawford of Arkansas, who's been named the ranking member on the Subcommittee on Railroads, Pipelines, Hazardous Materials.

And finally, Congressman Bruce Westerman of Arkansas, who's going to serve as the ranking member on the Subcommittee on Water Resources and Environment.

DEFAZIO: I recognize Mr. Graves for a motion.

SAM GRAVES: I move that Subcommittee Chairman and Ranking Members, as set forth in the roster, be approved.

DEFAZIO: I question on the motion. All those in favor signify by saying aye.

MEMBERS: Aye.

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DEFAZIO: All those posed by saying, nay. Nay. The ayes have it. The motion's agreed to.

Congratulations to all ranking members and all subcommittee chairs. And to my vice chair, it's a great, talented team and I know we're going to get a lot done.

Our final order of business is to approve the subcommittee assignments. A copy of each subcommittee's roster has been included in your binders. I recognize Mr. Graves for a statement.

SAM GRAVES: Thank you, Chairman DeFazio, again, for working with us to determine the subcommittee ratios.

Every Subcommittee on Transportation and Infrastructure can have a direct impact on our communities, job creation, and the people that sent us here to make our--make their lives better. For that reason, it can be difficult for members to limit the number of subcommittees they want to serve on. So I want to thank the subcommittee Ranking Members, who all agreed to serve on only two subcommittees in order to allow for the opportunities--allow for opportunities for the rest of our members.

Because of their willingness to work with me, I'm happy to say that we managed to get every Republican member their top two choices for subcommittee assignments. And having said that, Mr. Chairman, I'd recommend their approval of the subcommittee rosters.

DEFAZIO: I would take that as a motion. I move the subcommittee assignments as set forth in the roster be approved. Questions on the motion? All those in favor signify by saying aye.

MEMBERS: Aye.

DEFAZIO: Nays. Okay. The ayes have it, 3 to 2.

Pursuant to Rule five, the rules the Committee on Transportation and Infrastructure, the chair notes the presence of a quorum for actions taken on all committee business today. With that, the Committee on Transportation and Infrastructure has completed its organizational meeting.

Now, finally, we will move on to substance. Please stay in your seats, so to speak. Oh, wait a minute. I have to recognize Rep.--I hate scripts--Rep. Carbajal, for a unanimous consent request.

CARBAJAL: Thank you, Mr. Chair. I ask unanimous consent to authorize the chairman to declare recess during today's meeting.

DEFAZIO: Okay.

The committee will come to order and we will begin--we will begin the hearing momentarily, as soon as we do this, and we do this, and we do this.

Okay, that's enough. That is--that's the alarm sounding. Don't--it's not an evacuation drill. That is the alarm sounding for America's infrastructure.

(LAUGHTER)

So today we're holding the--the first hearing, and you know, we're starting off by, I think, really, having a four-alarm situation in front of us. For years we've held hearings on, you know, why it's important. We've had a lot of expert witnesses that come in and talk about the deterioration documented year, after year, after year.

And, you know, we--we now have run up a bill that the investment gap over the next 10 years, according to the American Society of Civil Engineers, is \$2 trillion, T, trillion dollars. The surface gap alone is over \$1 trillion, water port related infrastructure \$249 billion. The--for airports, ALICI estimates over the next five years they'll require an investment of \$100 billion or in \$20 billion a year.



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But highlighting these needs has not spurred, you know, action by Congress. So, you know, I'm going to focus on the cost of inaction. It has incredibly serious consequences that far, far exceed the costs were we to belly up and suck it up a little bit and put up the money we need and put in place the policies we need to bring things up to a state of good repair and begin to build out a 21st century infrastructure. The more we defer, the more it costs.

You know, a Cornell University study says if we--if we see maintenance that's needed today on a bridge, if we defer it, it costs an extra \$4 or \$5, 4 to 5 years down the road, five times the cost. So a prudent--you know, people a lot talk about, "Let's run the government like a business." Well, I don't think businesses would run things to the point of failure and increase the cost so dramatically, nor should we.

You know, if you look around the country, there are critical projects like the Brent Spence Bridge between Ohio and Kentucky, every year we delay that project, but the tag, which is about \$2.6 billion, it's a big and critical project, goes up about \$100 million a year.

The--if the tunnels under the Hudson River were to fail, and they came close to failure during Hurricane Sandy, they are tremendously deteriorated, we're going to take a committee trip up there, Amtrak has a neat little glass car we can go through the tunnel and you can actually see it. I mean, you might want to wear your life jacket, but it's a--it's a mess, and if those tunnels would fail it will cost the economy of the United States of America \$100 million a day, by conservative estimates. That's \$36, \$37 billion a year if we let that go to failure. It costs \$11 billion, that's a lot of money, but probably on an emergency basis would take us five years to build a tunnel. So just you know, multiply 5 times 37, you're up to \$180 billion. So why aren't we making these investments? We have to make them.

You know, the Business Roundtable says inadequate infrastructure costs U.S. businesses \$27 billion per year in extra transportation costs. The estimates are we will lose \$4 trillion in GDP between 2016 and 2025 without upgrading our infrastructure, families lose \$3,400 a year, according to the American Society of Civil Engineers. You know, we are wasting \$3.1 billion gallons of fuel wasted idling in congestion because we have a system that is congested, inadequate and stupid. It doesn't incorporate smart, new and 21st century technology.

You know, the U.S. Travel Association says that soon the traffic volumes we've seen on Labor Day, think of some of your great family vacations on Labor Day, I've had some of those and you're sitting there and the kids in the backseat aren't too happy. That will become a daily occurrence for 60 percent of Americans within 10 years if we fail to act.

Congestion is affecting air travel. U.S. airports have more than \$10 billion in unmet infrastructure needs. All of you here and all of you in the audience have had the experience of the pilot saying, "Great news, we're here early. Bad news, we're waiting for a gate," or, "We're here on time, but we've got to wait for a gate." Airports, you know, many airports and we will hear from this in further hearings, are bonded out. We haven't allowed an increase in the passenger facility charge in 20 years. It's time to act there.

And then, of course, you know, the federal investment overall in infrastructure has declined steadily over 15 years, gas and diesel taxes have been stagnant since to since 1993. I was going to say 2003. You know, which is--means that they have about 40 percent of the buying power they had back then, maybe less. A lot of states and localities have--have bellied up to the bar to attempt to--oh, this is nice. They've given me a little--little--bye-bye, whoever it was. Transportation plans. Yeah, okay. Yeah, there you go. Thank you. Thank you, Steve.

So anyway, they've done it. And I just want everybody to know there have been no political consequences. No one has lost their election in an all red state when they raised the gas tax. In fact, the only two senators in New Jersey to lose were Republicans that voted against the gas tax increase, probably coincidental, but they were the only two who lost.

And, you know, Minority Leader McCarthy put a referendum on the ballot in California to repeal their gas tax. It was going to be a great strategy, and it backfired and Californians overwhelmingly rejected it. There is not a danger in increasing the user fee for the first time in 26 years. If anyone's got a better alternative, let me know.

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But we have to make these investments. The federal government has to become a better partner. You can't have a coordinated national system in the 21st century and say the states are going to do it, as was proposed in DJ Gribbin Plan for President Trump last year. We cannot devolve the duty to have a modern 21st century resilient transportation system to compete in the world economy and move people in goods more effectively on a state by state basis. We have to be there with them and coordinate it and invest in it.

So, you know, there's incredible innovation out there. We will get into this and future hearings. Every subcommittee will hold a hearing looking at climate change, resilience, their mode of transportation, and what we can do to make it less fossil fuel dependent. What can we apply to the existing system now to mitigate congestion?

I had a company in my office the other week who has invented smart traffic lights. Guess what? So you won't be sitting there cursing at the red light while no one's going the other way for two minutes. How much would that help with congestion and mobility?

As we rebuild the Eisenhower legacy system, we've got to build it to accommodate the coming of autonomous vehicles and/or driver assisted vehicles. I think we--we should also build it to accommodate an electric backbone because I think the future service transportation is, for both passenger and freight, is going to be in electric. I've seen the Tesla Truck, it's phenomenal. We need better batteries, you know, and--but this is something that's coming. So we have to be able to try and anticipate those things.

We don't get to generate the revenues on this committee for Ways and Means but we have to make the case in a way that it's irrefutable to all our colleagues and the American people that if we don't make these investments we're going to pay a heck of a lot more down the road. That's it. Bottom line. With that, I yield back the balance my time and I would deal to the ranking member.

SAM GRAVES: Thank you, Chairman DeFazio. I want to reiterate that I'm looking forward to working with you and all the members of the committee to provide America with the modern infrastructure needs in our growing economy.

In recent years our two sides have worked closely to pass important legislation which included the FAST Act, FAA reauthorization, and Disaster Program Reform Law, multiple WRDA and Coast Guard laws, pipeline safety, passenger rail laws, and many more things. I'm optimistic that we can carry on that--that tradition. A revolt--a results driven tradition of our committee to develop an infrastructure package, a Surface Transportation Reauthorization, the next WRDA and other--other bills. And you and I have already had good conversations about working together.

It's extremely encouraging that after Tuesday State of the Union Address we know infrastructure is a priority of the president's. Republicans and Democrats in both the House and Senate want to get something done and the president's leadership and eagerness for bipartisanship on this effort gives us a green light to move forward. And I have to stress that we can't waste this opportunity.

Today, hearing on our infrastructure investment is very good place to start. Before we get underway, I want to raise a few key points. First of all, we can't address our long-term funding issues without finally fixing the Highway Trust Fund. We've kicked this can down the road so many times already that pretty soon we're going to kick it right off the map. Congress is going to consider a number of options to address the problem. I believe the only viable future lies in a transition to VMT or Vehicle Miles Traveled. I see this is the best way to ensure that everyone contributes, everyone, contributes to the trust fund and helps maintain and improve our Surface Transportation System. VMT is already being applied at the state level and it's time to pursue this solution nationally.

And I want to point out that we're not talking about the government tracking our every move. Protecting Americans privacy is critical and we can--we can do a VMT program without intruding upon people's privacy.

Another key to investing in our infrastructure for the long-term is continuing to look for ways to carry out projects more efficiently. Time is money and so any delay in a project delivery process consumes valuable and limited resources that could be used for other potential improvements. Streamlining process delivery while continuing to protect the environment is a priority for the administration and it's going to continue to be a priority for me.

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And finally, I want to stress that America will never have the infrastructure system it needs and deserves if we don't do a better job of incorporating technology. Compared to other countries, our infrastructure's falling behind and in some cases it's simply falling apart. Technology is rapidly developing but our infrastructure doesn't always reflect many of those advancements--and that has to change. There's a tremendous potential for technology to make our infrastructure safer, and less costly, to reduce congestion, improve the efficiency of the entire network, and even alleviate the growing demands of the--of our infrastructure.

In this address on Tuesday--in his address on Tuesday, I was happy to hear the president recognize the necessity for technology to be a part of our long-term infrastructure solution. However, as we look to integrate technology safety has to remain the top priority and as we know, an accident or setback opens the door for the Federal Government to come in and with the heavy hand of regulation, potentially stifling all of those innovations that--that we talk about. We have to strike the right balance between private sector ingenuity and safety regulation.

Fundamentally, we can't overlook the importance of technology in the context of an infrastructure package or any other legislation, for that matter. I agree with Chairman DeFazio that we can't afford to do nothing. But we also can't afford to miss this opportunity to unleash innovation in a way that can slingshot our infrastructure and our economy into the future.

We have a number of witnesses here today, and they represent the traditional infrastructure stakeholder community and I'm interested to hear all of their viewpoints. I have one request as we start this discussion, let's not be shortsighted in the solutions that--that we propose. With any legislation that comes out of Congress, whether it's an infrastructure package, a surface transportation reauthorization, or other bills, we just can't think of it as business as usual.

Some of our federal infrastructure programs do work very well but in others we've clearly falling behind and it's time to be transformative in our approach because the future of the infrastructure simply depends on it. With that, I would yield back and look forward to hearing from our witnesses.

DEFAZIO: I thank the gentleman for your statement. I'd now like to welcome the witnesses, first panel. The Honorable Tim Waltz, governor, State of Minnesota, on behalf of the National Governors Association, also a former esteemed colleague.

The Honorable--Yeah, let's give Tim a hand.

(APPLAUSE)

Congratulations, Tim.

The Honorable Eric Garcetti, mayor, City of Los Angeles.

On behalf of the United States Conference of Mayors, the Honorable Ray LaHood, co-chair Building America's Future, former secretary of the United States Department of Transportation.

Thanks to you all for being here today. Look forward to your testimony. Without objection, your full statements will be on the record. But before we hear from the witnesses, I represent--I recognize Rep. Craig to introduce her fellow Minnesotan, Governor Walz.

CRAIG: Thank you, Mr. Chairman. I am so honored to be given the privilege today to introduce the first member of our panel. First of all, my friend, former congressman and new Minnesota Governor, Tim Walz.

Not too long ago, Governor Walz was right here looking out for the transportation needs of his expansive 1st Congressional District, and also a congressional district that is pretty rural. The work he did here in Congress to replace the Winona I-90 Interstate Bridge is a perfect example of why we are so proud of him and why I think he is an ideal panelist for today. You know, the mayor of Winona said that, "That work set an example of how government can work collaboratively to get things done and the importance of investing in infrastructure."

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Governor Walz, thank you so much for taking the time to come to Washington to share your priorities and testify before this committee. I look forward to hearing your testimony, working with you as well as my colleagues here today, on this important issue. Thank you, Governor Walz.

DEFAZIO: And with that we would now have Rep. Napolitano introduce Mayor Garcetti.

NAPOLITANO: Thank you, Mr. Chairman, and welcome to our House, mayor. Mr. Chairman, I am very honored to introduce my old friend, Mayor Garcetti, of the great City of Los Angeles and also happens to be the son of my old friend Gil Garcetti.

Mayor Garcetti has been a forward-looking mayor and great champion in infrastructure, not only for his city but for the Greater Los Angeles County and for Southern California, in transportation, having supported Measure M, Measure R, and doing a great job of it. So we were able to successfully pass it.

He has also led efforts to pass major infrastructure in transportation and initiatives in Los Angeles County, invested billions of dollars in modernization of the Los Angeles Airport with the new terminals - Thank you. They're very nice - and Surface Transportation improvements, and support the returning of Ontario Airport to local control and has improved operations at one of the most productive ports at the Port of Los Angeles, which by the way, provides multimodal freight benefits for the entire country.

Mayor Garcetti, welcome. Thank you for being here and thank you for all you do for our area and look forward to testimony. Thank you, Mr. Chair.

DEFAZIO: Thank you, representative.

With--as I said earlier, without objection stat-- their full statements are in the record, your written statements are part of the record. I've actually read them, I assume some other members have, too. So if can summarize your most cogent and interesting points in five minutes and get everybody's attention, that'd be great.

I have a question about what this is, this is a failed--everybody's got this handout. This was in Mayor Garcetti's testimony, unfortunately, the AV system here is not working. We'll see if they can fix that before the next hearing. So that answers that question. And with that, I believe that Governor Walz is the first witness.

WALZ: Well, thank you, Chairman DeFazio, and Ranking Member Graves, and all the members of this great committee. Congresswoman Craig, thank you for the kind introduction.

As many of you know, I've served on this committee for--for a number of years but today I'm here as a representative of the National Governors Association. This nation's 50 states and 5 territories, the governors have made infrastructure their top priority. On February 23rd, all of those governors will gather here in DC for a roundtable focusing on infrastructure. It's the foundation that the states are built on. Governors have taken action to enhance infrastructure, including creating new and increasing existing funding streams, addressing regulatory delays, improving transparency, and promoting innovation.

I'd like to highlight just a couple of things for you today. Governors understand that no single stream of revenue or approach to financing will address all the gaps. States need a comprehensive approach that allows for leveraging a variety of funding sources and the flexibility to match the right tool with each project. States succeed when there is certainty and stability in long-term federal resources, ensuring workforce and economic vitality. We need to fix and expand existing infrastructure, invest in resiliency for security and climate change.

We must build a robust multimodal system to fit our growing populations. We must attend the needs across our rural, urban, and suburban areas. Infrastructure encompasses more than roads and bridges, as you well know, it includes everything from seaports, and airports, to the upper Mississippi River locks and dams, biking trails, and in our state investments in electric vehicle charging networks. We have to see all these pieces fit together.

A few weeks cause and Hawick, Minnesota, that's on the Northwest Frontier of Minnesota. You might be familiar with it because it was near a place that reached minus 70 degrees last week and caught a lot of people's attention.

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That's not only hard on people, it's hard on infrastructure. But also there are resilient people doing great things that understand how infrastructure improves their lives. Setting outside of Hawick is a really successful liquor distillery called Far North Spirits and it sets on a gravel road. It has a spotty internet service. The owner of that says, "Better infrastructure means I can get folks to and from this and the ability to be able to communicate makes us so that we're more competitive."

But she also mentioned the need to invest in transit, like light rail in Minneapolis and St. Paul, where 97 percent of her product is sold and people need to move. So as Hawick goes, so does Minneapolis, St. Paul, and as Minnesota goes so does the rest of the country. Governors understand that our interconnectedness and our thoughtfulness of providing those opportunities was what grows our economy.

This hearing was titled The Cost of Doing Nothing. And you heard Chairman DeFazio talk about what happens in idling, what happens in repair bills, what happens when we can't get products moved to us and that cost is passed down to consumers. Sometimes it comes a lot faster than that and sometimes it comes tragically.

Many of you on this committee were setting here on a hot August day in 2007, while in Minneapolis, 111 cars sat in traffic on the I-35 W. Bridge across the Mississippi River during rush hour, filled with people going about their business. They were headed to a Twins game. They were picking their kids up for soccer. There were several buses bringing kids from a field trip. They weren't thinking about infrastructure because they don't want to have to think about infrastructure. But at 6:05 p.m. their lives changed forever. When our inability to keep up with infrastructure needs resulted in the category failure of that bridge, 13 people lost their lives and 145 more were seriously injured.

Minnesota has the 5th largest road system in the United States, although we have the 22nd in population. Connecting people in rural areas, as well as urban areas is something we pride ourselves on because it builds resiliency into our economy, it also gives people the opportunity to choose where they want to live. But Minnesota's roads need investment. Our state's most recent State Highway Improvement Plan identified \$18 billion in shortfalls over the next 24 years just to maintain what we have. That doesn't include all the other modes of transportation.

Minnesotans are willing to pay their fair share when they know it's going to good use, like roads, bridges, transit. And for all of you in here, there are many different funding streams but it must be dependable. It must be there. And one of the things is, and for better or worse, the gas tax in the Highway Trust Fund is the way we did that. So I made no bones about it. I don't know, for each of you have all run for office, it's usually pretty good advice, "Don't run on raising people's taxes," except in the instance of infrastructure. We ran a campaign talking about investing in that. We ran about telling them that we needed to have those dedicated funding. And not only did they respond to that, they responded overwhelmingly that this is something they believed in.

In a few weeks myself, and governors across this nation, will be introducing their budgets. In Minnesota, we'll propose a comprehensive transportation package addressing all modes of transportation to improve the lives of Minnesotans. Now, I want to be clear, not all governors in the NGA agree on a gas tax but all of those governors agree that if we choose to not invest the cost will go up, the safety needs of our citizens will be put at risk, and we will continue to fall further and further behind in trying to move forward into the 21st century.

I look forward to your questions and thank you for the time.

DEFAZIO: Thank you for observing the time limits and good statement. Mayor Garcetti.

GARCETTI: Thank you very much, Mr. Chairman, ranking member, and thank you so much to Grace Napolitano for the kind introduction and the friendship over many years. Great to be with so many friends, new and old, that are here.

I wear two hats today, both as mayor of a great American City, Los Angeles, but also as chair of the U.S. Conference of Mayors Task Force on Infrastructure, and a member of the National League of Cities, here with a clear message from America's local communities that it's time to pass an infrastructure package, comprehensive, and now. I think for most people this isn't about miles pave, this isn't about statistics. This is about stories and lives,

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how much time we spend with our children, whether or not we can drink clean water from our taps, whether we have a smooth commute to work. And this Congress has an amazing chance to make history, to be able to reignite homegrown industries here and also create great middle-class jobs we can export away from this country.

2 years ago, we heard two presidential candidates talk about hundreds of billions of dollars of infrastructure investment and America is still waiting. But the same night that we elected a new president, America's cities passed \$230 billion of voter approved measures from Georgia, to Ohio, to Washington State, including \$120 billion in my own city, in my own County, Los Angeles, which was the largest measure times two in American history, one that also creates 787,000 jobs for Americans, building that middle-class.

No matter where we live, no matter who we are, Americans feel very clear that it's time to improve our communities. That's why a year and a half ago I formed with a group of state leaders, local leaders, business leaders, and labor leaders, a group called Accelerator For America. And we--it's a nonprofit that's keeping infrastructure moving in this country. And what you have on your tables is a bipartisan poll that we conducted at the end of the year and it showed that the top two issues that Americans want this Congress to work on were healthcare and then infrastructure. That was above immigration, climate change, even jobs in the economy, number two was infrastructure. So in 2019, believe it or not, 80 percent of Americans agree on something. And that's the need to move forward with infrastructure.

50 years from now I want to look back on this Congress and this committee and say that you were the ones who brought about that turning point. This Congress transformed the foundation upon which this country is built and our country needs you. Nations across the world are planning for 50 and 100 year plans for infrastructure, while we're limping forward with 2 and 5 year Band-Aids. It's time for us to think about that long-term to win that future. And that's why I'm submitting in today's testimony a plan that the U.S. Conference of Mayors has approved for a trillion dollar infrastructure plan supported by our local communities, urban and rural, north, south, east, west, red, and blue. And \$612 billion of those dollars are directly under the jurisdiction of this committee.

So today, let me ask you to consider three things as you look at infrastructure.

One, encourage leverage

Two, reward innovation.

And three, consider the long-term maintenance of our infrastructure.

First, leverage. Leverage local government, leverage state government, and yes, leverage the private sector with P3s that we're showing in Los Angeles work, without giving away public assets, but that accelerate how quickly and how cheaply we can get infrastructure built.

Second, reward innovation. When you consider the needs of our roads, and our bridges, our railway, and our airports, ask that you can look at the speed at which we are innovating. In LA, which is known as America's car capital, we are the headquarters of Hyperloop, home to electric scooter revolution, a new boring company, new tech technologies that are excavating tunnels faster than ever, electric cars that are reducing emissions. And we want these things, not to just be invented in America, but exported from America. As we redo our port in Los Angeles we don't have a single American company that really does American--that really does port equipment. We don't have a single American company that does rail equipment. So that requires flexibility from federal government to look, not only technologies today, but to put in this legislation technologies that will evolve tomorrow.

And third, consider maintenance. We tend to fixate on future projects that we can get in the ground, but the time when people died on the DC Metro, when New York subways don't run on time, when passengers had to kick their way out of smoking cars in Boston, we need to look at lasting revenue streams without sacrificing social service programs so we can maintain infrastructure.

Our program in Los Angeles is an Evergreen Tax. To your point, I ran three months later and got 81 percent reelection. This is something voters want and you can take the risk of putting something permanently forward. 27

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states have passed a gas tax to preserve roads and fix crumbling bridges. And our measure will never sunset in Los Angeles because we know after it's built it needs to be maintained. Americans want the peace of mind of the history that you will make in this committee and we are there behind you. We're there to run ads, to help campaign for the passage. Our nonprofit will make sure that that moves forward.

So on behalf of local communities across America, we're here to tell you we will do everything in our power to help you make that history and to write a great chapter for this country. The time is now. Thank you, Mr. Chair.

DEFAZIO: Thank you for an excellent and again, on time testimony, mayor. Now, we will turn to Secretary LaHood. Ray, go right ahead.

LAHOOD: Thank you, Mr. Chairman. First, let me offer my congratulations to you. For those of you on the committee, when I started my career in Congress in 1995, I started on this committee, and it only took Peter 30 years to become chair of the committee.

(LAUGHTER)

So Mr. Pence, there's hope. And I--I--I'd recognize you, sir, because I sat in the chair that you sat in when I first joined the committee in 1995. And this is a great committee because it's a bipartisan committee. And to the ranking member, congratulations. I think it only took you 20 years to--to reach where you are, but it's because people want to be on this committee and serve on this committee because it is so bipartisan.

I think the timing is absolutely perfect. I think the stars are aligned for a big infrastructure bill. It's got to be big and it's got to be bold. It can't be chintzy. The American people are waiting. And I know that just about every one of you that ran for office ran on the idea that you were going to do something about fixing infrastructure in your communities. I watched your campaigns and I know that when many of you were elected you now have to go back home and explain to people what you're doing to fix infrastructure in your communities. And so I think the timing is perfect, and this is--this is the committee that can do it.

When we served. I served for six years on Transportation and Infrastructure, with Peter and others we passed two 6-year bills. We had 75 members on the committee. All 75 members voted for those bills. We had extraordinary leadership from then Chairman Bud Schuster, and we made it happen. This committee can do that. And I think you will.

Everybody knows what the problem is, America is one big pothole. My home state is Illinois and we've had another brutal winter and all over Illinois there are potholes. All over America there are potholes. And you can only do so much by continuing to fill potholes year in and year out. The interstates are crumbling. Today there are now 60,000 structurally deficient bridges all over America and those have been designated by engineers.

So you know what the problems are. You come from the communities. You come from the States. And the issue is not knowing what to do, the issue is how do we pay for it? Why hasn't Congress passed a transportation bill? Because we can't come to grips with the idea of how to pay for it. And I want to suggest to you today that you raise the gas tax, you put a big bold plan out there, give it to the Ways and Means Committee, and ask them to raise the gas tax, I say 10 cents a gallon. I know there's a plan out there for more. I heard President Trump one time in the Oval Office say 25 cents a gallon. Hooray, do it. And when you do it, index it to the cost-of-living.

In 1993, if Congress had indexed the gas tax to the cost-of -living we wouldn't be--we wouldn't have this debate, we'd have the resources. But I say couple it with public/private partnerships. I say couple it with tolling. I say couple it with vehicle miles traveled, which I know the ranking member is very excited about. You can't fix America's problems with infrastructure with just tolling, with just VMTs, with just public/private partnerships, you have to create a big pot of money.

We have the best interstate system in the world and it was funded through the Highway Trust Fund. That fund is depleted, it's broke. And that's why America now looks like a third world country when it comes to infrastructure. So you got to come to grips with this.

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Now, I will tell you this, 14 states are, this year, considering an increase in the gas tax. 26 states since 2013 raised their gas tax and not one politician got thrown out of office, not one. They did it because they stopped waiting for Washington to act and they needed money. And so you don't need to worry about the threat of some kind of a reverberation from your constituents if you raise the gas tax.

For every \$1 billion increase in federal investment in transportation, 27,800 jobs are created. Think of this as a jobs bill. This money doesn't stay in Washington. Where does it go? It goes to your friends and neighbors who engineer roads who build roads, who work on the roads, who fix the roads up. The money goes back to your communities, it goes back to your states. This clearly, is a jobs bill. This clearly, will get America moving again. And it's just absolutely so critical. You put together a bold plan, give it to the Ways and Means Committee, raise the gas tax, couple it with VMTs, tolling vehicle miles traveled, boom, America's back in the transportation business again, and we haven't been in it for a long, long time.

Finally, let me say this, safety is very important. One of the things we emphasized, and one of the things that Chairman Schuster emphasized when he was chair, is safety, and Chairman Young did too when he was Chair. Our roads are not safe today. The death rate on roads today is up. Why? Because they're not safe so make safety a part of whatever big, bold plan you put together. If you build new roads, if you reconstruct roads, safety has to be one of the top priorities. And I--I think that's something we emphasized while we were at DOT, it's emphasized in the states, and I think you send a good message if you emphasize it in whatever program you put together.

Thank you for including me, Mr. Chairman. It's good to be back to the committee.

DEFAZIO: Thank you, secretary. I appreciate your--your remarks.

In fact, I'll--I'll begin my questions and I'm going to--everyone will get five minutes and I recognize myself and I will stick to the five minutes. Would you run the clock, please? I'm not taking that prerogative because there's a lot I want people to ask questions.

With the first two--Governor Walz, on just--can we just go back one more time because I'm trying to overcome inertia around here, you actually campaign for governor advocating an increase in the gas tax.

WALZ: That's correct, Mr. Chairman. And my thinking was on this, is if you're going to propose and tell people they know what's ailing, they know what needs to be done, they're stuck and we have the data on congestion in the Twin Cities. We understand about, especially down to our township bridges, in a very rural state, as I said, we have the 5th highest amount of roads miles of any place in the country that we had to do that and I thought was disingenuous not to do that so I ran on this.

And ironically enough, well, I guess maybe not ironically enough, pretty predictably enough, the irony came in this, the attack ads running against me were that I was going to raise the gas tax. My numbers went up as those ads were running because the public was saying, "Do something. Come up with a plan." And I think the Ranking Member said it, you said it, Mr. Chairman, you heard the Mayor, and the secretary say it, we're open for anything that's out there but this stumbling along time to time makes planning impossible. And--and I don't care what you call it, we're seeing changes in storms, flooding, intense cold, that is adding to the cost of the maintenance of these roads and the building of it.

At the same time, we're trying to figure out and the states--again, I ask you, give us the flexibility to innovate as we move towards renewables and plug in vehicles but there's no--nobody out there is thinking that we can do this without investing. And nobody has put a plan forward who said, "Well, there's plenty of money out there, you're spending it in the wrong place." That is fundamentally untrue, especially in the--the States and the governor's budgets will reflect that.

DEFAZIO: Thank you. Tim.

Mayor, you mentioned a number of tragic and difficult instances with transit. This is a point I'd just like to emphasize, because with \$106 billion backlog, to bring existing transit up to a state of good repair, let alone the new



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transit you're building in LA, I think this is critical because if things break down, people can't be at work in time, their lives are actually endangered, they're not using it.

GARCETTI: Absolutely, Mr. Chair. And I think lots of times people think about cities as places they don't represent, when in reality we know, for instance, in Long Beach, Mr. Lowenthal's district in Los Angeles, 43 percent of the goods that come into America to every single one of your districts comes through those ports. The same thing with making sure that New York functions, and Boston functions, and the Washington area functions.

When Washington's Metro System was breaking down, Accelerated for America came in and helped the three jurisdictions of Virginia, Maryland, and the District, get something done. But it's a tougher thing to go to voters later and say, "Hey, we want you to raise taxes to maintain something." They expect we should have already been doing that. And that's why it's so critical the federal government be that place that we can also come to and partner with. We have stepped up. We're not coming here with empty hats and hand. They're at least half filled. We're asking you to fill it up to the top right.

DEFAZIO: Right. And Secretary LaHood, you--you were very impassioned about the need for additional funding. I appreciate that. But you made the point about all the people who--all the local jurisdictions and states that raise it and have pending raises. So does the Fed really need to do anything if all other states are doing it? Can't they just do it on their own?

LAHOOD: Of course not. And--and the idea that the federal government is going to get out of the business of building roads and bridges goes against the issue that I raised about safety. We have to have high, good safety standards. And--and--and we also have to have a commitment--When people go to Europe and ride the trains they come back scratching their head, "Why--why don't we have this in America?" Because the federal--Europe invested in trains. What did we do? Eisenhower had a vision, connect America and what happened he signed the Interstate Bill. Fifty years later we have the best interstate system in the world because the federal government made the investment. Let--let's don't let that deteriorate to the point where--

And the states don't have any money. My home state is Illinois, we're broke. We're broke and--and a lot of states are struggling and--and--and then infrastructure just takes a much lower--a much lower level. We --we--we set the standard here in Washington and we set the standard for safety and we set the standard for funding, let's get back into that business again.

DEFAZIO: Okay. Mr. Secretary, my times expired, to Ranking Member Graves.

SAM GRAVES: Thank you, Mr. Chairman. And I want to welcome all the panelists here.

Mayor, thanks for-- for being here. My two former colleagues, Governor Walz, Tim, congratulations. It's good to have you here.

And--and really my question is for another one of my former colleagues, Secretary LaHood. I very much appreciated that--the opportunity yesterday to catch up with you and our mutual friend Tom Oakley, and I'd like to take just a minute to acknowledge Tom Oakley's work on infrastructure matters over the years. As you are well aware, including as a leader, the Tri-State Development Summit, a lot of what we're discussing today stems from those conversations, Tom. You and I have worked together and have always appreciated your counsel and thank you for being here today.

With that, Mr. Secretary, just real quick question, and given the fact that you've sat both in House and as Secretary of Transportation, I'd just asked what advice you have for us when it comes to reaching a bipartisan agreement that--that the House can agree on, the Senate can agree on, and the president--the president will sign?

LAHOOD: I think, try and get--try and really get a--a message, try and get a signal from the White House, what--what they would be agreeable to. Mr. Ranking Member, I would say this, you can have all the big, bold plans you want but if you don't have the White House on board-- Because I--I think this, I think the House has the ability to pass a big, bold plan. I think the Ways and Means Committee will try and find the money for you. But if President

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Trump is not with you on this then it's going to be very difficult to pass in the Senate. If he is with you, you pass the bill, Ways and Means comes up with the money, President Trump is on board, I--I believe he will help sell it in the Senate. And if that happens, boom, America's back in the business of building roads and bridges.

So I--I think you need a--a good signal from the White House and I--I think the relationship that you in the chairman have is extraordinary. What a way to start off the year. And you know, I don't think it's just talk. I think the two of you have a good relationship. If you two continue to talk one another--to one another and he incorporates-- I--I know you're--you're--you're very big on Vehicle Miles Traveled, and I think it's a good program, and I think Peter's willing to listen to you on that. If the two of you continue to talk, get a signal from the White House, boom, I--I think something is going to happen. But we have a very short window here. This is it. If it doesn't happen this year, folks, it's not going to happen until another presidential campaign takes place.

SAM GRAVES: Thank you, Mr. Secretary. Thank you, Mr. Chairman.

DEFAZIO: We're going to move on. But first I'm going to ask a unanimous consent. There was a letter received yesterday addressed to Senator McConnell, Senator Schumer, Representative Pelosi, and Representative McCarthy, from 150 groups talking about the urgency for the need of the federal government to enhance investment in infrastructure. And it's a quite a--a diverse grouping of associations and obviously, includes the labor and others. Without objection, that'll be part of the record.

And at this point, we're--Ms. Norton is recognized for five minutes.

NORTON: Thank you, Mr.--Mr. Chairman. And I think you have made the theme of this hearing exactly how we need to open this session of--of our committee.

The theme of my questions really goes to the elephant in the room, the one that's been discussed by all of you to one extent or the other and--and that is the failure since 1993 to raise the gas tax. At the end of this session, when even at this opening hearing we have laid out what amounts to an emergency and needs for infrastructure, at the end of the session if we haven't gotten over this hurdle, we will simply be repeating ourselves, yet again.

Look, the--the--the cost of gas has gone down for the American people when they go to the pump. I guess I--I'm going to ask you, Mr. LaHood, because you've focused on how you think the time has come. What makes you believe that if--the only people I know that don't get it believe the time has come to sit in this Congress. What makes you believe that Americans are so ready for an increase at the pump that we could convince members of this Congress to increase the gas tax? What is it about the American people, which must be who they are afraid of?

LAHOOD: Thank you Ms. Norton. I--I--I think because we just had an election and--and it looks to me like everybody that ran for election, particularly a lot of the new members, ran on fixing infrastructure and--and--and the governor just said he ran on it, had ads run against him on it and he's still won. He told me back when we were sitting back in the--in--in the ante room there, that as they ran more ads against him his poll numbers went up. You know why? Because people are sick and tired of lousy roads, unsafe bridges, and they--they want more.

NORTON: Well, actually, I'm going to ask both governors to comment on this. Now, of course, Mr. Garcetti has recent experience, because apparently, there was a proposition to keep you from raising the gas tax. And I'd like both of you to describe how you were able to overcome that so members who sit here where the gas tax has to be raised would understand there's nothing to be afraid of.

GARCETTI: Well, there really is nothing. Voters in California rejected it by almost 60 percent, just under 60 percent, rolling back of what the legislature had done. As I mentioned, the City of LA, we passed--it's a full cent sales tax that was--I'm not suggesting that the national--

NORTON: Well, what were the--you know, for both of you, what were the--

GARCETTI: --I think people--

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NORTON: --What were the salient arguments used against it that had to be overcome?

GARCETTI: So I'll let the governor continue. But we--we made it about human beings. People know how long they wait to see their kids and whether they can tuck them into bed. They know they have to draw a line in my city around the radius that they think they can go on a date so they're dating pool either contracts or expands based on the traffic. They know that the jobs they can consider are based on the commute that they have. They know this in human terms.

And we always said that, and secondly, we said about the jobs. I loved what Secretary LaHood said, "This is a jobs program." Let me restate the number 787,000 jobs in one American county, 787,000 middle-class jobs and these are not just one-off jobs for a couple years. This is a career now that we're aligning our community colleges with, that we're training people for. You don't need a degree. They might have put bombers together on assembly lines in South LA in the past to win World War II. After the Cold War was over, now they're able to put together trains on those assembly lines, dig those tunnels, do things that give them a pension and a decent quality of life.

So and I'll note personal privilege, your grand nephew's going to be at my house, Meredith's son, in about two days, so much love from--from him as well.

NORTON: Yeah, and Governor Walz, you--you too, seem to run on raising the gas tax. I'm interested you governors who run on raising the gas tax, get elected, and the message doesn't get here to their members here in the Congress of the United States.

LAHOOD: Voters are smart. And--and to be clear about this, people are not begging you to raise their taxes but the way I framed it was, "What is your alternative?" It's not as if not raising their taxes gives them extra money in their pocket because they know they're spending it anyway and they look out and see a crumbling infrastructure. And my frame was is, and I'm open to this, "What is another alternative?"

And I want to be clear, as we move to electrification, as CAFE standards go up, the gas tax doesn't hold as big a punch. I also want to be clear is, we're trying to adjust for it in working family tax credit because it is regressive to families so that is a part of this conversation. But the--I think listening to the Secretary tell you this, the country, you know this, you just ran, the country's ready for that bold take. It's not the gas tax alone, but I'll tell you, as a governor, the gas tax is a reliable funding stream that allows us to plan and get things done. But all of your other bold ideas of moving out, we should be thinking about them.

NORTON: Thank you very much.

LAHOOD: Thank you.

DEFAZIO: The gentlelady's time is expired. Representative Gibbs. Well, that's--I don't know, Don. They give me--I don't know why they gave me that. What happened to Don?

(LAUGHTER)

Sorry, Don, they just didn't notice you. You've only been here for 45 years. Sorry.

(LAUGHTER)

I would--I would--

UNKNOWN: Regular Order!

DEFAZIO: I would go to the Dean of the House of Representatives, the esteemed and good-natured, Don Young from Alaska.

(LAUGHTER)

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YOUNG: Thank you, Mr. Chairman. And indeed, a pleasure. This is one of the bright spots of this Congress is this committee.

As you know, I was chairman of this committee and what I'm hearing is what we heard when I was chairman we did a little better. We did get the--George Bush offered \$216 billion. I wanted to raise tax 5 cents on the gas and index it. Gas was a \$1.39 then and I got shot down by the president, and very frankly, by our leadership, but I got \$285 billion for the system. But if they had done what I wanted to do at that time we never would have had a recession.

We did infrastructure in a place that we would have been indexed it 18.5 cent buying power in 1992 or 1993 is now 8 cents. So that's our big challenge. And this Congress has to rise to that occasion. And I happen to agree with the governors, and welcome back, that the public will pay for it if they know us going into highways and transportation, that's big. We want to move products and people efficiently and make us not a nation who's come to a grinding halt.

So I know this committee can do it. I expect to work with you, Mr. Chairman. There is a dispute about the gas tax. I'm a big supporter of the gas tax, but I'm also a supporter of a mileage fee because we're successful. We've got about 3 million electric cars on the highway today not paying their share and I think they ought to pay their share, that have to pay the mileage fee. Combine them all and when one people get into, like you said, the private/public partnership fine. But this is a best committee to actually have a good, sound piece of realistic legislation, Mr. Chairman, and with the Ranking Member, I'm confident we can do it.

So it's done. This has never been a partisan committee and I hope it doesn't start now. I want us to understand this is an issue for America and we can solve that issue together as one. That's my goal to work with you, and with the ranking member, and other members to try to achieve that goal to make sure we leave a legacy behind. I had the T Lu (SP) was a good bill, it did a lot of work, it just didn't go far enough because they wouldn't let me raise attack 5 cents. I'm glad you say 10 cents, I may go 15 cents, just as long as it goes into the highways.

And I want to thank the panel. You did well and--and I'm--I'm here to--I'm here to work, buddy. And I'll do it.

(APPLAUSE)

All right, thank you very much. Yield back.

DEFAZIO: All those years and he's still got it.

I--I will say that the list we got was passed over from the Republican side. We can, perhaps, do handwriting analysis and find out who wrote it and why you were (INAUDIBLE).

YOUNG: Don't worry about it. It just is--is--that was a--know why it happened. It won't happen again. Thank you very much.

(LAUGHTER)

DEFAZIO: Oh, with that, I would recognize the gentlelady from Texas, Eddie Bernice Johnson. Thank you.

EDDIE BERNICE JOHNSON: Thank you very much, Mr. Chairman. And let me say good morning and thank you to all of the witnesses that have come.

I have been perplexed and frustrated that we've not been able to get the money we need for the infrastructure throughout the nation. And I've heard conversation about public/private partnerships. Now, I'm from a city, in Dallas, that we have a lot of public and private partnerships but not for highways, and water systems, and all of the other public uses. And yet, I keep hearing about some type of private investment. What is the likelihood, we've been talking about this, but I haven't seen anything structurally done in legislation, what is--what do you feel is a likelihood that we will have private dollars going into the infrastructure, crumbling infrastructure, throughout this nation or crumbling water systems for drinking water? All of you.

GARCETTI: Sure. I'll start with that. Thank you very much, Madam Representative.

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P3s, let's be clear what they do and what they don't do and how you should and shouldn't do them, at their best they do leverage dollars that come in, accelerate and can sometimes cheapen the cost of infrastructure, but usually in transportation, you asked about water and I think America cities are very clear that there is very little capital for water projects from the P3 so let's not expect that to step up.

Second, I say with P3s, there's D4, don't do dumb deals and we've seen a lot of them. We've seen folks who have, in Chicago, leveraged their future parking meters and they have to raise parking rates and people taking baseball bats to those parking meters because they have to meet Wall Street's expectations for a deal that the last administration did before a new mayor came in. We've seen toll roads that are highly unpopular.

But where we put things forward, we have the director of our LA Metro system, a man named Phil Washington, who used to run Denver's program. That train that now takes folks from downtown Denver to the airport was a P3 when the first successful ones in the country that lessened by about 25 percent amount of time and reduced the cost at about half of that system getting built.

As we look at 15 rapid transits lines getting ready for the 2028 Olympics coming to Los Angeles, we're seeing a lot of interest and a lot of people willing to put capital while we retain the ownership of what that asset will be. When it comes to water, though, this is something that the-the government's going to have to step up and do because there simply isn't the marketplace to make water clean in America cities, to do stormwater, et cetera. So P3s are primarily in transportation and not in the water space.

EDDIE BERNICE JOHNSON: Thank you.

LAHOOD: Let me--there's a lot of money that's waiting to be invested in public/private partnerships. The classic public/private partnership that has been very successful here in Washington, DC is the finishing of the metro system, the Silver Line, which will deliver people from downtown Washington along the Corridor into Northern Virginia to Dulles Airport. It's a classic public/private partnership.

While I was at DOT we put some money in but there's a lot of public--a lot of private investment in that and it's very successful. Almost all of them are successful. There are a lot of investors waiting for a signal for projects that they can invest in and they're primarily transit projects and they're primarily projects that don't involve highways, although some have. The Mayor mentioned does some toll roads, some have worked and some haven't.

But the truth is, there's a lot of money waiting to be invested. What the investors want is a signal from Congress that you're serious about infrastructure, that you're going to put your share in, that there's going to be a big, bold plan, that they can then begin to invest in. The tunnels between New York and New Jersey, that can turn out to be a fabulous model for public/private partnership, but it's got to have the investment of the national government. This is a national project, it's not just for New York and New Jersey. And, you know, the truth is there's--there's a lot of money and the investors are waiting for Congress.

WALZ: I would--I would echo the sentiments that were said. And I especially appreciate the mayors talking about the State Revolving Fund on these water infrastructure. This is a huge bill that's coming too, the states need to be there.

Again, our state prides itself on a--a very high credit rating, fiscal stability. Investors, as the secretary said, are waiting for that. But I can't tell you, again, I--this is my shameless plug for all of you, let's don't get into a shutdown situation because the crisis gets so tight on the states and I'm going to make the case on this, especially an infrastructure. In our indigenous, we have about 11 sovereign nations of indigenous people in our state, that pain was really real and it went right--they were laying off people on infrastructure projects right and left. So there's possibilities here, but it's that no one's going to invest unless they see the stability. But I think water is the future for us, certainly, at some of these P3s.

EDDIE BERNICE JOHNSON: Thank you very much. I've expired.

DEFAZIO: Oops, pushed the wrong button. It said "private", okay. I'm not used to this.

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Now, we would turn to the esteemed Representative Gibbs in proper order.

GIBBS: Thank you, Mr. Chairman. I can feel your pain because my first year in Congress I was a subcommittee chair on this committee. I inadvertently overpassed the chairman--the distinguished Chairman Emeritus and it never will ever happen again.

(LAUGHTER)

He's right about that.

Congratulations, Governor Walz. It's was a pleasure working with you. I think we were both on AG and transportation together. Appreciate that.

You know, we do have a--a big issue here. We all know that and you see that and I just want to emphasize a little bit more, a year from this September, September of 2020, the FAST Act, the current highway bill runs out of funding. During a presidential election year that would be an interesting discourse, I think.

But there's no doubt, you know, that the gas tax or the gas user fee has been declining because cars are more efficient and less cars don't run on that. And--and I do believe whatever we do short-term, but that's probably the best option, but I think we have to somehow couple something else because we got too many vehicles not paying their share, again, and it's--so it's, it's inequity, it's--it's a fairness issue.

And--and--and the other thing I was thinking here, sitting here, we're talking about public/private partnerships and we talked about other infrastructure, water, you know, things I've talked about in the past. There's lots of things we can do. I know on highways we always say that might be a tough thing. But I got thinking about this, technology, the government, we are so far--we're light years behind the private sector when it comes to technology. And I see what's going on in Amazon and some of these companies, the retail sector, what they're doing where you can go in and check out a store without even checking in, essentially. You know, we probably ought to be building partnerships, Mr. Chairman, with some of the private sector where some of the technology is when we move forward.

But I guess my question is, I guess the--Governor Walz, since he's representing the Governors Association, if we move forward with a VMT or whatever that program is, a pilot program, maybe in the commercial vehicles first and move forward, what do you see the state's doing? Do you see some states moving forward now or do you see states, if the federal government moves forward what's the states going to do? Because, you know, we got--we have--we got the one system, they used to collect money through the--the same system we do, federal and state. And--and so can you maybe give us your thoughts what would happen--

WALZ: --Yes

GIBBS: --how this transition would work and--and what states would do?

WALZ: Well, thank you, Mr. Gibbs.

Well, again, what the states are asking for too, in the Governors Association, give us the flexibility and give us the ability to innovate. States are looking at this. We're looking at ways to do that. We're going to build out our recharging stations and our electrification system but we understand that too, that you got a lot of folks on the road that need to be paying their fair share and I think states are willing to innovate with it.

The thing is, if--if you do it and you go big, it sends such a strong signal, it lets us move forward, it gives us the capacity to do it, because the states are going to innovate, we are going to invest. But I think like Secretary LaHood said is, the bulk of our funding, a big chunk of it, because these are--are still federally funded that, that federally funded, state administered attitude worked really well and states are stepping up. So I do see them doing that. We would really like you to leave us that room to innovate but send some signals that the help is going to be there, there's some consistency there, and that we can plan on the future of it being there.

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GIBBS: Okay.

Mr. LaHood, do you want to comment? See, because you're representing--the co-chair of Building America's Future. Do you see that the best option is--is to address the gas user fee and then at the same time, put something in a motion where we know moving forward because I think long-term, you know, that has to go away at some point.

LAHOOD: I--I--I think it has to be a package of many different alternatives, tolling VMTs, expanding VMTs. There's some pilot programs going on now and I think that they've been successful. The thing about the VMTs, you're going to have to put some language in the bill and--and hopefully, that language will incorporate that you're going to--they'll be a lot of cooperation with the states who are going to have to implement this and collect whatever fees are going to be collected from the VMTs. So that's going to require some significant language to make that happen.

And--and looking at the pilot programs and then public/private partnership, it needs to be a combination. But without a big pot of money, with the Highway Trust Fund going broke, there's no confidence that the federal government is going to uphold its responsibility to take care of the interstate system and to fix 60,000 structurally deficient bridges.

BIGGS: Thank you. I yield back, Mr. Chairman.

DEFAZIO: I thank the gentlemen. With that, we turn to Ms. Napolitano.

NAPOLITANO: Thank you, Mr. Chair.

To Mayor Garcetti, there was a--a list of infrastructure needs, and I'm talking about water. Americans rank infrastructure as the most important investment. Since water is part of a great need that we have, what does investment in water infrastructure for the City of Los Angeles and for the nation, what does it mean, investing more in it, looking at trying to build up the infrastructure that's long being decaying, and be able to help small communities deal with, especially a State Revolving Fund?

GARCETTI: Well, it's interesting, when we did the poll that we shared with you, I'm happy to share the whole poll with the committee, we can submit that--

NAPOLITANO: --For the record.--

GARCETTI: But when it was--when it was put forward and people said, "What in infrastructure do you want Congress to work on first?" The thing that by far was number one was clean water. People get this at a visceral level, even deeper than a pothole that they drive over. They really get it.

In the City of Los Angeles, we passed the Storm Water Bond, that was largest in the country about a decade ago, that I authored, and we just passed in the county, the largest one as well. So again, we're coming having done work, states have done that too. But we have mandates, that literally, can take so much out of our general fund that they can bankrupt cities and states today without any help and any money from the federal government.

We have been looking at the Los Angeles River. You've been a great help to that, the Army Corps of Engineers. We have authorization for \$375 million but no plan really to ever have that money allocated right now. So we're stepping up spending, literally, hundreds of millions of our own dollars to do the work, hoping that the federal government will be there. But that--everybody knows that whiskey's for drinking, water's for fighting out in California. We have all sorts of controversy around water. We have plenty of water. We need help to re-engineer water to recycle, to reuse. And that's what we're going to do, to capture that water when it's there, to put it back into the ground, to be infiltrated, and to use less of that. But, you know, the federal government stepping up to do that would be immensely helpful to us.

NAPOLITANO: Well, and that leads to the State Revolving Fund, which hasn't been reauthorized for 32 years. Unfortunately, our communities bear almost the full cost of cleaning the water. How important is it to the communities that SRF be reauthorized and what more can Congress do to assist it?

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GARCETTI: Without that reauthorization we will not have clean water and America. You will have certain cities that can step up and do part of that, like in cities like Los Angeles, but it isn't just Flint, we have hundreds of American communities that have contaminated water, in America, in 2019.

NAPOLITANO: Well, and now that one of the partners here have mentioned the three P's public/private partnership, why is water not being included?

GARCETTI: There's really no revenue stream back to the private sector, oftentimes, for P3s. This is a public health issue more than anything else, unless we're going to prioritize our water system and see water rates go way up it's a very difficult thing for the private sector to put any private monies in. That's why I think the leverage here isn't between public and private partnerships, it's really between local, state, and federal government. I think there's occasional places where the--the private sector will step in with dollars, but primarily, we've seen Nationally League of Cities, the U.S. Conference of Mayors, we're usually spending, on average, about 89 percent of all the--the water money expenditures by government in America.

NAPOLITANO: Well, one of the other things that I would like to press upon you is the passenger facility charge.

GARCETTI: Yes.

NAPOLITANO: Can you discuss the need to increase it in Los Angeles and why is important for the growth of the Los Angeles Airport?

GARCETTI: Well, we're spending the most on LAX of any airport in America right now, \$14 billion and we'll probably add two more terminals on top of that, bringing public transportation, creating tens of thousands of jobs. This is a great thing for Congress because you're not asking to raise any tax, you're just allowing us to have a user fee. If that goes up, again, never been indexed for inflation, it would allow us to make that passenger experience and the safety-- Right now the safety of passengers around America, not just LAX, is endangered if we can't spend money in our airports and raising that would allow us to do that. We strongly support that, the U.S. Conference of Mayors and National League of Cities, we've waited a long time for that. And anybody who's been to LAX recently knows you'll have a better experience flying through if we're able to spend that money.

NAPOLITANO: Governor Walz.

WALZ: Well, I would come back on this issue of water. And again, while you hear that cities like la can do it, the real crisis is in rural America. It is too difficult for small towns. They cannot raise property taxes high enough to take care of these water treatment plants.

We in Minnesota, this is--we--we see ourselves as stewards of 20 percent of the world's freshwater, of drinking water, and so communities care deeply about this. Businesses care deeply about getting it but the infrastructure is falling behind. We had a big boom in the 70s, where we were able to build these up. They're simply aging out. Smaller communities have a low tax base. These are expensive propositions. What I would ask is, give us the certainty but give us the stability to implement these rules, set the standards where you need to set them, but let the state's find the way to get to them.

But again, I think the Mayor's exactly right. And we've looked at this, it's very difficult, and nor do I believe, and this is philosophical, nor do I believe water should be privately traded where some people get it and some don't. But the fact of the matter is now, depending on where your zip code is, water is different and--and quality of it's different.

NAPOLITANO: Thank you. I yield back.

DEFAZIO: Lady. With that, Mr. Webster.

WEBSTER: Thank you, Mr. Chairman. Congratulations to you.

And let's see, Secretary LaHood, I have a question about maybe the quality of the roads that are constructed. Does your group that you represent consider resiliency as an important part of the construction standards for roads?



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LAHOOD: Yes, sir.

WEBSTER: In what way?

LAHOOD: Well, when we--

WEBSTER: I mean, here we just had the governor say that--that it was minus 70 degrees, that same day in my area was 70 degrees. So a little bit different but in some places there's going to be a need for some kind of resiliency. In Florida, it's a little different. We can get away with things maybe the Northeast can't. So anyway, that--that would be my question.

LAHOOD: Well, for example, when there are national disasters and roads need to be rebuilt, we want to build to the highest possible standards and--and to some kind of resiliency so that if another hurricane, or tornado, or national calamity happens, they can withstand that. And--and that wasn't the case with some of these roads that were built 50 years ago.

WEBSTER: Well, it seems like if you wanted to build--

LAHOOD: And that--that goes to the whole issue of safety--

WEBSTER: --more, not necessarily the most long-term, inexpensive, but the short-term expensive, it seems like that and I just wondered if there's a--there's a push to--to move to a standard that's--that's higher?

LAHOOD: Absolutely.

GARCETTI: May I jump in on this?

WEBSTER: Yes.

GARCETTI: Thank you, sir. One of the things we experienced in America's cities, if we have very little money you pave it with something cheap, you slurry seal, you might do the pothole repair, but you can't do the fundamental reconstruction of main roads and highways without the proper funding in place. So resilience really comes from how much money you put forward.

Second, resilience is many different things. The--the heat island effect in our cities right now is part of what's--what's happening with climate change. Literally, the most calls I get on anything we've ever done in Los Angeles from other cities is we are testing a white pavement that isn't concrete, it's asphalt, but it is--the private sector has brought new stuff and we get calls from cities around the world because it reduces the temperature by about 10 degrees in our city. So that resilience of using technology is very important.

The third point, I've spoken to President Trump about this personally, as somebody who's been involved in construction and as a developer, he's actually very keyed in on that question. And we spent a--a good deal of time talking about that, having to do with the freeways in my city, and he's talking about the concrete grade and--and how we can really invest in the better stuff that will last longer. So I think you can engage the White House on this issue of resilience as well.

WEBSTER: Is there, since you're talking about it, is there a safety issue there, too? I mean, is the--is the road temperature a--a factor?

GARCETTI: Absolutely, it can be, and especially in our hotter cities when it gets so hot that it's not only a health issue for the people that are around their, seniors and others, but for the cars themselves and what it does when those--those streets are too hot. Absolutely.

WALZ: Congressman Webster, your question is really good. And from the governor's perspective on this you're hitting on something of it's not always one-size-fits-all. There needs to be a standard, as the Secretary talked about.

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But giving us the ability to be able to innovate in those extreme climates, be able to innovate as we look at the issues come together.

One of the issues we have in Minnesota is because of the ice on our roads we--we have to use a lot of salt to remove them. Then that becomes a water quality issue, it becomes everything else. So by giving us some flexibility and some of the planning money or some of the ability to allow folks to--to innovate into we now use bio-based corn-based products on the roads before it snows that make sure that the ice can--

WEBSTER: --Can you do that now?

WALZ: Yes. Yes, to a certain degree. But one of the things, as you're moving forward and we think about what does this modern infrastructure look like? How much flexibility needs to be there? I think you should hold us as states to the high standard that the expectation's where it should be, but give enough flexibility in there that states and the roads in Florida are going to look different than they do and how Hawick, Minnesota.

WEBSTER: Okay. So well, let me ask you a--do you do--do you use extensively, do you use toll roads are you don't use them at all or is there--

WALZ: We don't. We use HOV lanes that are-- that are metered, but we don't in Minnesota.

WEBSTER: Secretary LaHood, just real quick here. This just popped into my mind. Is--is there--there--are there any prohibitions about using tolled new lanes on interstate highways, anywhere?

WALZ: Yes, of course. And while I was secretary we received some proposals to do that very thing and there are prohibitions, yes.

WEBSTER: Thank you. Yield back.

DEFAZIO: Thank you. Mr. Sires.

SIRES: Thank you, Mr. Chairman. Governor, nice to see you. We came to Congress together and we always appreciate your hard work that you did here, especially for veterans. Thank you very much. Now, I know that you'll serve Minnesota well. Mayor, nice to have you here. My daughter and her husband voted for you. They live in Los Angeles.

(LAUGHTER)

And Secretary LaHood, I want to thank you for being here. When you were secretary you were very fair. It wasn't easy. You were in many projects in my district and I always appreciated the fact that you were a very fair secretary of Transportation. So thank you for being here.

You know, we have three very experienced individuals here. I come from a district that is one big transportation hub. I represent New Jersey's 8th Congressional District, which represents the Lincoln Tunnel, the Holland Tunnel, the Bayonne Bridge, and obviously, the ports, and part of the--the airport. I mean, transportation, it is big. It is probably one of the most--it is probably the most densely populated per square mile in the country.

The town that I live in is one square mile and--and 52,000 people in it, Hoboken, New Jersey is another square mile, it has 52,000 people and many of those people work in the city. So going into the city is very important.

This project, the Gateway Tunnel, it's key to the survival of the Northeast. When you look at 200,000 commuters travel this route daily, back and forth, this accounts, this whole region accounts for about 20 percent of America's GDP, in this area, so this Northeast corridor. So you can imagine how important this project is, the Gateway Tunnel.

The other day the Governor took us on the train ride into this tunnel and what happens is if you have a piece of cement that falls off the--and it goes on the track they stop the train and they have to remove the cement so it backs everything up. And--and when we talk about funding, New Jersey, under Governor Christie raised the gas tax 23

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cents. Governor Murphy raised it 4 cents. So we have done our share and we have committed almost \$7 billion to this project. But sometimes partisanship gets in the way of some of these projects.

I remember last year when the president wanted to kill the TIGER grant, luckily, you know, the Congress put it back. I remember how hard (INAUDIBLE) and had to fight to get some money for this project. We just have to come together. There are many ways to fund projects, whether it's private partnership, public partnerships, but we have to get this mentality that we're doing the right things for America. And it's just, so far this project is very important to me, but I'm sure there are other projects in other parts of the country that we could be working on if we ever come together on the funding and stop this nonsense that we just can't seem to work together.

You know, I've been in this committee now 10 years and I've been working on this tunnel for all this time. But, you know, I don't know what it's going to take. And we don't seem to be coming together, quite frankly. Everybody talks about how important it is. I sat here many times, everybody talks how important it is that we fund this, that we fund that, that America, that we should be embarrassed how America has been falling behind other countries, but yet, we don't take that step of working together.

So we can come up with many ways of trying to fund, whether it is a gas tax, or--or--or mileage tax, or whatever, but hey, the real problem here is trying to get everybody to work together. You know, Governor?

WATZ: Well, if I could comment and thank you, congressman. Here's what I would say and I think you see the--the city's the mayor's coming together, speaking on behalf of the National Governors Association, this is the bipartisan side of things. We have our Republican Governors Association and Democratic Governors Association, this is all of us together. I can tell you that--that we speak as this, as the governor of Minnesota, I support the project in New Jersey because I know it's good for my economy, too. I know it builds the state and that's what we're asking for, if we can get us together here to give us some of that certainty you'll see us work together on this.

And I think your point is well taken. We've got to stop saying, "Oh, I got money for my project. That's good enough." If that tunnel doesn't work, our economy will be slowed down. So we stand with you and the NGA stands with you as partners.

DEFAZIO: Okay.

SIRES: My time has run out. Thank you very much, Chairman.

DEFAZIO: Thank you. With that, we turn to Representative Meadows.

MEADOWS: Thank you, Mr. Chairman. And I want to thank you and Ranking Member Graves for your willingness to work in a bipartisan manner to hopefully, tackle this big problem.

Governor Walz, you know, it's--it's great to see you. Congratulations. I--I was mystified by you saying that you got elected because of--of running on taxes. You told me if I didn't endorse you, you guaranteed that you could get elected and--and I held true to that. You got elected in spite of our friendship. I--I want to say congratulations.

Here's what I--we're talking about doing things bold and making sure we have a plan. I don't know that a gas tax is bold, because quite frankly, it's a short-term solution. We all know it. Every one of you at the table, you know that a gas tax is a short-term solution. Now, I'm willing to look at it. I'm willing to put in the political capital to make sure that we have proper funding but what we have to do is--is do something that is truly bold.

I can tell you, my voters in North Carolina could care less whether he has a tunnel in New Jersey and that's the--that's the--the sad truth about it so we have to come up with something that works for both rural and in urban areas where--

The other thing that we have to do, and--and this is where I would ask your help, the only thing long-term about this particular topic is not the funding source, it's the permitting process. And--and we have to make sure that we streamline the process so we're actually building roads, and bridges, and the infrastructure that we talked about.

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You--I'm willing to take a tough vote but if I take a tough vote and a bridge gets built 15 years from now, one, it's hard to do that.

And so I guess, Governor, here's what I would ask from you, from the Governors Association, how many of your governors are in favor of increasing the gas tax? We need to know that. I mean, truly we--if you can report back to this committee, are you willing to do that?

WALZ: Yes, congressman, and I want to make sure that I--I don't speak for all of them. But what I can tell you is that we're in agreement with you on this. We are looking too, for streamlining of the process. We're not looking to cut corners. But--but we're in agreement, it should not take that long to deliberate, that is added cost and added frustration. So we'll report back to you those numbers. They've not taken the position on it but we have taken the position that one funding stream alone will not do it. And I--and I don't disagree with you on this, that this is not the overall long-term solution, but when you're out in the states this is the one we have and this is the one that makes a difference as we start to--I think you're right, think bolder. But we'll get back to you.

MEADOWS: Thank you, Governor.

And--and I guess Secretary LaHood, you know, when you come and say, "Well, let's--let's put all these things together, you know, gas tax, toll roads," those kinds of-- Let me just tell you, it's nails on the chalkboard to a lot of folks when you--when you say that. I would rather take one tough vote now to do and fix this long-term. And I guess what I would ask is from your--your group, if you would come up with something that is long-term, whether it's miles driven, which has inherent problems as well.

You know, I know that the chairman wants a--a carbon tax. All of--there's only about five different funding mechanisms but we have to come to a solution on any bold transportation measure that does that. I'm willing to do that. I'm willing to invest. But I also agree with you, if we don't do it in the next six months it isn't going to get done under this administration. And yet, this president, I think, is committed to doing something bold and big on infrastructure. And so can you get back to this committee on--on what an ultimate solution might be for a long-term funding stream?

LAHOOD: Yes, sir.

MEADOWS: All right. Thank you. I yield back.

DEFAZIO: Just to correct the record, I'm not aware that I'm a sponsor of a carbon tax.

MEADOWS: No, I--I--I--

(LAUGHTER)

You were more--your side was more open to that. I didn't mean the chairman personally.

DEFAZIO: Well, I would relate that our former colleague, Jay Ensley, the governor of Washington, has had some extensive experience with the carbon tax. It has failed twice in Washington. Jay is greener than anybody I know and he is saying, "Ah, it's time to move on because it's not going to happen if it can't happen in Washington State." But anyway, that's just a comment.

With that, I would turn to Mr. Garamendi.

GARAMENDI: Thank you, Mr. Chairman. I'd love to continue the discussion about taxes, but let's not.

Mr. Garcetti, Mayor, welcome. Sorry, I missed your earlier testimony. But I do have a question for you. We seem to have many folks, some of whom are in this room and others who are not, that seem to want to ignore the issue of man-made climate change. And really, it's my view and I--perhaps it's yours, our nation cannot wait to address this critical challenge. The recent fires in California, including the Campfire, which was the deadliest up in the Paradise

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area and very near my congressional district, well, we've seen firsthand that, we've seen it in your community. Well, just outside your community.

So my question, Mr. Mayor, is would you, please, speak to how your city and the municipalities across California are making investments in more resilient infrastructure and how important this is for the municipal and county governments to have a federal government as a real partner in that process of creating resiliency in the area of climate crisis?

GARCETTI: Absolutely. There's no question that from Houston to the Florida Panhandle, to California, we're seeing that impact. I mean, I always say forget what your ideological perspectives are, talk to a firefighter about whether climate change is actually happening. Talk to a rescue worker about whether it's happening. Something's happening out there with extreme weather. I think we know the science.

But that said, we've had firefighters die on the line. We've had roads that are inadequate access. We've rethought infrastructure in California, certainly Los Angeles. We use now, resilience, not just as an issue area for a few specialists, but really a prison for all of our infrastructure.

When we repave a street, it's a complete street, we think about the water drainage, we think about the trees that we're going to plant, the heat island effect, and what sort of tree canopy we're going to have. We think about the color of the streets. We think about the long-term, you know, maintenance of that street. We think about the emergency access, and to the chairman's point, what lights we're going to put on and how smart they're going to be to get emergency vehicles in and out quickly. It has fundamentally made us rethink everything because the loss of life and the loss of property makes human beings do that. And I think we have a pretty good package that we can share with the committee of some of those elements of how we look at infrastructure in a resilient way.

And when I said that second piece of innovation, I would also look at, in this legislation, what can you do to reward innovation, in resilience, in infrastructure, even if it's a very small piece to carve out? I think that the technology is changing enough and the--the appetite is there, as well as the real innovation in states and the local governments, which are the laboratories of democracy.

GARAMENDI: Thank you.

Mr. LaHood. Mr. Secretary, enjoyed our time together when you are in that side of the table. I guess I'm still on this side.

Something that I've dealt with over my career, half of the National Park Service's deferred maintenance backlog is up to \$6 billion, is in the transportation infrastructure projects. The last major transportation bill, the 2015 FAST Act passed by Congress, funded the federal Lands Transportation program for National Parks and all federal public lands at about \$300 million. In California alone, our National Park Transportation Infrastructure backlog exceeds \$800 million.

So, Mr. Secretary, while we ponder transportation funding here, why is that funding so critical in our National Parks, and if it is should it be included in legislation?

LAHOOD: Well, it's critical because of the fact that so many of our citizens use the National Parks and they're very important to the people of America who want to enjoy those parks. And it is a federal responsibility, should be. And obviously, the money to keep up our National Parks should be included in--in--in the program.

GARAMENDI: Excuse me for interrupting, but having spent a wonderful 10-day period in the parks in the Southwest, I would also suggest, from my own personal experience, it's a significant economic engine for those regions.

LAHOOD: Totally.

GARAMENDI: And so that's another piece of that puzzle--

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LAHOOD: Right.

GARAMENDI: --beyond protecting these very special assets.

I want to call you my colleague, Tim. Governor, would you like to comment on either these two questions in the remaining 13 seconds?

WALZ: Well, I would go on the parks piece, and I would, it is an economic driver. And this is another one where there's some great bipartisanship available. We all care about these resources. Cynthia Lummis, the former congresswoman from Wyoming, and I, did the National Park Stewardship Act, that--that did some public/private partnerships to bring in and make some capacity to do that. We know the backlog is huge. We have to tackle it. When we do that we increase our quality of life, we increase our economic growth. So we're supportive, state--states would welcome that, those who are to home to National Parks.

GARAMENDI: Very good. With that, I'll yield back, Mr. Chairman.

DEFAZIO: I thank the gentlemen. With that, we'll turn to Mr. Babin. And I do note that Secretary LaHood previously informed us that he has to leave at 11:30, so if he leaves it's not because your question insulted him. Mr. Babin.

BABIN: Yes, sir. Thank you much, chairman. Appreciate it very much. And thank you--you expert witnesses and thank you for your service and--and throughout your careers, all--all three of you.

Mr. LaHood, Secretary LaHood, I should say, your written testimony noted that we have a sustainable source of revenue over the long-term to successfully address our infrastructure needs. And you've elaborated a little bit on that, as the other--the other two gentlemen have as well, and options that we have for raising funds. And Mr. Meadows had mentioned it as well and I think everybody up there, including--on both sides of the aisle here.

But I would ask that my District 36 in Texas, we've had a number of disasters that have really harmed our infrastructure, highways, rails, you name it. The fact that North American rainfall record is in, my district 52 inches of rain in one--one--one event, with some unofficial records or measurements of over 60 in--in mine and also in--in my colleague, Randy Weber's district, Amazing amounts of rainfall. And yet, after every storm we always seem to have to--to reinvent the wheel to get these--these funding streams to get back and start fixing our--our--our infrastructure back from the--from the damages.

And we would like to have a simplified, in some way, simplified funding streams that we--we don't have to address each storm, each event, each disaster, in a--in a unique fashion. We ought to--we ought to have it--we ought to have it set, a set way to do these things, whether it be a fire, of a hurricane, or an earthquake, or whatever, depending on where we are in the country.

Do you have any suggestions, and I'm going to ask you other two gentlemen the same thing, about how we can address this terrible problem? Because we still have people living in temporary housing in my district for a hurricane that's almost two years ago, Hurricane Harvey.

LAHOOD: Yes, sir. I think one of the advantages of serving on this committee, that certainly I found when I served on it, others have too, is issues like this can be addressed in a transportation bill.

BABIN: Right.

LAHOOD: Language can be included to streamline whatever rules and regulations are hampering the ability of a community to have access to federal resources or expertise. And while we were at DOT, we streamlined permitting and we took our lumps for it, but we did it in response to the idea that some of these things take too long.

My suggestion to you, sir, is when this bill is written work with the ranking member and his staff to include language that will help accommodate your ability to get the resources so that people don't have to wait five years in order to get a road back in place, or--or whatever it might be.

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BABIN: You mentioned the bridge collapse in Minnesota, you know, I think was 2007. You know, we have, Texas is actually in pretty good shape compared to many other states. We're not broke, like--like you said Illinois was, but we have--we've got our share of problems. We got bridges that need to be fixed. And, you know, some of them--some of them are in pretty bad shape. And so I would--I would hope that I could work with the ranking member and the--and the--the chairman as well so that we could simplify, streamline, and eliminate this problem where we have to reinvent the wheel after every single storm, or event that hits us.

Thank you very much. And mayor, how about--or--or governor, you go--you go next.

WALZ: I was just going to respond, congressman, and you're absolutely right, every member of Congress who's been through a disaster knows how this goes. And you have a constituent that it breaks your heart, you're trying to get things done. We know those things were put in place to prevent fraud, waste, and abuse, but many times those things make what happens worse than the fraud, waste, and abuse, if it's possible.

But I do want to give that--that bridge as an example. Some of you here, remember this, we were on the floor within two weeks, voted for the money, that bridge was up within nine months. Gone through here, passed the bill, went through Ways and Means, was appropriated, was built, the contractors was there, came in under time, was done, and it is standing today and done right. This can be done if we choose to do it.

BABIN: Right. Thank you.

GARCETTI: I'd agree with that too. And thank you for the question. I mean, a Republican is a Democrat who hasn't been through the NEPA process. All of us, as mayor's, know whether it's CEQA, which is California's Environmental Quality Act, when I was trying to redo the airport, we had to choose, is it FAA, FDA, there's two different agencies just to get a train into the airport, and we had to try to simplify which one. This would be music to our ears.

And remember the 1994 earthquake in Los Angeles?

BABIN: Yes, sir.

GARCETTI: We were able to rebuild a collapsed freeway in a matter of months, something that would have taken years. So the human being is absolutely capable of this. Enabling language, especially after disasters would be welcome to us, especially after the fires and stuff that Mr. Garamundi spoke about.

BABIN: Yeah. Thank you very much. As a former mayor, I--I appreciate what you said.

Sir, I yield back, Mr. Chairman Thank you.

DEFAZIO: Thank you. Ms. Titus.

TITUS: Thank you, Mr. Chairman.

You know, I'm honored to be Chairing the subcommittee that oversees FEMA, and if ever there's an example of the cost of doing nothing it's in the case of resiliency. So it's great for me to hear, especially from my colleagues across the aisle, this recognition of the dangers and the damages caused by climate change and the need to address that moving forward. So we'll--we'll be working together on those issues. Thank you.

My question to this very distinguished panel, and I thank you all for being here, has to do with priorities. As we have heard among the questions, everybody's got a project they really care about, whether it's a tunnel, or a bridge, or a water project, or responding to some kind of disaster, in Nevada it's the highways. I-15, it's like a parking lot from my district to yours, Mayor, the extension of I-11 from Las Vegas to Phoenix.

We've seen a number of studies that show that if we don't do something about expanding access those roads are going to be like Labor Day every day. And if they are, people are going to travel less, which will affect the economy, which will hurt jobs, and will certainly hurt Las Vegas, it depends on that kind of travel for our tourism economy. We

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don't have earmarks, unfortunately. I wish we did and you might want to comment on that too. But then, because of that, we're going to have to set some priorities in this committee.

Now, building America's future has a call for a National Infrastructure Strategy. We have a National Strategy for moving freight, for--for our highway program.

Wouldn't it be a good idea to have a national strategy that looks at perhaps bi-state projects, maybe prioritizes some of those so they will maybe move up the list for things that should be built and can be more competitive for funding and will put us with the more national reach rather than just having to compete for little pieces? Would you address that, Mr. Secretary, and all of you? What--how could we come with a strategy that makes this work? When we have the money, where do we put it, and when do we put it?

LAHOOD: I--I think you can put language in the bill that is not earmark language but is language that gives priority to projects where there is intergovernmental cooperation, where there is interstate cooperation, where there's opportunities for states to cooperate, cities to cooperate. You--you could certainly make that a priority and include that as language.

I--I'm--I just want to say this about earmarks. And I'm sorry to take the time to do it. One of the reasons I left the transportation committee and got on the appropriations committee is so that I could help my district out. I never dreamed up one earmark on my own. All the earmarks that I ever got from my district came from constituents who came to me and said, "Hey, we need a new health clinic," or, "We need this, or we need that."

This idea that these things are dreamed up in Washington is nonsense, and if--if--if you don't have earmarks, then you're going to bureaucrats or people running these departments deciding where the money goes. Unless you put language in the bill that says where there's cooperation, where there's collaboration--maybe they ought to have a higher priority for funding.

TITUS: Thank you. I'm glad to hear you say that.

GARCETTI: I think America's mayors would support that as well as earmarks because we know the Democratic process by which they come up. But, absolutely, think about across state borders, and think about regions because oftentimes there are small towns that are part of larger regional cities and counties. When they work together--we see this in Minnesota. We got that passed when we did the Los Angeles County measure that I mentioned. I think there should be some sort of reward on that leverage piece.

And three or four members have now said it. Let's not be parochial. Let's care about that bridge, you know, that's in somebody else's district. We, in Long Beach, in LA, have a port that's important for America. You know, we--we spent--we get about \$200 million that we generate from that harbor maintenance trust fund, and we get about \$4 million back. So, we're contributing greatly to all--every other harbor inland, on the coast, et cetera. So, when we stop being parochial, we actually will move America forward because we are intertwined with each other.

WALZ: The Governor's Association shares that. I can't speak for all of them on earmarks. I can speak from being there and what the Secretary said is--I put them all on the--online. I had requests from city managers, and a very conservative newspaper said, "Well, we're usually against earmarks except for these because they're really good," because local community put them in.

(LAUGHTER)

I trust you to make these decisions. You are the professionals. Go to your mayors, as I know you do. Bring those things forward. And then, all of us have the courage here. We have, in states, our step where we prioritize projects. You can do that too. If I were asking for money from my congressional district and New Jersey made the case and it was a stronger one, maybe I'm not next year. But, I--I think governors are already collaborative working together. We're prioritizing projects. Those locks and dams on the upper Mississippi River carry the bulk of this nation's agricultural product. It's in all of our best interests that we're investing. That's not a Minnesota, a Wisconsin, Illinois projects. It is a--it's a U.S. project. So, I agree with you on that.



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I wish you would have the conversation about how do you make sure you're overseeing this money in a smart way. Certainly, as a governor, I want to come to Congressman Stauber and ask him about the Twin Ports interchange and why we need to get that done and how that impacts this nation's economy. That's a better way to business.

TITUS: Thank you. Thank you, Mr. Chairman.

DEFAZIO: Mr. Rouzer.

ROUZER: Thank you, Mister--Mr. Chairman, and very appreciative to have such a distinguished group of two fine gentlemen here--here before us. And, unfortunately, I see we've lost our secretary. But, I--I've got a--I've got a question for you, and I'm searching for answers. And this ties into infrastructure and--and what we do as a Congress as we move forward.

You have a tremendous amount of population shift from the northeast into the southeast, for example. I represent the Southeastern North Carolina. Of course, Southeastern North Carolina, if you recall, during the fall, we had Hurricane Florence, which ripped right through the middle of my district. I have nine counties. All 9 were federally declared disaster. 8 of the 9 were under water. And, in some areas and some places, still under water. Tremendous devastation. And, of course, a flood takes a long, long time to recover from. Folks lose everything. And so, many people have their entire life savings, their entire wealth creation in their house. And when they lose it, it's gone. It's a very, very sad situation for many.

When these states where you have such a huge increase in the population growth, you have extra roads, new bypasses. As part of an infrastructure passage, you'll be having a lot of repair, new interstates, designated interstates, et cetera. And then, on top of that, you've got all these new homes that are built, and many of them today are built literally where you take one hand and you touch one and the other hand, you can touch the other, I mean, hardly 6 foot between the homes.

And now, when it rains, all that rain hits the homes. It hits that--it hits that surface, that hard surface, goes straight into the river. And we're approaching the point in North Carolina where, if you have a five inch rain in Raleigh, you're going to end up having the magnitude of a Hurricane Matthew or a Hurricane Florence flood further east.

So, my question to you and what I'm searching for are what are the things that are being done nationwide in various parts to mitigate flooding of that nature just because of the sheer population growth that you have? North Carolina, as everybody knows, has really grown tremendously in the last 20 years. It's going to continue to grow tremendously in terms of population growth. So, I'd like to know if you have some examples of what's been doing around the country to help mitigate this really, really tremendous problem.

WALZ: Well, I'll speak on one in--in Minnesota and North Dakota, the Red River diversion project. Many of you have problem seen on TV where it's hard to imagine a flatter area where the flooding comes from. Those are the areas where it's the worst. And what I can tell you on this, congressman, is these are--these are emotional issues because of the reasons you stated. They're also emotion because, in many times, the--the mitigation impacts others.

So, in the case of--of the Fargo Moorhead diversion, we're going to route that river around the cities, which is, of course, going to flood farmland of families that were never impacted by flooding that may be now. And these are hard decisions we're going to have to make as 500-year floods now become, as you said, five year floods.

And I think, as a nation, we're going to have to have this conversation about how do we send resources equitably. I say this as a state, that Minnesota is 47th in the return of federal dollars. We spend, of our tax dollars, go out more than almost any other state than come back to us. But, our recognition is, if that's going to states to improve the life and quality of North Carolina, as long as there's a recognition back with us.

I think we have to think collaboratively on this and cooperative in a way we haven't because the real challenge for me is, you're right, where you have more people and more concentration, there's going to be more infrastructure. What happens on that final mile? This is the reason that I don't have broadband in many parts in my state because

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the private sector does a wonderful job of providing it out until that final mile where there's no economy of scale and no return.

So, I think a new way of approaching this, a new way of looking at it, a new way of mitigating--but, understand, the mitigations are going to come with their own problems. They're going to come with the political problems. They're going to come with are you--every flood wall we build to protect floods the city down range--downstream. And that becomes an issue.

GARCETTI: Thanks for the question, congressman. And people don't think of Los Angeles as flooding. But, we do. It's the reason the river--if you've ever seen Terminator II or Greased Lightning--it's actually a--a concrete channel because it used to kill people whenever--it falls have the distance of the Mississippi in 51 miles that the Mississippi takes 2,000 miles. So, it's a very violent river.

We changed our ordinances to look at something of low impact development, of acquiring permeable surfaces. So, to your point of when you put more concrete down and it creates more flooding, you can actually change how homes are built. And you can put something in legislation that looks at that.

Second, the zoning--this comes to Mr. Garamendi's questions on fires too. We've let developers built right by fire areas because they're going to make their buck. They're going to be gone. Same thing happening right now in flood prone areas. We saw that in Houston. And I think the federal government can play a role saying, "No, there are certain places homes shouldn't be built," because we all, as taxpayers, will end up spending hundreds of billions of dollars then mitigating what happens afterwards. Instead, encourage density where it should be and reward that, perhaps, in some of the legislation.

ROUZER: Thank you, Mr. Chairman.

DEFAZIO: Thank you. We'd now go to Ms. Brownley.

BROWNLEY: Thank you, Mr. Chairman, and, to Governor Walz, congratulations. It was an honor to serve with you over the last six years. And I--I know the Minnesotans were absolutely right in electing you governor. So, job well done. And Mayor Garcetti, I want to thank you for your bold leadership, really, at the national level on the issue of climate change. And I know your Mayors National Climate Action Agenda has really set a very high bar for others to follow in terms of making Los Angeles a leading city globally on the issue of--of climate action and climate change.

So, as you know, the State of California has passed legislation to require that, beginning in 2029, all new buses must be clean, green, zero emission buses. So, my question is a little bit more specific than some of the previous questions. So, can you tell us what you think Congress and the federal government can do to help you with these goals, and do you think California's law would be a good law nationally as well?

GARCETTI: Absolutely. What--you know that half of the world's buses will be electric in the next decade. That's not driven by the United States of America. Right now, it's driven by China, and they've shown, within a year or two, completely electrifying certain cities' bus fleets. The technology is there. I'd like to see this be an American industry because most of the technology on batteries and even some of the vehicles has actually been innovated here even though it's being applied in other countries much more aggressively.

In metro--the system that I'm a part of in Los Angeles County, we've made that pledge to, hopefully by the time the Olympics and Paralympics come back to America in 2028, to be 100 percent electric. We said 2030. But, I think we're going to rewind that a couple years by the time we do this.

Where we need federal help is on financing, quite frankly. I was an electric vehicle driver from 1997. I saved money in my pocket after the first 6 months. And we know that we can amortize this quickly. But, it's a huge infrastructure build on the upfront piece. So, what we need is a financing mechanism. This is one place where we don't need just grants, though we'd love to see that in R&D and keep that industry growing here.

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We could flip probably the entire system in a matter of 3 or 4 years, maybe five because it's America and we move a little slower than other places. But, we could do that within half a decade if we had the financing. And so, rewarding that--so, both the electric grid, the charger infrastructure, and then, the loans for the buses--we, as an agency, would pay that back 100 percent. I am 100 percent sure of that.

Private companies are offering that to us right now. We'd rather do it, I think, through federal government because the--the companies may be around or may not be around. Some of them are foreign companies. Some of them are--are domestic. But, we would get electric buses in LA in a matter of five years, I think.

BROWNLEY: Thank you for that. And then, another question that I wanted to ask as well is--you've been doing a lot of work on workforce development and manufacturing. You've made reference to that earlier in your testimony. Can you tell the committee more about these economic development initiatives and how you think they tie into the--to our transportation future?

GARCETTI: Yeah. It's great. I mean, we've seen a hollowing out of the middle class in much of America and American cities. We see this as kind of the comeback, the--the central pillar of that. When I said there's 780,000 jobs that are created by one measure alone, we didn't want to just say it's going to happen passively. We don't want them to just come from other places. We are now putting our community college district in line to do that training with our unions and some of our contractors.

We're inviting folks. We're starting the first school, a high school for kids that will be transportation careers, a public high school in Los Angeles, based on one that was--that exists in New York City right now. So, we really could see this as, not only just expanding that infrastructure, but the human infrastructure and the way we benefit from this. Congresswoman Bass's legislation to hire locally, which I know can be controversial--but, you see subway coming through your area and nobody from your neighborhood working on it. That's a problem. We should be able to reward that, especially in cities where you have the pipeline, for just as good worker as anywhere else.

We've seen folks who are ex-offenders. I told the story at my State of the City address of a woman who was arrested when she was young for a drug charge. She came out. She was trained. She was an African American woman. There's not many in the building trades. She's now working on the Crenshaw line in south Los Angeles, and her son gets to visit mom three blocks from where they live working and building a great thing that will make her proud for the rest of her life.

BROWNLEY: Thank you, Mr. Mayor, and, again, thank you for your leadership, and, governor, thank you for yours. And I yield back, Mr. Chairman.

DEFAZIO: Thank you. Mr. Westerman.

WESTERMAN: (INAUDIBLE) little technical difficulties down here. But, thank you, Mr. Chairman, and thank you also for such a great title for today's hearing. I think maybe instead of just the statement the cost of doing nothing, it's more of a--a question to us. What is the cost of doing nothing? Because we all know there is a cost to doing nothing. Being a professional engineer and having done many projects in life, we never looked at an alternative project where we didn't first evaluate the cost of doing nothing, and there always is a cost of doing nothing. And we're seeing the cost of that in our infrastructure across the--the country now.

I appreciate the gentleman from California, Mr. Garamendi, mentioning the--the forest. I think that's a great parallel to what we're seeing with infrastructure across our country. If we let our forests continue to grow and--and overpopulate, eventually there's going to be a day of reckoning when that forest catches on fire. We can apply sound scientific principles to that forest, and we can manage it, and we can make it more resilient. And life is better when we do that.

But, if we look at--at infrastructure and we think about this cost of doing nothing, I--I have a couple of areas I want to focus on on the water side of things. And first off, I want to go back to clean water. We've talked about that a little bit. And, as I understood, your--your testimony and understood the way the process works, with large cities and--

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and larger urban areas, with municipal bonds, you can pretty much handle those--those--those projects. We see that where I live in Arkansas, and I know it's all across the country.

But, also, in my district, I have a lot of rural areas. And you mentioned even with the fund to give below market loans for those projects--it sounds like there still needs to be more done to help these rural areas that just don't have the tax base to put clean water systems in. Could you elaborate a little bit more on what else needs to be done on top with a revolving fund?

WALZ: Yeah. Thank you, congressman. And, again, we see this more and more every year. And it's--it's like many of them are reaching their life expectancy at about the same time. And you're exactly right where the problem is. And we do bond for it. We're talking about--and we do some of this state bonding. But then, it becomes picking winners and losers amongst a numerous small municipalities.

It's just having more into that fund, I believe, the capacity to do it. It's us understanding this is going to take a pretty big investment. And this is that hidden infrastructure that you don't see. But, for example, a small town that maybe their entire city budget is \$10 to \$12 million, the replacement of one of these water treatment plants is now \$15 million. And there's just simply no way property taxes quadruple overnight.

So, in the state, we're looking at ways that we can be of assistance. I think a revolving fund of making sure it's there, making sure there's some flexibility for us--again, I think came up in numerous conversations. I don't think there's a lot of disagreement across political spectrum on this. There needs to be standards to do these things. But, some of that flexibility helps us out. So, some of these things are it takes too long to build them--they become a little bit more expensive--and having access to those funds.

But, in many cases, we're going to have to do more than just loans to these because these communities just don't have the capacity to pay them back.

WESTERMAN: And--and on the water thing--shifting gears a little bit--Minnesota--you use--utilize the navigational waterways, inland waterway systems quite a bit. I've been doing a lot of in-depth study on that. And there's billions of dollars of work that needs to be done on those system. They're--they're out of mind out of sight. I think--I've got a lot of them in my district, and I don't know the people even realize they're there a lot of times. But, if one of those locks and dams fails, people will realize very quickly when they see all the additional trucks on the interstate.

We move a tremendous amount of AG products down the Mississippi River through our inland waterways. It's the cheapest mode of transportation. It takes less fuel per mile than any other mode of transportation. It gives us a competitive advantage in rural areas for--for our AG products. These investments in these projects have returns of 10 to 16 to one is what the literature says. So, even if you--if you went into debt to fix these inland waterways, you would be money ahead on the long run. And, in ten seconds, would you like to comment on that?

WALZ: I'll say amen on that. And the (INAUDIBLE)--excuse me. The national debt matters. When I bought my home, as a teacher, I was making \$40,000 a year. I bought a \$120,000 home. I was 300 percent of GDP in debt, and it was the best investment I ever made.

In this country, what Congressman Westerman said is, our infrastructure on the locks and dams--we are on accident away at that lock that 75-year-old lock at St. Louis will shut down 83 percent of the exports of this country. This is not Mark Twain's Mississippi. This is hundreds of times more important even than it was then for the moving of products. And--and this is a crisis situation along with that. We talked (INAUDIBLE) for many years here. Big (INAUDIBLE). If you can do it, go for it.

WESTERMAN: Thanks. I yield back.

DEFAZIO: Thank you. Thanks for raising that issue. We are not just here for surface today. So, there are other areas that need critical investment. And with that, Representative Payne.

PAYNE: Thank you, Mr. Chairman. And, governor, good to see you back here. We--we miss you already. I--the people of Minnesota were very bright to bring you back home full time.

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You know, I--I just want to echo something that you said, and I think we have the same philosophy on it. The--getting into the specific projects that are important to our districts--and we are here to support our constituents in our area. But, we are the Transportation Infrastructure Committee of the United States of America. So, we have to have a broader outlook on other projects that don't necessarily always just pertain to our districts.

And so, I feel it's very shortsighted of some of our colleagues at times to make a statement just--"Well, my--the people in my district could care less about a tunnel in New York or New Jersey." Well, that may be very well and true. But, it is--it is--I feel it's part of your job to articulate and bring understanding to why it's important to the nation. If that tunnel crumbles, transportation on the eastern seaboard is shut down between Boston and Washington DC.

And I can remember being in New York with the member from North Carolina, and I'm sure he took the train through that tunnel to get from North Carolina to that meeting we were in New York. So, it has an impact. And so, as you said, that you are 47th in your return on--on--on (INAUDIBLE) but, you understand how important it is. And so, I wanted to thank you for that.

And Mr. Mayor, in your testimony, you discussed some of the investments and changes that have improved the Port of Los Angeles. You also mentioned investments that need to be made at ports across the nation. I represent the Port of Newark, which is port--Port of New York and New Jersey. And it is the busiest container port on the eastern seaboard. Could you unpack some of the technologies and investments that need to be made at our port--at our major ports across the country and speak about how Congress can make sure our ports continue to be productive while creating good paying jobs?

GARCETTI: Well, thank you, and thank you for leadership in Newark and across the nation because we know even in Los Angeles, Newark's an important port for us and vice versa. You know, we need full utilization, I think, of fair and equitable framework that takes care of our ports as a system because they really are tied together.

And I support--there's an approach that's been put forward by the American Association of Port Authorities--both of our cities are members of--that looks at funding for each region of the country, but also looking at small, emerging harbors. So, it's not an either or. It's a both. And for donor and for energy transfer ports.

As I mentioned before, we collect about \$200 million from the Harbor Maintenance Trust Fund each year the Port of LA, and about three to five million of that is returned. Think about that for a second--\$200 million we collect, \$3 to \$5 million returned. And yet, what we're doing there, together with Long Beach--40 plus percent of the goods that come into America come through those ports--we're looking at a zero emissions port because usually communities of color live right by there, and they have the worst air quality.

People forget one of those huge ships is equivalent of tens of thousands of cars. So, as we look at resilience and climate change, that's a great place to make an impact. And we take a very bold step in Long Beach and LA saying we'll be the first zero emission port, not in the United States, but in the world. We're going to need some help on the technologies. We're working with private sector. Those (INAUDIBLE) trucks, everything like that.

Second, we're looking at new technologies. It's a great American export. We're working with GE Capital, for instance, to predict which containers are coming in, match them up with the trucks before they get there. And now, we're licensing that to other ports around the world, taking a cut of that, bringing it back to America. That's like American knowhow.

So, again, the innovation around ports on logistics, on rail, on dock rail, on new generation of electric locomotives so that we can have zero emission locomotives for those communities of color and those communities that are around pots. All of those things would be great to see and a more equitable use. I hear loud and clear what Mr. Westerman said. I'd love to see us take those harbor funds and help the entire system that ties together. We already do that. I'd be willing to share some of that. But, we need to get back more than one or two percent of what we generate to do the good things for America and to make it work.

PAYNE: Thank you, Mr. Chairman. I yield back.

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DEFAZIO: Thank you. Mr. Gallagher

GALLAGHER: Thank you, Mr. Chairman. Governor Walz, you mentioned electric vehicle charging networks, ports, locks, dams, water systems, and other infrastructure. The modern versions of this would, in many cases, be equipped with smart technology, meaning internet connectivity, in many cases. What guidance exists in your state to protect smart infrastructure, new infrastructure from cyber-attacks.

WALZ: Well, thank you for the question, congressman. In fact, my--my second executive order was issued yesterday forming a blue ribbon panel on this very issue, on looking at over the horizon technology challenges, making sure--and we saw it this week. When temperatures--the things I was monitoring on a minute by minute basis--when temperatures get to 70 below, an interruption on power generation or gas delivery is life and death.

And so, when we had blips and seeing things on the map going red, meaning we were losing some of that, trying to understand where it was--some of those were switching issues. Some of them were small issues, and the good news was it all came back up. But, it highlighted the fact, again, that a sure way to attack this country at a time of that is to attack infrastructure. And so, we're starting to think forward.

We're bringing in all the folks who--who are cutting edge on the front end of this but thinking of where we haven't been yet. Because, again, if we move to autonomous vehicles, which we're trying to do some of these test projects, how protected are they? Because the havoc that can be caused by cyberterrorism, whatever it might be, as well as just an outage. So, we're thinking about it. We've raised it to that level of--of importance that it will permeate all the decisions we make. And I think many of the states are looking for that again.

This is one of those cases where I think the states are great innovators. We're looking at other states that have moved ahead. Protecting the Port of Los Angeles, I'm sure the Mayor will talk about. But, we're going to need some help doing it because we see it as a threat.

GALLAGHER: And similar question to Mayor Garcetti, but maybe comments specifically on whether cities are aware of the cyber vulnerabilities posed by Chinese technology companies, particularly Huawei and ZTE and whether there is extant guidance about purchasing technology that can end up in smart technology in the future from those companies.

GARCETTI: Yes. So, we established, for Los Angeles, cyber lab. We think it's probably the best of any municipality in the country. It's now four years old. DOD, DOJ, HSD are involved in it. We have the busiest port in the Americas, the number two airport in the country, and the largest utility owned by any municipality. So, we've got vulnerabilities many, many places.

We've also brought in the private sector with this as well. Remember when the hack happened to Sony, the rest of the companies were like, "I'm glad that didn't happen to me." Our enemies collaborate to share how they're going to attack us. But, we as friends never share, especially in the private sector because we see each other as competitors. We're breaking that down in Los Angeles. So, we're--essentially, we've formed something from the small little business that's vulnerable to the biggest company and our own enterprises to share that information right away and to have patches and fixes in real time that we get from one company giving to another one. So, people are signing up. We'd love to share that with you.

In terms of the Chinese technologies and other technologies, that is a part of what we talk about. Maybe we can talk about that a little bit more offline. But, that is absolutely a piece of what we keep our eyes on.

GALLAGHER: I'd love to. And I just--I--for either of you or both, I mean, are states or municipalities aware of how much Huawei and ZTE products they may have already purchased or may be on--

GARCETTI: --We don't purchase either of them--

GALLAGHER: --Any of them.

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WALZ: At this time, I don't know, congressman. We need to--our cities and the larger cities on how those purchases were made. That's one of the reasons why forming this task force so there's an alignment of both goals and protections that go into because I think a lot of it is what you're asking. We don't talk to one another, and we may not know.

GALLAGHER: Sure. And my simple concern is that, as we contemplate spending potentially billion dollars of federal money on smart infrastructure, we want to make sure we're not building back doors into which our enemies could disrupt us in the future.

And the final thing I'd say for Governor Walz is go Packers.

(LAUGHTER)

DEFAZIO: Thank you. Mr. Lowenthal.

LOWENTHAL: Thank you, Mr. Chair, and thank you my--both our witnesses, my former colleague and dear friend, Tim Walz, and the great mayor of the City of Los Angeles who I have great respect for. And I'll come back you a question in just a second.

But, I really want to preface my statement by all of you--we've talked about the funding gap and what we need. But, I don't think we've really spent enough time on the overall freight situation and what we're talking about in terms of freight. You mentioned, Mayor Garcetti, in your written testimony, that we have over \$2 billion in a freight funding deficit. That means more congestion, more emissions in our local communities. But, it also means a delay in goods that really impacts both consumers and the manufacturers getting there. And, as you pointed out, 43 percent of these goods come through our joint Ports of Los Angeles and LA.

Soon, I'm going to--this is my public statement. I'm going to be reintroducing my National Multimodal and Sustainable Freight Infrastructure Act, which I've introduced before, had a lot of support. It's a bipartisan legislation which creates a dedicated revenue stream to specifically finance sorely needed freight improvements, from the ports to wherever they're going throughout the nation.

So, I--I really think--and part of--it's important because, as has been pointed out by all of you, we're not going to have a single funding source. But, the federal government needs to come up with creative sources and I think creatively also in terms of targeting certain needs and making sure that those, as we've learned with the highway gas tax, that we protect those moneys.

Especially, I want to point out--I want to thank the chair and also representative--Chair DeFazio, Representative Napolitano, who's the chair of our water resources subcommittee, for their leadership in making sure that we spend all the harbor maintenance fund and also that we then also begin to look at the relationship between the donor ports and the other ports. I think those are--because, as we pointed out, ports across the country, as my colleague Mr. Payne has pointed out, need to build the infrastructure that connects the--the maritime transportation system to the surface transportation system and it's one real system. Even though we frequently think of them as separate, we're really talking about one system. And I hope we make tremendous--in the next 7 months we make tremendous statements--tremendous improvements in those areas.

But, Mayor Garcetti, I want to point--ask you a question I think that Representative Brownley talked about. And I--my preface to that is that, you know, we talk a lot about infrastructure investments that create good family jobs and sustainable jobs. But, it often takes an extra effort to make sure those investments benefit the local communities. And you talked about that, how the city of LA and LA Metro have set ambitious local hiring goals, and you took advantage of this federal--as you pointed out, this federal pilot project to allow for local hires that was--that was put into our federally funded projects.

You mentioned a little bit--I'd like this. There's three parts to this question. I'd like you spend a little time, if you can, whatever's left--what was your own experience with this? And maybe more importantly, what was the--what

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happened as a result of DOT's decision not to continue, and what would you like this committee to do? That's the most important about this issue.

GARCETTI: Well, thank you so much, congressman, for the question. What member of Congress doesn't want to deliver jobs back to his or her own district or his or her own constituents?

LOWENTHAL: Right.

GARCETTI: I mean, it's a question, I think, that has an easy answer. Now, in the past, there's been those who come and say, "Well, we don't have enough of a workforce here. We have to bring them in from other places, other states even." In Los Angeles, we had other people coming in from Ms. Titus's district and other places. Shame on us. Those were great workers. But, shame on us for not growing them up.

And the companies get a little bit lazy about saying, "Well, we don't want to do it." We should be offering help to partner and pay for their training costs with our (INAUDIBLE) dollars. We've done that in Los Angeles, and the pilot was extremely successful. We have a generation of people now growing up that will have lifelong employment in the building trades and do significant things that they'll look back on with their kids or their grandchildren and say, "Mom or Dad built that."

Second though, when it went away, it--we suddenly went back to companies saying, "Hey, we don't have to do this," and these programs started to have problems. Now, we have so much infrastructure going, we can control that at the airport. We're doing things on our Los Angeles River, the ports, et cetera, that we can put some of those folks to work.

But, I think it would be a real legacy of this committee and this Congress to say, "Not only are we going to put that in place, we're going to think through how training occurs, work with our community colleges, work with our unions and our trades to be able to put that forward." And, for a Congress that just adopted historic criminal justice reforms, it's a great place to put people to work who are not going to go back to school and get a degree, but who do want to be contributing members of American society. And we had a huge percentage--I would say about 40 percent of the folks that are working now on the airport, on Metro came out of serving some time, and this has changed their lives.

LOWENTHAL: Thank you. And I yield back.

DEFAZIO: Thank you. Mr. Davis.

DAVIS: Thank you, Mr. Chairman. Appreciate your friendship, your leadership on this committee, look forward to looking with you. And I also want to thank my leader, a Republican leader, Mr. Graves, for, in a weak moment, naming me the ranking member on the highways and transit subcommittee. I don't think many people would assume--no what you were thinking there. But, thanks, buddy. I appreciate it.

And hello governor. Good to see--good to see you again. Football meeting for the Congressional football game is next week. We hope that you plan to coming in to play again, even in your--your new capacity. We--

UNKNOWN: (INAUDIBLE)

DAVIS: --absolutely. We need you. We will beat the guards this time. And mayor, great to see you again. I'm a little disappointed that you did not nudge Secretary LaHood, like I texted you to do, earlier in this hearing. And I--I'm sorry I missed my good friend, Secretary LaHood, because I had some questions for him.

But, all three of you, I think, bring a unique perspective. And we all see the need, Republicans and Democrats, to figure out how to--how to pass an infrastructure bill. This can be the committee of bipartisanship. And many of the comments that each of you have made, as I've been in and out of this hearing, have been very appropriate to our concerns.



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We have to have revenue. You know, I--I'm for diversification. How in the world do we--we create a 401k of--of funding sources to lower the volatility of, just like we currently have, just one source now. Those are the debates that we should have in this room. But, the cost of--the cost of doing nothing actually also includes the regulatory environment.

Now, governor of a state, mayor of one of our largest cities--what can we do in this committee to reduce the cost of infrastructure investment on the regulatory side that you may not have addressed already? I'll start with either one of you, whoever wants to go first.

WALZ: Well, I'll get on this. This is a--this is a place of, I think, great collaboration that can happen in here that none of us are saying that, of unfunded mandates that end up on the states, of regulatory burdens as we were discussing earlier. We know that this can be done. The mayor talked about a freeway that was reconstructed after an earthquake. I talked about the I-35W bridge that was debated, voted on, funded, and built, and the ribbon cut within a matter of months.

That is out there. I think it's working together to make the case. When people say that they're worried about a regulatory burden, not assuming that means they want to get out of something to make more money or to not follow the rules. It means that they see it as a regulatory burden. And those who say, "But, we're not willing to put people at right"--I think we can come to some--some common ground.

The governors--the National Governors Association would welcome anything that you would do to help us be able to speed those things. Set the standard for us. Keep it there. But, give us at least enough flexibility that, in these changing circumstances, we're able to reach out goals, but not undermine or add cost to it. So, we're in agreement with you, Mr. Davis, and I think it's a perfect time to do it. As you're talking revenues, ask for those changes that make this easier, and you'll find support amongst the Governors Association for it.

DAVIS: Thank you, my friend. Great to see you again too, Tim.

GARCETTI: Great to see you, congressman. And don't worry. Secretary LaHood's coming out to LA. So, I'll give him a punch for you when he comes out next week.

(LAUGHTER)

Couple specifics to answer. One is I would give incentives for how quickly people get things done because it's not just federal regulation, sometimes state and local. And everybody loves a deadline. So, if there's a piece of this funding that say it has deadlines that are shortened, trust me, states and local government will adjust. Those bureaucrats that work for us will say, "Okay, I've got 30 days now to do it. We'll find a way to get to yes instead of slow it down to no." So, that's one suggestion.

Second is I think that we all want the truly environmental protection to be there. But, what now is called environmental law is so often a way for people who are NIMBYs to slow things down, full stop. We know that. And this unifies us, whether we're Democrats or Republicans. There's--you know, sometimes unions will do it. Sometimes businesses will do it. Sometimes residents will do it. And people should have a way to petition their government. But, it all should be narrow windows. The cost of doing that should be at least something that people can't just, for a nickel, put in endless appeals, and with the federal government, again, either requires that states and localities align their laws to be that way or if you have jurisdiction to put that down in these, that would be helpful.

So, those are two concrete suggestions, I guess pun intended, that we could get the stuff moving forward.

DAVIS: I--I appreciate both of your comments. And we want to get things done here to make it easier for states and localities to be able to invest in the infrastructure and improvements that we want to partner with you on.

I wish Secretary LaHood was still here. He and I have talked about this before. The biggest impediment that I see for infrastructure investment is the discussion of impeaching the president. Ray LaHood has a unique perspective on the last impeachment proceedings that took place in the nineties. He was in the chair of those proceedings.

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And I asked him at an event recently, "How many bipartisan agreements did you pass in Congress during the impeachment of President Clinton?" Zero. We've got to come together as a Congress in a bipartisan way to put infrastructure on the forefront. I'm glad Chairman DeFazio is doing it today, and I think you for your time. And I have no time to yield back.

DEFAZIO: Representative Lynch.

LYNCH: Thank you. Thank you, Mr. Chairman. Just up front, as far as the previous comments go, I think Congress can do a couple of things at once if we need to. But, governor, Mr. Mayor, I--we appreciate your--your testimony as well as Secretary LaHood. You do have a great perspective. Good to see you back, Tim. We miss you. But, you're--you're in a good place.

We're in a very important juncture right now, and it's a great opportunity now because, while Chairman DeFazio's trying to cobble together, you know, a--a major infrastructure bill, we also, in financial services, where we're trying to address the next iteration of our--our National Flood Insurance Program. And both of those, Chairman--Chairwoman Napolitano and the flood insurance effort, really look at climate change the impacts it's having on our communities. Los Angeles has a similar profile as--as Boston does in my district.

But, there's a disconnect. There's a disconnect. So, I have--I'm a former ironworker. I was an ironworker for--for--for almost 20 years. Strapped on a pair for work boots every day, built bridges, basically, and high rise towers. And right now, in my state, I have 483 bridges that are deficient, and that's a disgrace to me, as--as an ironworker. You know? And you worry about your families traveling over those bridges, the ones that are still open.

In my--in my role as a member of Congress, I--I--I talked to my governor. He's a Republican, Charlie Baker. I asked him what his priorities are. I go to my mayors, Marty Walsh, Joe Sullivan, Tom Koch, Bob Hedlund, and I say, "What are your priorities as mayors," because they're on the ground. They have a real keen sense of what the priorities should be and what--where the money would do the most good.

I--I, honestly, think that the big question here is going to be on how do we--how do we get people behind the funding issue, if it's raising the gas tax or--or whatever it is? And I think--I think the way to link that up and--and to win the campaign for an increase in--in funding, you know, to put the trust back into the Highway Trust Fund, is really to link those up.

I would support a--a proposal that said earmarks are not going to come from Congress anymore. Earmarks have to come from my set board of selectmen, my town manager, my mayor, my governor, my state reps and senators. That has to come from the local community. And then, of course, we have competing needs in all our--our communities. They have to come--those requests have to come to Congress and--and obviously would have to be the arbiter of--of what--what gets funded in terms of need and--and the priorities that come from--from the states and local governments.

So, I--you know, I just--is that a--is that a way--I'd like to hear your thoughts because you're--you're sort of at the so-called tip of the spear on all of this. You're hearing the complaints. You're dealing with--with this stuff, you know, for bridges got to be closed down for one lane because it can't handle the weight of two lanes of traffic. You know, it's the--it's the governor and the mayor that are dealing with that. I'd just like to hear your thoughts on trying to reconfigure what we're doing here so that we take the distaste away from earmarks and--and--and restore, as I said, you know, that--that trust that, I think, has been lost because of some of these other projects that have, you know, been talked about in the press extensively about the misuse of power and resources.

WALZ: Well, I'll--I--I share your--your approach, congressman. I trust mayors. They know best. They bring you these projects. We did something--some of you weren't here long enough. We used to have these member directed projects, earmarks, and one of the things that cleaned up a lot of this was just put them on--on the internet, put them up there, show who requested it and allow for citizen comments, that you can do these things. We--we can prioritize these things and then come up with a way to deliver it. It's just a way--I--I think a better accountability. I think it brings faith back into the system. People will--if they see where their tax dollars are going--

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LYNCH: --Exactly--yeah--

WALZ: --It makes a big difference. And I think you have to bring faith back into it, and that does start to get at this funding piece on how you get there. And I think it starts by you listening to your mayors, makes a difference. That's who I listen to.

LYNCH: Yeah. Mr. Mayor?

GARCETTI: I think it's a wonderful idea. I think that you've got to trust democracy. We're either--small "D" democrats--all of us or not. Either think that people know what's best on their block and in their community--and using, I think, elected bodies, at the state and local level, are proof that Washington trusts democracy across America. It would be, I think, a big show of faith.

So, I think that would be a great way to do it. We'd love to work with you at the U.S. Conference of Mayors and maybe see how that could be done and how--you know, there's always going to be some cases in which, well, maybe my local body completely disagrees with me. But, I think there's ways to work that so you have multiple ways to input that.

But, you know, specific projects get done. American people need to know that specific projects get done. Who do you want deciding that? Someone who's not elected, who's a selected bureaucrat, or somebody who's an elected representative. And I think that's an easy answer. And I appreciate your restraint in not talking about football. Thank you.

(LAUGHTER)

LYNCH: I yield back my time.

DEFAZIO: Thank you. Mr. Balderson.

BALDERSON: Thank you, Mr. Chairman. I'd first like to begin this afternoon now by thanking Chairman DeFazio and the Ranking Member Graves for holding this important hearing. It's critical that we invest in transportation and infrastructure today so Americans can prosper tomorrow.

I'm really excited about being on this committee and having the opportunity to work at a bipartisan manner and get something done. I'm particularly excited to sit on this committee during a period in which we'll likely consider a comprehensive infrastructure plan as the president mentioned in the State of the Union address just this week.

I'll move forward with my questions, and I, like several others here--I'm sorry to see Secretary LaHood leave. But, governor, thank you for being here today, and these questions are directed to you. Having come from a perspective of being at the federal government and then going down to the states where a lot of work does get done, and having served in the state legislature, I know that we move forward with a lot of projects.

But, I would like your insight on how Congress can expand and promote the development of the public private partnerships so that states can enhance this innovation.

WALZ: Well, thank you, congressman. Congratulations for being here. And you're right. You're on the right committee here. And we do trust you. This entire conversation is about building the trust it's going to take to get this done.

One of the things is--and you heard the mayor talk about that. A lot of those public private partnerships, and rightfully so, are predicated on how safe they are, the return on the investments that they make. So, it's important for us to know that our federal partner is there. I can't stress enough, again--just so, in the State of Minnesota, when the shutdown happened, we have a revolving fund where we pay our contractors forward and you reimburse us for it. State of Minnesota's \$120 million that we had floated with no idea where we're getting it--we were losing our partners who wanted to work with us because they didn't know how we were going to be able to do that. So,

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one of the things is give us that consistency. Give us some of the capacity to innovate and build and experiment. If you truly trust the states as laboratories of--of democracy, give us that capacity to do that.

You hear the mayor talking about amazing things they're doing at the Port of Los Angeles. The states can do the same things. And then--and then, give us that--that ability to work across jurisdictions with other states a little bit to get some of those things done. Again, the--the stable funding stream--can't stress it enough. Some capacity to be flexible and make sure that we're not having unfunded mandates. Let us be able to show our private sector partners that we're--we're good operators in this and we can get this done.

And--and the Mayor did bring up something important. Some of those--the carrot works a lot better than the stick a lot of times. Get this project done in this amount of time, and there will be a bonus for you. Give us some flexibility to be able to do that. I'm not asking you to capitulate all your oversight. I'm not asking you to block grant everything to us. But, I am asking you to trust us as partners to deliver for us. And when you can go back to you constituents and say, "You know what? We allocated this money, and, not only did I get a good project in my state, I got one in Mr. Stauber's district," that would be helpful.

BALDERSON: Okay. Thank you. Next question I have for you, governor, is my district contains urban and suburban areas. It also encompasses a very vast rural area. How--how do you ensure communication between your office, the Minnesota Department of Transportation, and rural areas to make sure that your constituent needs are being met?

WALZ: Well, this was central to--to my campaign for governor. I ran on an idea of one Minnesota. I am the first governor in over 30 years that comes from what we call "greater Minnesota," the rural areas of the state. But, I think the way we facilitate it is that understanding of much of the conversation we're having here--we're in this together. As the Port of Los Angeles goes, so goes the Port of Duluth. As Mankato, Minnesota goes, so goes Marquette. Wherever it might be--of making sure we understand our interconnectedness. We're making sure and being very clear about this--one of the things that--that we're talking about is--is how we fund a little differently our rural communities with an understanding.

I talked about this. I was a high school teacher before I came to Congress. Fair isn't always equal. And--and, for us to have that very difficult conversation that it doesn't mean dollar for dollar in some places--it's more difficult in some places. That means there's going to be issues that take a broader investment in an urban core because of density, and it also means sometimes it takes a broader investment to get up to Hallock, Minnesota. And I think, again, what you can help us is--is--is to be good stewards of those taxpayer dollars. But, give governors the flexibility to be able to adjust to those--those differing needs between rural, urban.

And I think the thing that gets forgotten in here, and I hear this a lot--that suburban--and when I go to folks in Minnesota--when I got out to Hallock, they say, "There's urban, there's suburban, there's exurban, there's rural, and then, there's frontier. We are the frontier." That is a different thing, and they were not even, you know, facetiously saying that. It's true.

So, I think what you can do is help us see that overall picture, give us that consistency, but then allow us to build those coalitions to show that it matters.

BALDERSON: Thank you. And thank you both for being here. Appreciate your time.

DEFAZIO: Thanks, congressman. I would now recognize the vice chair. What? Okay. Representative Carbajal.

CARBAJAL: Thank you, Chairman DeFazio, and welcome to both of you, former colleague Walz and Mayor Garcetti, who I had the privilege of serving with on President Obama's Climate Action Task Force.

I come from local government. I served as a county supervisor for many years. So, I come with that perspective. Mayor Garcetti, as you know, 45 percent of the nation's transportation infrastructure is owned by local government. Today, in Santa Barbara County, in my district, we have a pavement condition index of 57 out of 100, and, in San Luis Obispo County, which is the other major part of my district, it's 64 PCI.

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Just a decade ago, the PCI in Santa Barbara County was 70. But, I know we're not alone in this accelerated degradation of our infrastructure and our roads. Local governments across the nation experience this same challenge and will continue to experience it in the future. How can we better partner with local governments to maintain a good state of repair of our nation's infrastructure, one, and two, what are the advantages and disadvantages of creating--creating a dedicated funding source to directly allocate resources to local governments for the improvement and maintenance of local roads and bridge infrastructure in America? And--and I ask that from a--you service as a local elected official more than anything.

GARCETTI: Absolutely. Let me start with the second one. And great to see you, congressman, and thank you for your amazing service here, to the country, and to California. You know, I--it always drove me crazy. I work now when Chairman Waters when CGBD grant dollars went out there. That's federal dollars. But, always said thanks to Councilman Blank and Mayor Blank. And we changed, in Los Angeles, policies that would actually thank the member of Congress now because those funds come from all of you.

They come from the American people first. But, you enable them. And I think, you know, the idea of this road funded by the American government, and it's a road that people are going to use 90 percent of the time more than an interstate highway is a beautiful idea and one that would be embraced and one that there should be some sort of leverage to encourage local governments.

Accelerated America, the 501c3 that I mentioned--we're on the ground helping folks from Florida to Ohio, Texas, Washington pass local infrastructure packages on transportation. At least half of that is always for road paving. So, we're stepping up to do that, and we would love to see federal government--because that network doesn't work if we don't have the feeder first mile, last mile roads into there. And I think there's always been this strange disconnect. Why is that not federal? And why, vice versa, do we not have responsibility for the highways that go straight through our cities where we could put cleaning crews? We could help folks there. We could take care of graffiti.

It's kind of like, "Don't touch that. That's either state or federal. Local government does that stuff over there." So, I think that we would be very--we would be very interested in dedicating funding resource that came to local governments. And it would be spent well. We know how to do that. And I know my number two--because we went down every year until we were 61 when I became mayor. Now, we're 68 for the first time in decades. We've paved enough to go halfway around the world. I've got four years left. I said I wanted to pave the equivalent of a street all the way around the world by the time I leave as mayor.

So, I think that that would be very well received. And then, how we can do this together--it's going to be very important for, I think, cities to be at the table and some states. Some cities are the size of states. But, for us to have that (INAUDIBLE) this together. And the chairman's been wonderful inviting us to be a part of that through national cities and U.S. Conference of Mayors.

But, I think that we're going to need to see looking at streets not just as a place you drive over them. There's people who--there's electric scooters now. There's people who walk on them. There's heat that comes off of them. There's water that goes through them. There's street trees that are important. There's curbs that are important. That is a part of American infrastructure working. So, we welcome the opportunity to help you co-write that and really value your perspective as a former local official in making that happen.

CARBAJAL: Thank you, mayor. To conclude, I--I wanted to ask if you feel that the federal government incentivizes or recognizes self-help municipalities who have taxed themselves and gone out on a limb. Residents have identified these types of measures as a top priority. Does the federal government, in your opinion, recognize that enough?

GARCETTI: If I can quote the governor, he said, "No, we punish that." It's quite the opposite actually where we step up. And I get it. There are certain places that can't help themselves on things like water. But, when people say, "Well, LA's a rich town. They can do that"--we have 24 percent poverty. It's actually a high poverty town too. We--poor people are voting to tax themselves to get this stuff done. So, let's erase that.

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No, we get punished for it, not helped. We should get rewarded, not 100 percent, because you can't leave certain places behind. But, there absolutely should be. The one place where there has been good, and I hope that we can, in the legislation move forward, is new starts because there's been kind of a--a walking away in the administration from new starts. It's critically important, and there's almost a punishment. "Well, you're already paying for it." If we want those--those subways to be open in the Olympics in 2028 and we show America off to the world, we're going to need to continue that. We expect that. We budgeted that. We're always told that. But, we need to ensure it.

CARBAJAL: Thank you, Mayor. I yield back my time.

DEFAZIO: Thank you. We're moved now to Representative Spano.

SPANNO: Thank you, Mr. Chairman, and I very much look forward to serving under your leadership. So, thank you for--for having me. And to the ranking member, thank you as well for your leadership. Thank you so much for being here, governor and mayor. We appreciate your time and your expertise. I represent a district that runs from east Tampa to west of Orlando. So, as you can probably imagine, that is a very, very rapidly growing area of the country. Matter of fact, by some estimates, the most rapidly growing area in the country in the next 20 years.

So, obviously infrastructure and transportation issues are very, very important to us and to my constituents. I have a couple questions, if I have time. First of all, understand it's been referenced here, I think, on at least a few occasions the need for long range proactive type planning, as it regards to infrastructure and transportation. And what I think about, however, is the rapid, rapidly changing pace of technology. Right?

So, you have those two things on either side. So, talk about balancing the need for proactive long range planning with the need to be light on our feet and nimble and to be able to respond and reactive with new technologies that come on board.

GARCETTI: So, that is wonderful question and gets to the heart of what I talked about in the beginning in terms of rewarding innovation. Don't pass the twentieth century package here for the twenty-first century. You should be thinking beyond that. And we've tried to make Los Angeles a platform for innovation. A company comes in with a new product. Somebody has an idea inside one of our departments or bureaucracies. We say, "Yes, let's try it."

Instead of being future phobic, instead of being future resistance or future passive, we try to be future guiding. And when I gave you that list like hyper loop may move goods before it moves people. I don't know if people want to go in a tube and move 800 miles an hour. But, I bet goods have no problem with that. Moving that from a port to get to a district like Ms. Titus' and other places to move more quickly--we need to have funds that can help innovate and move that forward.

The boring company that Mr. Musk is doing. We have, you know, gondola that's going to go up to Dodger Stadium, the most popular place to watch sports in the world in terms of numbers of fans that go there each year. Scooters that we didn't even know about--if we were doing this a year ago, even here, we would be like, "What's an electric scooter?" Now, they're everywhere. Some think they're discouraged. Some think they're the answer. But, we need to create an America that is a platform for innovation and legislation that says, "If you're willing to innovate, we're going to let you test, try, and then, scale up what works."

Right now, we have old categories of things. We're very protective. Federal government says, "Let the local governments try it first." Local governments say, "I don't want to be first. Let that city figure out before I do." When LA--when we put ourselves at the front of the line, we really reaped the bounty. When I talked about that GE Capital project, for instance--we're earning money off of containers being moved off of other ports in other countries now that we can put back into our port.

So, I think that that is a great piece--reward the innovation, the research behind that, and people willing to take a risk.

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WALZ: Yes. Thank you, congressman. It's a great question. But--my brother's a constituent, by the way. So, (INAUDIBLE) to that. The governor's right. When I first got in this and started looking, one of the people I went to--seemed very odd--but, there's a school of thought out there, the futurists--and asked them to think about this as we started to go. One of the problems we all know is you want us to be really good stewards of taxpayer dollars just like you are. We're so risk averse and so, I--I think, browbeaten, if we--if we take a risk and make a mistake, we're punished for that. I'm not advocating, you know, risky behavior to the edge with taxpayer dollars but there's got to be some incentive for us to try some of these pilot projects for us to do--autonomous vehicles to run from Rochester to the Twin Cities where we've massive amounts of freight and people come in--we've got a town in Southern Minnesota that's hundred thousand that's home to the Mayo Clinic that 2.5 million people come to and FedEx flies hundreds of thousands of packages to every day.

You've got to give us some capacity and we, as the states, have to be able to innovate to make sure we're thinking the way you're talking about. Because when folks come to me asking for money, you know, our public sector or our--you know, our safety sides of things, they're coming and asking for technology upgrades for fingerprint readers. I don't know, at this point in time, if fingerprint readers even going to be around with facial recognition technology, who's making those big decisions here, who's thinking about that, and who's talking about making sure if hyperlink is working there, how are we going to be able to try and do some of that?

So, your question is right. I think it comes with flexibility. It comes with allowing us to take some risks and it comes with having a little bit of patience with us to try and get there and I think you will get some of these breakthroughs.

SPANIO: Thank you. Thank you both. I only have 15 seconds left but I'll--I'll ask this and if you've time to answer it, great, if not, I understand, Mr. Chairman, but you--you mentioned resilient infrastructure, right, I mean, I--give me like a practical example of what that is? I understand the concept but give me a practical example of it. And are there any estimates that have been done in terms of what the additional cost would be, right, over and above the traditional infrastructure approach that we can be looking at, if we want to pursue that direction.

GARCETTI: Sir, I mentioned white pavement because of heat--plastic pipes, a lot of places you can't do plastic pipes, we've earthquakes and stuff like that. There are great American manufacturers of them, but they're usually banned because of old regulations. There's also little stuff on resilience whether it's earthquakes, whether it's floods, the zoning, you know, that's not a requirement but it's more of a zoning thing when we say we shouldn't building in certain places or we all are going to pay the price. I think those are all the ways to make resilience essential prism for everything you refract in this bill.

DEFAZIO: Okay. Do you've a quick one to tell him or do you?

WALZ: No (INAUDIBLE).

DEFAZIO: Okay, okay, good, all right. Representative Brown, Maryland.

BROWN: Thank you, Mr. Chairman, and it's a real privilege and honor to be able to serve with you and our colleagues on the Transportation Infrastructure Committee during the 116th Congress. I want to return to our public-private partnerships or I would like to refer to them as private investments in public infrastructure with the emphasis on public infrastructure. But also let me start by thanking both of you for being here and thanks for your service in state and local government.

In Maryland, we've a number of examples of successful public-private partnerships. I agree with, you know, that school of thought that you can't use P3s to finance every infrastructure project where you've revenue generating facilities. It's probably more likely that you'll have a successful project. We've, for example, on I-95 travel plazas and the revenue--it's the retail sales that support the lease payments made by the vendors at those plazas.

We've also had successful public-private partnerships at the Port of Baltimore and the user fees that support the port operators and their lease payments for the state, so that's been a successful one. And while Secretary LaHood mentioned the Silver Line to Dallas, we've had the Purple Line in Maryland, which we think a majority is still out but that should be a successful public-private partnership.

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And there that's an example, and I know mayor you suggested that water infrastructure may not be a candidate for public-private partnership, but I would suggest that it probably is because as long as there are rates and there are some infrastructure facilities where user fees and rates don't cover the cost of operating that--that's true for transit, for example, farebox ratios rarely cover the cost. Then there's some public subsidy and an availability payment can be made that's what we're doing on the Purple Line.

But my question is and it maybe a follow-up to one of the questions that was already asked, is there more that the federal government can do and should do to really encourage public-private partnerships where they're where they make sense. Most states, not all, have set up a public-private partnership statutory regime where the private sector has confidence to make the investments. The public has confidence that there's transparency and accountability but not every state has. Is there more that the federal government can do to encourage states and--and--and the final part of that question is and I'll just--mayor, I know there's something called the West Coast Infrastructure Exchange, a consortium of California, Oregon, Washington, and British Columbia and are like encouraging things like those regional exchanges that--so what do you think we could do better or more of?

GARCETTI: Absolutely, starting at the end, that's been a very successful forum to bring best practices together and to come up with a--the governance models for the staff and it's helped really to accelerate Western United States is becoming kind of the P3 Capital of America and we want to see that happen in other places too.

You know, it's funny that we talk about P3s like it's something new, the New York subway system was not even P3, it was P1, because they're private when they started, and they became public later because again the maintenance piece became too expensive for the private sector, so the public bought them. And I think there's a lesson there to be learned of how we can share that over the long term.

In Transit, it's the ripest place to do this, especially where the federal government--your question was can you do more? Yes, you can write into, I think, this bill allowing it in a protective way that would still keep these public assets in ways that there's some reward for at least having that as an option. I don't think you want to reward P3s over non-P3s because that's going to be a decision locally but places that don't even entertain that are missing at least the options on the table.

We've two lines right now but we've had, you know, about 10 different companies come forward to bid on, some of them want to design it, some of them want to maintain it, some of them want to fund it, some of them want to operate, and as much of those as they can have, the cheaper they can make it, they say.

On the flipside, some people worry, well if you're operating and maintaining it, it's that loss of union jobs, does that mean, you know, we don't get to build it. So, there's real tough political things to wrestle with, but I think at least mandating that folks that are applying for New Starts in Transit should have a P3 office is a great way to start that and to push that forward and give that, second, TIFIA loans and the loan place--as interest rates go up, we'll look back at how we're going to finance this.

And, if we can be cheaper than the private sector, that's another place, I think, federal government without losing money but, you know, loaning it can be helpful in accelerating P3s.

WALZ: With the mayor's example and I think giving us the capacity and the National Governors Association for trying to find creative ways--the Upper Midwest, the Great Lakes region, of making sure anything you do and in statutorily allows us to be able to use some of these funds across state lines, working together beyond the typical ones that are Intercity Passenger Rails, things we're trying to enhance. But there's a lot of border areas that we share on infrastructure that I think states--again going back to the question Mr. Carbajal had, I think it's a really, really important one, the Federal Highway System, Interstate System, state highways, the bulk of my folks on the roads are out there including down to the township levels and their ability to be able to participate is hard.

And that's why I don't know at that point--I think your question is really good, how do we use public-private partnerships in some of these things that aren't these big marquee projects but they're more things that we need to get done.



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BROWN: Thank you, Mr. Chairman.

DEFAZIO: Thank you. With that I would turn to Representative Pence.

PENCE: Chairman DeFazio and Republican Leader Graves, it's an honor to serve alongside you here on the Transportation and Infrastructure Committee, it's why I came here and ran for office. Governor Walz and Mayor Garcetti, thank you for being here today. I'm grateful for your time.

I'm a businessman by background and I came to Congress to address the challenges facing our critical infrastructure, both in the short term and in the long term. Indiana is proud to be known as the crossroads of America. The infrastructure in our state has contributed to the prosperity, not only Hoosiers, but as was mentioned by the governor, all Americans benefit from this.

In Indiana, we recognize the importance of modernizing and investing in our aging infrastructure and we've made progress that we're very proud of. At home, we're hoping to build a new shipping port on the Ohio River near Lawrenceburg, Indiana, which will be our state's fourth port. If we're to remain a logistics and manufacturing and transportation hub, we must make infrastructure investment a top priority.

We must strengthen existing partnerships with the private sector, reduce regulatory burden, and give states a flexibility to address the unique needs of their communities. As members of this committee, I'm looking forward to embracing technology and innovation, as you mentioned mayor, to address some of our infrastructure challenges.

I'm optimistic that we can work across the aisle to craft a bill that uses federal dollars as a hand up, instead of a hand up giving more flexibility to state and local governments.

I've traveled interstate I-70 my entire life, and just as soon as I cross the state line, there's a world of difference in the quality of roads. It's no secret that some states have prioritized their infrastructure needs better than others and I believe there's a role to be played by the federal government to encourage states to make these long-term investments that are so desperately needed.

We must ensure that we're rewarding forward-thinking states like Indiana, who continue to be judicious when spending federal tax dollars. To the governor and the mayor, I ask how can we better, not punish, as you just mentioned, and encourage and reward states like Indiana who continue to think strategically and made long-term investments in their infrastructure versus states that did not?

WALZ: Well, thank you, congressman and I appreciate your passion for the issue and understand how it does impact our states. I think we've to do a better job in the states and I think you see governors across this nation doing that of providing measurable feedback in terms of metrics on what we're doing--this is across the board whether it's in Human Services or whether it's in Transportation, things that the public can see, things where they can have dashboards of seeing how much mileage are we getting out of this road, what's the life expectancy on it, how's the planning done and show that because again people want to be reassured that their tax dollars are being spent wisely. We need to do a better job of showing that.

And I think that the mayor brought up a really good point is reward innovation, reward folks who are getting it done in a timely manner, reward folks who are coming up with new ways of planning this that are showing good project management that you can measure those things. Some states are--not all states are created equal, some do it better than others, as you stated. Make sure you're rewarding those folks but at the same time helping those states understand what they can do better to get it up.

Because again it does us no good, I know that governors do this all the time. We rank ourselves against others. It does me no good to say I'm ranked here and to heck what's down here, trying to lift everyone up, but it should be done on the merits of how well we're doing, what are the results we're getting for, and can that be replicated elsewhere and then learning.

I know as a governor of this, my first thought is, when my folks come to me with a plan, is somebody else doing this right now and who's doing it better, go learn from them.

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GARCETTI: Thank you, Congressman Pence. I'm proudly married to a Hoosier and so it's probably my second state. So, I think, I've some in-laws that are in your district and I'm glad to answer your question and to be here.

I'll take three things, one is put some funds--(INAUDIBLE) funds aside so that these are--this is a pool that mandates that it be shared between local state and the federal government. Second is make sure it's a fair match. I think, previously, we had a plan that was going to put a 20-80 match, so 80 percent from local or state and 20 percent from federal government. That was just a dog and bone hunt, it won't go anywhere. We're not going to be able to see that leverage, it's to be a fair match of something where that's 50-50 or not. And then third don't grandfather people out who've already stepped up to pass the local and state measures because that--that's going to be very important, don't make the poor poorer and the rich richer but don't also punish those--so whatever the legislation, don't just encourage people to pass in the future, make sure they're not grandfathered out as they've done in the recent past.

PENCE: Thank you, I yield my time, Mr. Chairman.

DEFAZIO: Great. Thank you. And now representative from New York, Representative Espallat.

ESPAILLAT: Thank you, Mr. Chairman. My first opportunity (INAUDIBLE). Thank you, Mr. Chairman, as this is the first opportunity I get to speak before the committee, I want to thank you. I look forward to working with all the members on these very pressing issues, governor and mayor, welcome and thank you for your testimony.

First, I want to say that as New York City's only member in this committee, we've great needs in the city of New York for infrastructure and transportation projects. I represent Harlem, East Harlem, Northern Manhattan, and Northwest Bronx and I like to take this time to highlight some of those priorities.

First and most importantly, the mass transportation system, as you know, the New York City's mass transportation system is really the heart--the engine of economic activity in the city, including our financial services community which is, I think, in many ways the heart and soul of our revenue producing machinery in the state.

And so, in order for us to continue to remain competitive, in order for the city of New York to continue to be a leading city in many sectors of our national economy, we must have a state of the art and we must have a reliable and competitive transportation system. And of course, much has been said about our airports. We all know of (INAUDIBLE) from our Vice President Biden when he landed at LaGuardia Airport, he thought he landed in some other country. And of course, Penn Station is a living nightmare. I happen to be pushing for the extension of the Second Avenue Subway, which is a transit desert in my part of the district in East Harlem. We already have the first phase.

That's a project that's been around for 100--literally a 100 years. We were able to do this before, but now all of a sudden, we're wrestling on how to it and obviously it's all about the money, so that's why I'm happy to be part of this committee and advocate for the Second Avenue Subway for additional funding for the MTA and the subway system. The subway system is in many ways a wear and tear system and a deep pocket issue. It's like your brake pads, you know, you can't drive your car for a 100,000 miles and things that you know, when you've to change your brake pads, you've to, and if you don't, guess what, you got to pay for it, right, because you're going to lose your front end, right, so, this is important.

Penn Station, as I said, the Gateway Project is an important one, not only for New York City but for the region. So, this is--these are some real challenges in infrastructure and transportation. I have to say that we got to be bold and creative when we talk about infrastructure and transportation.

Infrastructure is also public housing system because we're the landlords, right. Infrastructure is also a broadband and 5G. And if we are really going to build infrastructure, we're going to do this a major infrastructure bill, about a trillion dollars. I Googled trillion and I didn't get anything back that I could understand but we got to do it green.

It's not just about doing it. How can we do it that we could feel proud about it in the rest of the world--have you--you've all traveled across the world and it's kind of scary and sorry, you know, what we've in our country. We're not

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longer the leaders in infrastructure. We got to be the leaders. And in order for us to be the leaders, we not only got a bill--we not only got to pass the infrastructure bill, but we got to do it the right way. And the green way is the right way.

And it'll provide jobs, opportunities and it will be resilient as well. So, I think, we've--these are the things that we're going to have to debate in this committee obviously and how do we get the money, I think, is the bottom line. But I thank you--I've some questions but, I think, as a New Yorker we all know how, you know, leave it to New Yorker we overextend ourselves. I won't have much to say but that I'm the Mariano who ran out this committee. I'll probably be the last one, but I'll close the game down if you give me an opportunity, all right. Thank you so much for your testimony. Thank you.

GARCETTI: Can I say one quick thing in the 30 seconds? Link housing dollars to transportation dollars. Our governor just did that when he said you're not going to get transportation dollars in our state if you're not building the housing that's required. Because we know when housing is enclosed that's what causes traffic and it's the way in town infrastructure, so any thing you do to put that message through would be very forward thinking.

ESPAILLAT: Thank you. Thank you both.

DEFAZIO: Thank you. Making an announcement here, the mayor has to leave at 1. There are a number of members that have been waiting to ask questions. If you don't get to ask your question of this panel, you'll be first on the next panel by, you know, in lieu of having been inconvenienced.

(LAUGHTER)

So, with that I would move on quickly to Representative Katko.

KATKO: Thank you, Mr. Chairman, and I thank you for this hearing today. It's been terrific. And governor, it's nice to see you again. We've had a lot of conversations in the locker room over the years and it's--I miss those and I congratulate you on your new position. Thank you (INAUDIBLE) Mr. Mayor you've both been terrific witnesses.

As you can see this is a gigantic committee and the way you've hung in there and been very professional and thorough in your answers is greatly appreciated.

The conversation today makes it clear to me that infrastructure is badly needed, infrastructure reform and sweeping infrastructure reform. It's also clear to me that this can take political courage from both sides of the aisle, so I challenge my colleagues to do just that in the next few months and to get something done and get something really done for the American people.

Last term, governor and Mr. Mayor, myself and Elizabeth Esty, the former congresswoman from Connecticut, drafted a--a--a thorough report from the Problem Solvers Caucus, which is an equal number of Democrats and Republicans, which I think is exactly what this is going to be about, bipartisanship, about infrastructure reform.

And we really had three buckets to it, one was streamlining the administrative processes and the funding processes that are so costly and ridiculously burdensome to local and governors and local municipalities. The second thing was to have reform within the Highway Bill--the Highway Fund and then a touch on the other things such as the Harbor Maintenance Trust Fund, the Airport Fund, Rural Broadband, and all those things that need to be done.

One of the overarching themes of that's that if you've a fund, it should be a fund that's not raided. If you've a fund, it should be a standalone fund, but with all of those things, I think it's apparent to me that the Highway Fund is where you start.

And with the Highway Fund, we're plugging huge deficits that are getting bigger every year because we haven't properly funded it since--for decades. So, that's what my question I want to focus on today. And in my report, I commended to both of you and I asked you to take a look at it and I commend to all my colleagues by the way.

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In that report, we look at three things within the Highway Fund. Number one is the adequacy of the current gas tax. Number two, is there alternatives to look at for the vehicles on the roads such as trucks and freight and how that should be handled. And number three, the-- hybrid issue, and now the emerging electric issue with vehicles that are going to be riding on the roads and not paying anything if they're not gasoline powered.

So, I guess, my question to you is, we all agree, and we've been dancing around the elephant in the room is tell us what it's that you would suggest if you could waive a wand and say here is how I would fix the Highway Fund, tell me what you would do with some specificity on how the fund--we all know we need it--tell us how you would fund it?

GARCETTI: I think I would, and I don't speak for every mayor other than the U.S. Conference of Mayors and National League of Cities, I believe, as well has endorsed the gas tax. We would--I would put in a gas tax, find a formula to get a pilot in for vehicle miles traveled and then wean from the first to the second overtime as we electrify every vehicle in this country which is going to happen.

I mean, I think there will be some niche--other vehicles, but 20 years from now we'll say, "Huh, what were we thinking?" Everything is going to be moving towards that I believe. I would also then, one thing, I would add to that too as I would start to think as it's been discussed, we're the willing partners on vehicle miles traveled, I think that's in the private sector. I think that's with trucking industry and others who are saying that they would be willing to do that.

And then as we wean, I think it will be at the same time that technology changes as well so probably, you know, a good five to ten years of continuing gas tax but the--have a formula that really looks at how much do we want to have and works backwards and allows you to have the triggers to move real quickly if the technology is moving or just slow it down if it's not.

KATKO: And I--I--I although now I've just reinforced what you're saying but when we were formulating our report, I was stunned by talking--and we talked to hundreds of stakeholders in all the different areas. And the trucking industry in particular is the biggest advocate for that because they've done studies which show if we pay more but it will be offset by the money saved from the maintenance of wear and tear in our vehicles, so you're right about that.

WALZ: Well, congressman, thank you for doing the report and thank you, you've got a longtime reputation here of trying to find solutions rather finding the divisions and I'm grateful for that. This is one example that I think the mayor laid this out. The National Governors Association doesn't have a hard position on this. Their position is as multiple funding streams asking these questions you're asking. As a governor of Minnesota, gas tax, the piece of it, I think the momentum of moving towards electric vehicles, we're looking at it and, you know, one of the things was we wanted to encourage people to buy electric vehicles, so we used to give tax rebates and some of the offsets, now we're thinking about do we charge them more when we register their vehicle.

That's a good thing because we've evolved but there's more on the road. But I think your approach is in the way where y'all are thinking about it is this is going to be multifaceted, it needs to be fair and it needs to be forward looking. What I'll say on this is that this is going to take us time to get to that point, the gas tax is still fundamental and core at this point. It won't be in the future but it's to be a part of this discussion.

KATKO: Thank you, gentlemen.

DEFAZIO: Thank you. Representative Stanton.

STANTON: Can you hear me now? (INAUDIBLE) Thank you very much, Mr. Chair. I'm excited to serve on this committee. The work of this committee is going to be incredibly important, passing an infrastructure bill investing in America's infrastructure is critical to cities and communities all across the country and we can accomplish our goals as a country. We can accomplish our goals in terms of job creation, economic development. We can accomplish our goals when it comes to climate change and fighting the impacts of climate change and climate change adaptation unless this committee successfully does it work--does it work and reach bipartisan agreement in passing a significant infrastructure bill.

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You know, before I was elected to congress, just a few months ago, I served as a mayor. I was a big city mayor, mayor of Phoenix, Arizona, the fifth largest city in America and had the honor to work closely with Mayor Garcetti in the U.S. Conference of Mayors and I can tell you just as he is showing off today, as he always does, he is one of the most well-respected mayors in the United States of America, a leader among the mayors, so Mayor thank you for being here and all you do to support cities like Phoenix across America with your great work.

In the city of Phoenix, we understand this concept that it's tough to go it alone. The federal government, in the last few years, has not been supportive of cities and communities. We had to go it alone. As a mayor, I put on the ballot a significant infrastructure investment, 35-year \$32 billion investment in light rail and road improvements, in Dial-a-Ride, in buses, in walkability and bike ability without the expectation of federal support.

Mayor Garcetti did come and visit me in Phoenix when we opened our northwest extension of our light rail line, which is a great extension, not a single federal dollar in that line. The reality is that--that's good but not good enough. Federal government needs to be a partner with our local governments if we're truly going to be--if we're truly going to be successful. A city like Arizona--Phoenix in Arizona, fourth fastest growing state, we need that federal partnership, and of course, when it comes to water and water infrastructure, we're in a drought. It's a significant drought and the ability to move water more efficiently is critically important--we're going to need federal partnership to get her done.

So, I can't wait to work in a bipartisan way to get it done. It'll not be easy. It'll not be inexpensive. So, mayor, I want to ask you, you know, in U.S. Conference of Mayors you personally have been involved in helping to build and support--but I still think we haven't done a good enough job of making the case to the American public as to why this investment is so important. Advise about how you and other mayors in particular because are still the most well-respected level of government, cities and mayors, what they can do to be--help kind of build the case with the American people to support the work that this committee is going to do?

GARCETTI: Well, thank you and you look great up here, Greg. It's great to see you, congressman. It's has been so much fun serving with you as a mayor and I'm so excited we've one of America's great mayors now serving in this United States House of Representatives. I also want to give my apologies to the front three here, Ms. David, Mr. Garcia, and Mr. Rouda because I've to meet with--my great other passion on homelessness--with Chairwoman Waters, which is why I'm going to be--unfortunately I've to leave a little early before your questions. But if you didn't hear, you're going to be first on the queue for the next ones, if not, make it visceral is the answer.

I'll tell you a quick story (INAUDIBLE) raised \$10 million to run a campaign to pass this transportation infrastructure initiative in Los Angeles. We ran two weeks of ads. We needed two-thirds vote in California, you might think of us as a liberal state but we're conservative when it comes to passing taxes you need two-thirds vote. And we're polling at about 63, 64, 65 percent--for me it was going to be a tough lift. We ran two weeks of ads that were the typical infrastructure ads, look at all these people paving streets, moving, look at all the jobs, we're going to reduce your commute, trains, roads, all that stuff.

In two weeks, I ended spending \$5 million. We went down to 61 percent. And I said, "Oh no, this thing is going down." Put all my political capital on the line--I built that up for four years, raised more money, called in every favor from everybody I ever knew. And my campaign consultants said let's try this differently. Let's get in your car and just drive. No script and I'll just film you.

And there we were on Saturday afternoon in Los Angeles and I said here we're in rush hour traffic and I turned the camera. It was a stop traffic. The only problem is its Saturday afternoon. And everybody in Los Angeles got that. It wasn't about the politician saying trust us, this miles, this much, it was like they got being stuck in traffic. And what I said when I opened, and I'll close with as well, we offer a help on this. We're raising also hundreds of thousands, it'll be in the millions of dollars to help support you, Mr. Chairman, ranking member, and this entire committee, get the message out throughout America in districts.

The America's mayors are ready to do that--accelerate it for America, which is state local officials, it's the private sector, its Republicans, its Democrats, its labor, we'll get this done. So, whatever you put out there, we're going to

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be some wind behind those sails. But keep it visceral, keep it humane, don't talk about policies and statistics, get those done in here. When we start selling this, make it a humane issue.

WALZ: If I could, Mr. Chairman, I would echo that too congressman, leverage us. This nation's 55 mayors of the states and territories will be here on the 23rd of February at a round table with the sole purpose of saying we're ready for you to do this. We're there to get your back. We're there to cover it and take the message. So, we can do this. Now is your time. I think I heard it in here, be great. You've got the opportunity to--

DEFAZIO: I'm going to interrupt because we're going to have one more question from that side, Mr. Graves.

GARRET GRAVES: Thank you, Mr. Chairman. Good to see you. You get your mouse (PH) in this morning? Oh, gosh! Sorry about that. All right. Well, congratulations and welcome, mayor, thank you for being here. I--I wanted to bring up three topics and just ask you to respond to whichever you feel you have the most expertise.

Number one, the federal government today, we have infrastructural programs related to drinking water, waste water, internet and broadband, housing programs, energy programs, disaster response, navigation, roads, bridges, you name it. We have an infrastructural program for everything. And the reality is, is that we come to the table and we prioritize, in a very dynamic manner. You may have an administration that like something one year, you may have a congress that like something the next. It changes. We're not a reliable federal infrastructural partner, because we have so many programs. So, first question is, do you believe that we should look at which programs truly have federal--next is prioritize those, divest ourselves of some of the others and perhaps let states and local governments be the reliable partner or reliable leader on those other things.

Second issue is, often times as this hearing notes, we believe that money is the solution to problems, and--and in some cases, it is, but in other cases, mayor as you have done a great job discussing--you have regulatory processes, you have planning process, our project development delivery process is flawed at the federal level. And we spend an awful lot of money going through that and it doesn't ultimately deliver projects. In many cases, we're working on projects now that were conceived the 1970s and '80s. We're building projects, we're building solutions for the 1980s. You've both talked about how we need to be looking forward, not looking backwards. And we're not taking advantage of maximizing the efficiency of existing infrastructure and being--using the smartest planning mechanisms.

Number three, the idea here is that there's a cost of inaction. And so, presumably there would be a return on investment for action. You've both made reference to P3's, and how do we best allow for monetizing the investments, monetizing that success to where we can expand upon or incentivize P3's to be a complimentary partner to the federal government in the projects that we build.

Mayor, you and I served on a panel on infrastructure last year sometime, and I made a statement there, I'm going to say it again, "Good projects are already paid for." And what I mean by that is that we're spending money that could be building the projects but often times, the money is being spent on inefficiency, on waste, higher fuel cost, as Mr. Katko noted, maintenance and other things, so.

GARCETTI: Few things, one the categories, yes, streamline them, everybody's for that until you take their category away. Now, the reality is there's a lot of stuffs that already is devolved to state and local government. Water, as we talked about, is one of those things. We're overwhelmingly--I think it might even be higher than 89 percent. Most of that is just done at the local and state level already. When it comes to transportation, I always worry a little bit about that because it's like, "Well, maybe transit, we should be in the business of," but the reality is in America's big cities, we won't get transit done without that federal mat staying in there and new starts and other things. So, in general, yes, to the first piece, but specifically, we'd have to look at that and if you have proposals, we're more than happy to give you that feedback. There are probably some things we could kill off to add more to other places, especially as technology has changed.

Secondly, we've said it, we'll say it again and again, whatever you can do to streamline processes, absolutely, that time is money. Anybody in the construction trades knows that that's probably the single biggest factor that is in our

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control. Other things like the state of the economy, how much we have to pay our workers, all that, is really not always in our control, but our bureaucracy and our processes are. So, I think both those are very important.

Third, with the P3's, I would say that, you're right, good projects attract a lot of attention. But the way we've made it work is, we've tried to make sure that we don't--we have an honest and sober approach. We know there are certain lines and things that we're doing that are very attractive to the private sector. They love to own or run airports, they love to do certain transit lines when they know that there's a match. There's other things that they won't touch because they think it's the wrong neighborhood or it's the wrong mode or it's too rural or it's too urban or whatever it is.

So, I think as long as we have it as one of the arrows in our quiver, and we really expand that we need every municipality, every state to have an office that can do P3's, that's the right thing to put out there rather than mandating certain modes always need to be P3's or we need to look at those first. Giving us that flexibility but mandating potentially that we all have to have that somewhere in our arsenal, is probably the best way forward.

WALZ: I'll just add one closing thought, congressman, and again, yes, on the streamline, yes, make it easier. The mayor said something really profound when he was talking about housing and transportation. One of the things about being a governor is you get to do the budget, and the other thing is it has to be balanced. So, you get to be really smart and you can't silo up. So, I ask my education department here, if I can't spend any more money there is, I can't have kids coming to school who sleep in cars 17 percent of them the night before, so how does our housing budget impact our education budget, how does our education budget impact our corrections budget and start thinking across the lines like that. So, you're right on this.

All those funding's streams, I think could again, if we're taking away from what I want, it's one thing, but if it works holistically, do it that way. Saves time. You came here to make a big difference, you have an opportunity in this transportation bill to do it.

DEFAZIO: Ok. I thank the panel, thank you, mayor, thank you governor, appreciate it. I appreciate staying a few minutes over to accommodate some complaints from the other side. We'll stand in recess for five minutes while the next panel assembles.

(RECESS)

DEFAZIO: (INAUDIBLE) come back to order. And we want to expedite things for this panel, so we want to get going. I want to thank you for-for coming to testify. I have on this next panel, Mr. Richard Anderson, president and CEO of Amtrak. The honorable Eric K. Fanning, president and chief executive officer, Aerospace Industries Association. Mr. Lawrence J. Krauter, chief executive officer, Spokane International Airport. Mrs. Angela Lee, director, Charlotte Water, on behalf of the Water Environment Federation and the National Association Clean of Water Agencies, Mr. Rich McArdle, president UPS Freight, on behalf of the U.S. Chamber of Commerce, Mrs. Kristin Meira, the executive director of the Pacific North-West Water Ways Association, and last but not least, Mr. Larry I. Willis, president of the Transportation Trades Department AFL-CIO.

With that, the first witness, which is Mr. Anderson would be recognized.

ANDERSON: Thank you, Chairman DeFazio, Ranking Member Graves and all the members of the committee. I'm Richard Anderson and I have the privilege of serving as the CEO of Amtrak. I'm here on behalf of about 32 million people that use Amtrak every year and 20,000 employees. Obviously, infrastructure investment is core to the federal government and its role in our constitutional system, so we appreciate your leadership. Amtrak provides vital infrastructural services. We own, on behalf of the federal government, the North East Corridor, the rail road from Washington DC to Boston and out to Springfield. We also own and operate critical rail infrastructure around the United States, on the North East Corridor, we serve eight commuter agencies from Virginia up to Massachusetts that support 800,000 trips a day; people going to work and visiting their families, and otherwise supporting 20 percent of the GDP of the United States, up and down the corridor.

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In addition, Amtrak, we think of ourselves as the vascular system of rail transportation in America. If you look at all the services and infrastructure we provide around the United States, we support 300 million inner-city and commuter rail customers in 46 states and serve 500 cities across the nation. We cover about 95 percent of our operating cost, probably the most efficient passenger railroad in the world, with a goal of becoming breakeven on operating income in the next two years. But we must have investment on parity with other transportation modes in the United States for rail infrastructure.

Investment in inner city passenger rail infrastructure is really going to become--it already is in many places like San Diego to LA, and New York to Washington, but it's going to play a greater and more critical role in solving the congestion problems in major metropolitan areas. If you look at the demographics of America, our preferences are changing. 90 percent of millennials live in 11 mega regions of the United States and they use ride sharing and mass transit, not individual cars.

We see this when we see Amazon picking its headquarters in locations where there is significant commuter rail. That's because it's the most efficient and environmentally sensitive way to move people in dense urban areas. We're already seeing this changes, 85 percent of our ridership is in dense metropolitan areas. And our highway system cannot and will not support the 100 million additional people that will live in the United States by 2050. We have 47,000 miles of interstate highway and overtime, we can't really add to corridors like I-95, I-9, and I-5.

So, the bottom line is, along with the infrastructural investment in surface transportation, we must include rail because we are the most efficient way, in partnership with cities and states, for trips around a 150 to 300 miles. We serve multiple stations as we do up and down the corridor, and as we do in dense corridors like Milwaukee to Chicago, San Diego to Los Angeles, where because of traffic congestion, we've become the preferred mode of transportation.

The best example of that is New York city to Washington where our market share versus air has grown from 37 percent to 76 percent of the combined market. So, the bottom line is, we urge you as part of your deliberations to include passenger rail on parity with the other surface transportation investments as we are the most efficient way to really provide efficient transportation in the 100 to 300-mile mega regions around the United States. In FY '18, we made about \$1.4 billion in capital investments, but the biggest infrastructure need on our network is the North East Corridor.

We have approximately \$30 billion backlog of investment. Our youngest major asset on the North East Corridor is the Bush River Bridge and we put it in operation in 1913. We've gotten our money's worth out of all these assets and it's critical that we now undertake the major investments to replace the Hudson River tunnels and the important bridges up and down the North East Corridor. We need a new paradigm for federal investment infrastructure with our host railroads and our partners in state and local governments. And most importantly, please ride Amtrak. Thank you.

DEFAZIO: Thank you, Mr. Anderson. We'll proceed next with Secretary Fanning.

FANNING: Thank you, Mr. Chairman, Ranking Member Graves, members of the committee. Thank you for the opportunity to be here. I'm Eric Fanning, president and CEO of the Aerospace Industries Association. Representing a workforce of 2.4 million people and an annual economic output of \$865 billion dollars.

AIA is celebrating its 100th year as not only the voice for America's Aerospace and Defense Industry, but also a bipartisan convener, where people can come together to get things done on important topics like infrastructure.

Before I begin, I wanted to assure everyone here that despite our name, our industry relies on everything my fellow panelists are advocating for today. We know the importance of investing in our infrastructure. We also know that our nation's infrastructure is outdated. Congestion is at record highs and environmental concerns are growing, as people spend more time in their vehicles than ever before. While we recognize the need to address these issues, we also have a vision for the future that will change how we conceptualize infrastructure. Part of this involves Unmanned Aircraft System UAS or drones, but the other part is rethinking the way people move through Urban Air Mobility or UAM.



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UAM is a concept that will change the way people connect with each other and travel through on-demand passenger transportation services. Imagine how much simpler a daily commute would be if you could bypass traffic, potholes and construction by flying over them. And imagine how many more options those who are elderly or disabled would have with this new technology. The benefits are not only evident, but expansive, improving the lives of millions. UAM will also supplement existing transportation, giving urban areas another option to help ease congestion, reduce infrastructure strain and provide environmental benefits.

Last year, the average commuter in DC spent 82 hours in traffic, and our national roads and bridges wore down even more. They now need about \$800 billion in repairs and then another \$150 billion per year for upkeep. What if a considerable amount of traffic was lifted up into the sky? That's the potential relief UAM can provide to our infrastructure and the amount we spend to maintain it.

UAM is not a new concept. Over the decades, the technology has advanced through cooperation between industry and government. Congress has played an important role passing the longest FAA reauthorization in recent history and working with the FAA on the rewrite of Part 23 which modernized how aircraft can be certified. And future UAF rule making will pave the way for safe airspace integration of technologies like UAM.

Today, more than 70 companies have already begun working in this area and over \$1 billion was invested in 2018, and we're seeing the results. Last month, Bell Helicopter released its design concept for their new Tilt Rotor Nexus Air Taxi. Boeing also made headlines this year with their first public announced UAM test flight. Ambria Air released a concept for an electric air taxi capable of rooftop service during the 2018 Uber Elevate Summit. There are many other examples and not just in the U.S.

In the competitive global aviation market, other nations from Saudi Arabia to Brazil are investing to gain the technological and market advantage in this emerging sector. The European Aviation Safety Agency has already released a draft special condition for a path-to-aircraft certification for vertical takeoff and landing. Unless we act, the Europeans could define the regulations the world follows, not the U.S. Now's the time to ensure UAM becomes a reality with America leading the way, but there are major steps needed to get there.

I've included many more in my written testimony, but I'll focus on three here. First, we must continue to work on a regulatory path forward for UAM. AIA applauds efforts to ease the regulatory burden on business. But the so-called 'one in, two out' rule makes it difficult for any agency to release new regulations even if they're needed to usher new technology into the marketplace or help address the nation's surface transportation gridlock.

Second, future standards should be performance based, establishing a level of performance achieved to the aircraft's design, for both the aircraft operations and design. This would keep industry innovating without feeling constrained by regulations in place.

Finally, we must integrate Unmanned Aircraft System Traffic Management which covers airspace under 400ft with air traffic management which covers above 400ft. There's only one airspace to share, regardless of the height in which an aircraft manned or unmanned operates.

Full integration of the two systems is the only way to ensure safety. These are urgent recommendations because the future of American infrastructure is coming. Whether through Uber-urban air mobility, or any of the other incredible innovations coming from our industry. We look forward to not only continuing our partnership but strengthening it over the next 100 years and beyond. Thank you.

DEFazio: Thank you, Secretary Fanning. Mr. Krauter, you may proceed.

KRAUTER: Thank you. Good morning, Chairman DeFazio, Ranking Member Graves, and members of the committee. Spokane International Airport is the primary commercial service airport for the inter-mountain North West. We are proud to serve approximately 4 million passengers a year who come to us across the state of Washington, Oregon, Idaho, Montana, and several Canadian provinces.

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It is my privilege to appear before you today to explain what the cost of doing nothing looks like from my airport and others like it across the country. I want to emphasize three key points for my written testimony for your consideration. The first, is the overwhelming need for investment in our nation's airport infrastructure. In Spokane, our main terminal building dates back to the 1960s. Some of our baggage handling machines are so outdated that our maintenance team has to fabricate replacement parts from scratch. You literally can't buy them anymore. Our facilities are operating beyond capacity. Even as our passengers and freight volumes continue to grow. We reached an all-time record level of passenger traffic in 2018 and have seen passenger activity increase 37 percent since 2013 with 23 percent of that growth occurring in the last two years.

The airport is an engine of economic growth for our surrounding region, but the reality is that it's an engine in need of repair. We are taking this on through a challenge project we call our Terminal Renovation and Expansion Program or T-REX. My written testimony details the full scope of the T-REX Project, but the primary elements are captured in a graphic that I have placed in front of you.

Additional gate capacity is one of the primary tasks of T-REX, as well as expanded modernized security screening and baggage cleaning facilities, all designed to meet demand. There is no question that our airport urgently needs this project. The only question is about the most fiscally responsible way to pay for it. That leads me to my second point, which is that the status-quo is not working when it comes to funding airport infrastructure.

There are two main sources of funding for airports. The federal government makes grants through the Airport Improvement Program or AIP, but AIP funding has essentially been flat for many years. In addition, AIP funds are typically directed to airside projects, runways and taxi ways, not terminal buildings or other types of improvement that are urgently needed right now.

In 1990, this committee's forerunner wisely equipped airports with another capital development tool by authorizing a Passenger Facility Charge or PFC on each passenger to fund terminal and other improvements. But the \$4.50 cap on the PFC has not been adjusted since 2000, meaning that its purchasing power in today's dollars is about half of what it once was. Many airports including ours, have increasingly used PFC's as a crutch to make up for flat AIP and its declining purchasing power. Even so, together, AIP and PFC's are only generating about a third of the annual funding needed to maintain and expand our countries airport system. Flat AIP funding and a cap at PFC's that has not been adjusted in almost 20 years has created a cascading series of consequences for our airport.

We have been forced to delay or restructure projects that ultimately results in greater cost and complexity, and limited funding strains our cash resources and threatens to require us to take on unsustainable levels of debt in order to make critical improvements. The situation underscores my final point, which is to strongly urge congress to increase the PFC cap. This will provide immediate support for capital projects at the airports across the country. And it will ultimately save money for the travelling public. Let me explain using our T-REX project as an example and the graphic that's placed in front of you.

The current PFC cap forces us to finance investments over a longer period of time. Meaning that we ultimately pay almost as much in interest as we do for the project itself. If you look at the chart, you'll see that our T-REX project is estimated at a \$191 million and the interest associated with that is \$151 million. So, this limited funding really does strain our resources and our ability to deliver other projects that will otherwise be funded. If you move down this table, you can see that just a modest increase in the PFC to 650 or 850 considerably reduces that interest, that interest burden. Which means that we can go toward funding additional projects and further improve the customer experience and not pay all that interest to the bank with this locally directed user fee.

If we go up to 850 and a combination of pay-go and bond financing, our interest cost could only amount to \$18.7 million over the term of the financing, or roughly a quarter of what they would equal with the current cap. As airport operators, we have to ask ourselves why our passengers should pay double the actual cost of the T-REX improvements with the--when a modest increase in the PFC could significantly reduce our total cost. Why should PFC funds go towards projects that could have been funded with AIP. How is funding level kept up? Why should a PFC that has not been adjusted for nearly two decades force us to take on an unnecessary level of debt? These

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are questions that airport operators should not have to ask, not when the answer is so clear. Increasing the PFC cap is a physically prudent way to start improving our airports now.

T-REX is very important to our community, but small and mid-size airports across the country, very likely in communities represented by members who are here today are working to plan, design and build similar projects.

I respectfully ask you to provide the resources we need to make these projects a reality. I strongly urge the committee to consider increasing the PFC cap, and I welcome your questions. Thank you.

DEFAZIO: Thank you Mr. Krauter. Next, we have Ms. Lee.

LEE: Good afternoon Chairman DeFazio. Thank you, good afternoon Chairman DeFazio, Ranking Member Graves, and members of the committee. I am Angela Lee, director of Charlotte Water, the drinking water and waste water utility serving the City of Charlotte and the greater Charlotte region in North Carolina.

It is my honor to appear before the committee today to discuss the importance of the federal role and funding and financing waste water and storm water infrastructure. In addition to speaking on behalf of Charlotte Water, I am also representing the Water Environment Federation, which is the Technical and Professional Association of Clean Water and Storm Water Professionals, and the National Association of Clean Water Agencies.

The association representing Clean Water and Storm Water Agencies before Congress and the federal government. Charlotte Water maintains more than 8,600 miles of water and waste water pipeline with nearly 280,000 active connections countywide. We employ over 950 people with an operating budget of over \$460 million. We have a five-year community investment program of 1.5 billion. We are not only a provider of vital services for 1.2 million people, we are also an important provider and driver of economic prosperity for our region.

Each member of this committee has at least one municipal waste water utility in their congressional district. And many of you probably have several that is providing vital clean water services to your constituents and businesses. There are over 15,000 waste water utilities in the United States, where 75 percent of the population, 244 million Americans, relying on well-built and maintained waste water systems, that treat 32 billion gallons, that's 32 billion gallons of waste water daily.

In fact, many of us washed, brushed and flushed this morning, and it was a waste water utility that took care of it. Without water utilities, businesses would not thrive, public health would be at risk, and our rivers and lakes and oceans would be in ruins. I urge each member of this committee to reach out to your local water and waste water utility and take a tour of our operations and learn how we are protecting your communities, our communities, and helping them prosper.

I respectfully urge you to read my full testimony. But for the purposes of this hearing, I'd like to focus on the challenges water utilities are having and the importance federal funding plays in helping us address them.

As a member of the Water Environment Federation, and the National Association of Clean Water Agencies, I can speak for my municipal water sector colleagues and communities across this nation that we support improvement upon and increase in funding, for existing water infrastructure programs. And when appropriate developing new funding tools.

Congress has made important strides in recent years to elevate water infrastructure as a national priority, but more needs to be done to ensure the federal government priorities investments to support a strong, modern water infrastructure network, as it does for other sectors.

In 1977, federal funding provided 63 percent of water infrastructure funding. Today only about nine percent comes from federal funding. There is strong support for increasing federal funding for water infrastructure as noted in a recent poll by the value of water campaign which found that 78 percent of Americans said, it's extremely important--extremely or very important, that Congress develop a plan to rebuild America's water infrastructure, and that 88 percent of Americans agree that an increase in federal funding is needed to rebuild federal infrastructure--I mean to rebuild water infrastructure, actions this committee and Congress should take.

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We authorize the Clean Water State Environment Fund and increase funding for that program. We authorize WIFIA, an increase funding it. Create or reestablish some target federal programs to aid lower income rate payers, storm water infrastructure, and workforce sustainability. North, south, east and west of this country, water utilities are united in protecting the environment of the--of the communities we all serve.

We all depend on water infrastructure to be dependable and operable, for without clean water, there would not be any public health, good public health. There would not be economic development and prosperity and most importantly, without clean water, there would not be life. Thank you for the opportunity to testify on behalf of the water sector, and this committee's interest in supporting increased funding for water infrastructure. I look forward to answering your questions.

DEFAZIO: Thank you Ms. Lee. Mr. McArdle you may proceed.

MCARDLE: Well good afternoon, Mr. Chairman, Ranking Member Graves, and to all the members of the committee. And first of all, thank you for your public service. My name is Rich McArdle, I'm the president of UPS Freight which is based in Richmond, Virginia. I'm here today representing the U.S. Chamber of Commerce, the world's large business federation.

For the past 37 years, I've worked for UPS, a company you, to know, or one extent or another are very familiar with. We have employees, buildings, a variety of trucks, perhaps even airplanes, back office operations, UPS stores or other multimodal operations in every single one of your congressional districts. We've probably delivered a package to your home sometime this week, or sometime last month.

This year represents 112th as a company. My career parallels that of many of our senior leaders. I started loading delivery vehicles in Louisville, as a part-time employee, a job that I assumed would last only until I graduated from college. One thing led to another, and I began a series of operational assignments with increasing responsibility led me from Kentucky to Colorado, to California, to South Carolina, to Washington, D.C., to Pennsylvania, now down to Richmond. I personally have experienced congestion all over the country.

As an integrated multimodal service provider, UPS engages in the movement of goods with every transportation mode represented here today. And I also want to thank you for the opportunity to testify.

I won't spend any more time on UPS, rather I'd like to emphasize a perspective we share with the U.S. Chamber, the American Trucking Associations, and many Americans. In that perspective, there is a cost of not addressing the infrastructure investment issue. As was mentioned many times this morning, that's already been pointed out.

The cost of doing nothing is truly more than the cost of doing something. And that's what I want to discuss. For UPS and our customers, transportation infrastructure means something very different than an on-going discussion about small government versus big government, devolution, long-term funding solutions, or any other term that seems to avoid the real action that needs to be taken.

Transportation bottlenecks, including potholes, harm all of us. All of our businesses as well as individual commuters. They compromise our ability to serve our customers, impede our ability to grow, and cost commuters at least 42 hours a year on average across the country.

At UPS we pride ourselves on efficiency; however, today in order to meet our service commitments we may have to dispatch additional vehicles to mitigate the time spent in congestion. In doing so, like other transportation service providers we are adding to the congestion problem.

The problem is very simple, the primary funding mechanism for the surface transportation infrastructure, the Highway Trust Fund, is underfunded and does not provide the necessary resource to maintain and keep the network in a state of good repair. Let alone provide the resources we've talked about this morning, we've heard to modernize and incorporate technology, improve the fluidity, the velocity, and most importantly, the safety of our networks.

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The annual shortfall in the Highway Trust Fund, \$144 billion since 2008, is being covered by the General Fund. The majority of Americans, across all parties, will support an increase in the federal gas tax to pay for roads if that means less government borrowing, which will reduce the burden of debt on our future generations.

We have to modernize our infrastructure; however, today we struggle to keep up with what we already have. Do you realize that seven cents out of every dime is spent maintaining existing roads? Two cents are spent adding capacity to the additional thoroughfares, and just one penny out of every dime is spent on brand new roads.

Congress can help us. We need an infrastructure modernization plan to encourage innovation, give states and cities who manage the highway network, the flexibility to incorporate technology into our highways, and to support and improve mobility, whether that's autonomous vehicles, intelligent transportation systems, connectivity among other modes of transportation. They all need to be included as we move forward.

In my written testimony I mention both the Chamber's plan and the American Trucking Association's Build America Fund. Both staffs from both organizations are ready to go into detail with those plans with you. I think that you'll find that they address innovation, they address ideas of how funds can be dedicated.

And one other thing I'll mention is that, later this week, or next week, the American Transportation Research Institute will be releasing its next updated list of the top 100 bottlenecks in America. I encourage you to take a look at that report when it comes out.

I would like to conclude, hopefully, by conveying a sense of urgency. Will this Congress--will this be the Congress that stabilizes the Highway Trust Fund, which has been underfunded for more than a decade, or will the can be kicked down the road one more time? From what I heard this morning, I know that's not the intent.

Let's not allow our infrastructure, that has long been the catalyst of our country's prosperity to deteriorate any further. UPS, the chamber, the ATA, along with other business leaders, stand by ready to work with Congress to enact an infrastructure modernization bill this year.

Remember, the cost of doing nothing is more than the cost of doing something. Thank you for your opportunity to speak with you today, and I look forward to your questions.

DEFAZIO: Thank you Mr. McArdle. Ms. Meira, you may proceed.

MEIRA: Thank you. Thank you, Mr. Chairman, Ranking Member Graves, members of the committee. Good afternoon. I represent the Pacific Northwest Waterways Association, and we thank you for tackling one of the most challenging issues in our country today, and that is the status of our infrastructure. I'm honored to share with you some perspectives from the ports and navigation sector.

In the northwest region that I represent is truly a microcosm of the diverse national port's portfolio. We have big import centers like the Ports of Seattle and Tacoma, which together are the third largest container gateway in the country. We have expert gateways like the lower Columbia River, where over half of the nation's we export move out to feed the world. And we have a network of smaller ports on the Oregon and Washington coast, which serve as commercial and recreational fishing hubs, and they home port critical coastguard operations.

And that's just the view from the northwest. Across the U.S., ports generate trillions of dollars in economic activity, and support millions of American jobs. And our prosperity depends on the efficiency of our ports, and infrastructure is key.

When we think about the infrastructure needs of our coastal ports, an issue top of mind is the Harbor Maintenance Tax, or HMT. I heard it mentioned a number of times this morning at panel one, and you'll hear about it a bit more from me.

The HMT is collected mostly on imported water borne cargo. It's intended to pay for 100 percent of the operations and maintenance needs of our coastal ports and harbors. But since 2003, HMT collections have far exceeded the funds that have been passed along to the Corps of Engineers for harbor maintenance. So, we now have a surplus

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that has grown to over \$9 billion. So rather than being fully used for critical maintenance that money has been held back to help balance the federal budget.

Now our ports community has been working for years to support comprehensive HMT reform. The past few order bills and we have to say thank you for this, they had very important steps forward, including setting targets to get on the path toward full use of HMT revenues, ten percent set aside for our nation's smaller ports, and authorizing funding for donor and energy transfer ports.

As we look ahead, we continue to advocate for full use of all HMT monies collected. In our regional loan, HMT dollars helped to maintain places like Grays Harbor in Washington, where traffic has increased over 400 percent in the last 15 years. Everett, Washington, where nearly \$30 billion worth of U.S. goods are exported annually. And Newport, Oregon, which is the home port for Noah's Pacific Fleet.

And this fund is also important to our nation's small coastal ports. Just one example in our region are the ports of Ilwaco and Chinook in Pacific County, Washington. Combined they bring in a total of 16 million pounds of fish, valued at \$22 million, for a county of just 22,000 people. And without basic maintenance dredging, federal dredging, the lifeblood of that entire community would evaporate.

We also have a significant backlog of deferred maintenance for structures, like jetties, pile dikes, breakwaters, and more. And unlocking the HMT is key.

Our association also supports a broader conversation about the HMT. I mentioned earlier the Ports of Seattle and Tacoma. They are naturally deep import centers where significant amounts of HMT are collected, yet relatively little maintenance activity is required. And for ports, for ports that are close to a border, that can also play a role in their competitiveness. So, we support and on-going dialogue about how to support all U.S. ports, including small and donor ports.

And as we think about a broader infrastructure package beyond navigation, our ports want to be a part of that conversation too. With the committee looking to build upon improvements made in the FAST Act, we encourage development of specific freight element in that new legislation, with programs that are truly multimodal.

Our nation's ports also support funding for first and last mile road and rail projects, to expand capacity and efficiently connect our ports to surface transportation systems. We look to continue to build on programs like BUILD, INFRA, RIF, and others for facilitating port improvements. And for ports which operate airports, I'd be remiss if I did not mention the need to increase that PFC, that Mr. Krauter mentioned before, allowing an increase in that fee will allow for critical investments at our nation's airports.

And woven into all these priorities is the need for resiliency planning, and I hope to talk about that more during the Q&A session. Thanks for the opportunity to share our views. We look forward to partnering with you as you get to work on modernizing our U.S. infrastructure. Thank you.

DEFAZIO: Thank you Ms. Meira. Mr. Willis you may proceed.

WILLIS: Thank you, good afternoon. First of all, it really is an honor to be here at the first hearing of the Transportation Infrastructure Committee. I know he stepped out, but I have to mark, you know, the chairmanships of Mr. DeFazio and Mr. Graves, becoming ranking member. Really looking forward to working with both of you. And congratulations to the new and returning members of this committee. You are on an important committee for really, you know, critical issues for our country, and for front line workers that I'm proud to represent, as the president of the Transportation Trades Department of the AFL-CIO.

In fact, you know, more often than not this committee has demonstrated to the American people that party affiliation in Washington can represent a wealth of good ideas, and not just lines in the sand. Your willingness to work across those lines has been proven through the recent patches of the FFA Reauthorization Bill, water resources, and of course surface transportation.

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And while these were all good pieces of legislation that the labor movement was proud to support, they are simply not enough. They are not enough to meet the demands of our transportation system today. They are not enough to meet the needs of our transportation system in ten years. And they are nowhere near enough to what we need to leave a legacy of economic stability and world class infrastructure for our children, the way that our parents and grandparents did for us.

You know past generations they did more than just build the interstate highway system, rail lines that connected New York to California and every state in between. And an aviation system that set the global standard. They also created the middle class, by ensuring that those who built this country and contributed to this economy, enjoyed the benefits of a strong union contract.

Sadly, today, we are well past the point where we run the risk of letting these legacies crumble away. We know failure by the federal government to invest in infrastructure hurts working families. We know that it hurts our economy. And leaves good union jobs on the table.

And that's why today, I want to take you past GDP indicators, past the report card scores, and past the dizzying array of numbers that any of us can point to, and instead briefly focus on the ways that failing to invest in infrastructure takes a toll on individuals.

The people that I'm talking about are frontline transportation workers who want to build and operate a first-class system. They are Americans from all walks of life, and all corners of our country, who depend on safe and efficient transportation.

I'm talking about office workers who miss out on time with their families, because they are stuck in hours long commutes to and from work. The family in the Des Moines, Iowa, who cannot afford a car, lives in a part of the community where bus lines don't run and must walk two miles just to get to the grocery store.

Employers in South Carolina, employers, who are desperate for better transportation option, so that their employees can get to work. Truck drivers, right here in the Port of Virginia, who regularly lose out on pay because they are stuck, sometimes for hours on end, in traffic jams caused by outdated infrastructure that cannot keep up with demands.

Air traffic controllers, FAA inspectors and technicians, pilots, mechanics, flight attendants, transportation security agents, our aviation system, that are forced to do more with less every day.

The disadvantaged youths of Chicago and Minneapolis who want to work, who are qualified to work, but who have no way of getting to where the jobs are actually located.

You know we used to pride ourselves in being a nation that dug deeper, built higher, and went faster. But now we are holding our economy and working families hostage by failing to fund our most important projects, like Gateway in the northwest, Soo Locks in the Midwest, and jeopardizing still too often California high speed rail.

Let me be very clear. Our members stand ready, willing and able to drive the buses, build the roads, move freight, fly planes, and dare to dream big on projects like Gateway. The policy solutions, we've talked about them already, and they're not complicated.

We need to stabilize the Highway Trust Fund. That includes looking at a gas tax and VMT. We must return the Harbor Maintenance Trust Fund to its intended purposes. And federal infrastructure investments must be paired with strong labor policies and Buy America rules, so that taxpayer dollars will be used to create good, middle-class jobs that we can be proud of.

Finally, if we want to improve transportation infrastructure in this country, we have got to stop shutting down the federal government. It is embarrassing, it is counterproductive, and it is the political equivalent of shooting yourself in the foot and then wondering why you are bleeding.

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By showing the courage that this crisis, our infrastructure crisis deserves, we can leave behind a legacy better than crumbling roads, bridges, and struggling transit systems. Better than congested ports and airports, working families are ready. It is now your turn to show America that you are ready to meet this challenge head on. Thank you.

CARBAJAL: Thank you Mr. Willis. And now we will proceed with questions from members. Each member will have five minutes and we will start with the members who were not able to ask questions but were here for the previous panel. And we'll commence with Representative Davids. You have five minutes.

DAVIDS: From the great State of Kansas. Thank you all for being here today. I really appreciate hearing from all of you. And I'm going to start off just kind of, Mr. Willis, I'll probably direct the only question I get to, to you.

One, I am, I'm coming from a state where we just elected a new governor in Laura Kelly who, in our state--of the state came out immediately with her priority of investing in infrastructure, whether it's roads, bridges, our air system. And the Highway Trust Fund is something that literally everybody on the last panel talked about. It--it's prevalent in all of the--in all of the testimony. So, I appreciate all of you continuing to bring that up. I think that it's going to be important as we move forward here.

One of the things though that I want to kind of shift to, although in the Kansas City Metro area, in my district, in Johnson County and Wyandotte County, we have the U.S. 69 corridor which is in, definitely in need. Secretary Chao came out and looked at that. We've got a north loop project near, in Wyandotte County. And all of these things will benefit from us addressing the Highway Trust Fund issues.

But you literally just touched on the thing that I've been thinking a lot about, which is the effects of the shutdown and what it brought to light in terms of what we need to be thinking about and investing in.

Particularly I'm concerned about the air controllers. I went out to--we have the--in-- we have in Olathe, we have a regional air traffic control center. And I'm particularly concerned about our pipeline of, and ability to, not only attract but retain and maintain a workforce. And can you talk a little bit about the importance of their--the air controllers are organized, and I would love to hear a bit from you about the importance that you see there? And how that's going to help us attract and maintain people as we move forward.

WILLIS: Well thank you and it's a great question. The air--the staffing crisis that air traffic controllers are facing was really exacerbated by the shutdown and the fact that the trading facility, you know, went dark for 35 days. Right now, across the country, 18 percent of certified eligible--certified air traffic controllers are eligible for retirement. That number goes up considerably when you look at some of the high traffic areas in New York, and elsewhere.

So, you know you start shutting down government, you start withholding pay from these workers, it gives them a real added incentive to walk out the door. So, you're--you have a staffing crisis today, you see those people hit the, you know, the retire button, and you've got a real problem.

And by the way, and it's not just limited for controllers. We have FAA inspectors, which is a critical component of the FAA. These are the people that go out, inspect airlines, pilots, aircraft repair stations, both in this country and abroad. They have a staffing crisis as well. And of course, screeners, we saw, you know by some estimates 1,800 people leave during the shutdown. And quite frankly, they've got trouble staffing up on normal days.

So, it really set ups back on those categories and other, that problem would exist in any event. But again, the shutdown really highlighted it and exacerbated it.

DAVIDS: As a follow up, can you talk a little bit about whether I suppose the importance of having an association being able to be organized in attracting or maintaining employees, losing 1,800 people that quickly and that's just one sector that you were talking about. Can you talk a little bit more about that?

WILLIS: Sure. Just to be clear, the 1,800 was the screeners, represented by AFGE. You're right, the air traffic controllers are represented by NATCA and the FAA inspectors by another union called PAS. But yes, NATCA is very active in trying to recruit air traffic controllers, trying to work with the FAA to make sure that that training program gets back up and running.



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That, you know, probably their number one focus in addition to making sure that their members are getting paid. So yes, the union is very involved in making sure that we have a steady stream of qualified controllers going through the school or otherwise getting into those positions.

Because it can take a long time, not only for the training, but the high traffic places, you can't just go in there from the schools, you have to have experience elsewhere. So, it is it's a process that the unions are very involved with.

DAVIDS: Thank you.

DEFAZIO: Mr. Smucker.

SMUCKER: Thank you Mr. Chairman. Appreciate you holding this hearing as our first hearing of the--of this session. You know I certainly agree that there is an opportunity cost here if we do not make the decisions that need to be made in regards to investing in our infrastructure. And I believe that it is an opportunity, we have an opportunity right now, this session, to get that done. This is one area where I think we can work together in a bipartisan basis.

We know we have a president in office who has made infrastructure a priority, and would be willing to, I think, sign a bill that would include additional investment in our infrastructure system. So, you know, I hope this is a, the start to a, what will be a good outcome out of this committee. So, thank you for scheduling this.

I wanted to share just a little of the experience that I've had in regards to infrastructure passage of an infrastructure bill in a Pennsylvania legislature when I was there in the state senate. We passed Act 89.

Now this is Highway Trust Fund. And in my district, when we talk infrastructure it's roads and bridges primarily, being in the--in Pennsylvania. But you know the earlier panel, and I didn't get to ask a question from the earlier panel. I just wanted to point something out, pushing back a little on what the earlier panel had said.

They said no member of any legislature had ever lost an election because they voted for infrastructure. That's not true. In fact, in Pennsylvania, after I voted for an infrastructure package, it did become an issue in my campaign. And there was this, at least one state senator who lost an election, primarily because he had voted for a transportation bill.

Now I mention that, not because I do not support investment in infrastructure, but be--but the importance of convincing the American public of the need for this investment. People understand, when you talk to them about it, that infrastructure, the--everything from highways, to ports, to air, is absolutely critical for a--a growing economy. Everyone here understands that. We've--we've talked about it. But they also want to understand that their dollars are being spent efficiently and effectively. And they need to believe that the dollars that will be raised from additional revenue will be put to use, not only to improve the infrastructure system, but will improve the infrastructure system in their area and will benefit them.

And what we went through in Pennsylvania was a--a--a strong effort by the administration at the time, by the secretary of Transportation, by the industry, and by legislatures, legislators I should say, who believed in this, who went out and talked to the public about the importance of additional investment. That's what we need now, here, to generate the support. And nobody should think this is an easy vote.

And, you know, people are here to do the right thing but at the end of the day, they're going to represent the will of the people that--in the district that they represent. So it's important that we think about and build the support for the kind of investment that--that we all--that we all need. People will respond when we when--we talk to them about the need and share with them how it will benefit them.

I do--so having gone off on that for a little while, I do have a question. You know, I understand the--the chamber idea, and Mr. McArdle, this will be a question for you, I understand the chamber idea on a gas tax. It's obviously, the climbing source of revenue, but potentially for five years you do something in that regard.

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There's another proposal out there that you may have referred to, but I was--I wanted to get your thought on it, particularly from UPS, and that would be something called the BOLD Act, which included essentially a Highway Transportation Services Tax or a tax on freight, if you will, and then also a, I think, a--like a federal registration on electric vehicles that are not paying into the system at all if it's all based on a gas tax. I just wanted to get your--your comments or whether you would support something like this. My understanding is the Truckers Association, potentially, supporting and wondering whether you would?

MCARDLE: Well, I'll tell you, let me--to the--regarding the BOLD Act, I'm not as familiar with that. I--I can't get too deep with you on that. But what I can tell you that the first reaction would be that we have to make sure it's equitable. And anytime I hear "targeted towards freight" my radar goes up on that. And we'd have to look at that a little bit closer.

But I would like to comment about the electric vehicles and the tax and the registered--or how--how does a highway tax incorporate electric vehicles? Probably, the first thing to let you know is it I think we're one of the largest, if not the largest private, you know, holder of an ultimate fleet, the private company that's got the largest ultimate fleet out there. We are looking heavily at electric vehicles as well, not just for the final mile, but we've also got 125 Tesla trucks on order that should be out here in 2020.

So looking at all that's available is important to us. But when you get to the question, I think there's about 20 states that have put a registration fee on electric vehicles. I think that one of the things that can be looked at relatively quickly is, is looking at a federal registration fee on electric vehicles, perhaps even a battery fee, batteries are going to be charging electric vehicles. But you're right there, you know, that's a gap that's only going to grow. I think about 1.5 to 2 percent of the vehicles, registered vehicles right now, are electric, but that number will grow. So it's--it becomes part of a thing I heard earlier this morning, a 401k portfolio of how we're going to fund our highways. That's got to be looked at as well.

SMUCKER: Thank you.

DEFAZIO: Next, Ms. Finkenauer. Representative Finkenauer.

FINKENAUER: Thank you, Chairman to DeFazio, and thanks to all those on the panel, and also the panelists earlier as well. I'm happy to be here and work on this issue that I know we've been talking a lot about the last couple of years. And I hope we--I'm sure this joke has already been made today, but hope we finally get infrastructure week. I know that's something that's incredibly important in my State of Iowa in particular, given that we've got the most structurally deficient bridges in the entire country.

And I know Chairman DeFazio mentioned earlier that I sat on the Transportation Committee in the State House for three years and I know--worked a lot on these issues and understand not only the need for investment in infrastructure but specifically, the fact that we also have a workforce issue.

And Mr. Willis, I'd like to address this question to you given, you know, your work, obviously, on this topic. You know, right now, specifically in Iowa, we need a lot of truck drivers and building trades workers, and I'm concerned about the workforce shortages and making sure we have enough quality apprenticeships and training programs in place to meet future workforce needs, not to mention the bigger--or retirements we're seeing today, as well.

Mr. Willis, given the work you've been doing, representing transportation workers at the AFL-CIO, can you tell me how important workforce development is when thinking about infrastructure from trucking, to construction, to water? And what you'd like to see on a federal level for investment in this area? And what's working now that we could expand and what would you like to see?

WILLIS: Well, thank you. So, obviously, workforce is--is a huge component of this. You know, the--the building trades are--are well known for the tremendous apprenticeship programs that they provide and--and opportunities for--for workers that, quite frankly, wouldn't exist but for the programs that--that--that--that they have. And they can come in and talk to you at more detail about that.

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I will say, you know, at a--at a transit level, I think that's a part that often gets missed. There are significant training needs on the bus and rail side, both, you know, mechanics and operator, elevator or escalator, you know, there's a lot that goes into these systems that--that I think gets lost.

And, you know, to your point, there is opportunities, you know, and this was included in the FAST Act, you know, money for front-line training for apprenticeship programs on--on transit, I think, quite frankly, those should be expanded. And, you know, we are part of a specific labor management program that we're very proud of, again, both management and labor at the table, figuring out these training programs and how to get them implemented. So I think looking for funding opportunities in the context, whether it's an infrastructure bill or--or reauthorization, is definitely something that--that needs to be done.

FINKENAUER: Thank you. And I'd like to open this question up too, to anyone else on the panel who--who would like to answer. How are your industries working to attract and retrain the transportation workforce of tomorrow, and how can the federal government be applied partner in those efforts?

MCARDLE: Congresswoman, I'd be glad to--you know, from the trucking industry viewpoint, one of the challenges that we're worried about is the retiring workforce as well as the need for drivers continues to grow. Not known by many people, is that the--the operator of a tractor trailer, class A vehicle, within states can get that license at about 18 years of age.

FINKENAUER: Yep.

MCARDLE: To cross state lines you're going to have to be 21 years of age, and we lose quite a heck of a population in there. Now, we're not encouraging that it's completely open to 18-year-olds without some rigorous testing. What we'd like to see is, and we've worked, you know, with legislators that have--have looked at--or they're putting together some proposals of how we can pull together some really qualified trainers, trainers with two or three years of experience under their belt with impeccable safety records, and they can begin to mentor the employees that work for us at that young age to get them into--into the seats and to fill the jobs that we do.

The other thing that we're encouraged about is the technology that's coming to the cab is attracting folks more so than just shifting the gears and getting on down the road. There's--there's, you know, we--our objective is to--to look for folks entering our workforce as they're coming out of high school, before they get into a first trade or a second trade, and then they turn to the trucking industry.

FINKENAUER: Okay, thank you.

MEIRA: Congresswoman, I can echo that from the ports industry. I can speak to the Northwest, where our ports are towboat companies, are other folks who care very much about a working waterfront and protecting that. They are getting out to the high schools to let folks know, to let these young people know, that we have family wage jobs that are there waiting for them. And it's largely an unseen industry at times. You don't drive on it, you don't see it sometimes, but the ports are there. And so we're working hard to get to the high schools.

FINKENAUER: Great. Thank you. Thank you. And I yield back my time.

DEFAZIO: Thank you. And now we turn to Representative Stauber.

STAUBER: Thank you very much, Mr. Chair, and Ranking Member Graves. It's a privilege to be serving with you. I'm really excited that we're going to have the opportunity to put an infrastructure bill that's going to help the entire country.

Just a couple of questions that I have. And my colleague from Iowa just talked--questioned Mr. Willis about the--the workforce. If this country, and I hope we do, put--puts together an infrastructure package, do you think we will have the workforce, the blue-collar union workforce to build it in a timely fashion?

WILLIS: You know, absolutely. And I think that, again, the--the apprenticeship programs on the construction side that I mentioned, are--are a key component of it. And look, one of the reasons that we invest in infrastructure, A, the

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needs are--are crazy, but the other good reason they create really good jobs, not only on the construction side, but they leave great operating jobs behind and you are moving goods to market faster and so our manufacturing unions care about it. And if you do buy America right, you again, make the manufacturing employers much busier. So there's a lot of different components of how these good jobs get created. From a construction perspective, the workers will definitely be there, but I think it's more than that so--

STAUBER: Thank you. And--and the reason I asked that question is in the prior session, we talked about getting the infrastructure, the appropriations, out to the communities, out to the states, in a timely fashion. So hopefully, if there is appropriations it's not 9 or 10 years before the community sees that federal project. Historically, it's been that way. So I'm--I'm glad to hear your answer that--that we're--we're--we're ready for that.

And then I just have a comment to Mr. Krauter on the--the--the airports. I'm very excited to be on the Aviation Subcommittee. And aviation, it is a sector that's growing. We have, in Duluth, Minnesota, Cirrus Aircraft is the biggest seller of piston driven airplanes in the world, and they need to expand so they're working on expanding in our airport. And I'm looking forward to helping communities across this nation with the airport concerns and issues because that is a growing industry. And I think that as we--as we look forward to, you know, how we're going to fund it, et cetera, when you have the projects ready and some of the funding we can package it together, not--not only from local but state and some of the federal dollars.

So I think I heard my colleagues talk earlier in the session and they talked about those--those--putting projects forward that have the collaboration with the communities because I think that's where we're going, and so it sounds like you are set for that.

KRAUTER: Thank you, Congressman Stauber.

I've had the pleasure to fly in a Cirrus two Sundays ago, fantastic airplane, one of the safest airplanes manufactured in the world for general aviation. I think the takeaway also, with regard to that, is that increasing the PFC will actually help general aviation in general aviation airports. We commonly flex AIP money from our airport, the international airport, over to our general aviation reliever airport, which I am very proud of, it's a world class facility. So I do think that your--your comments are--are consistent and aligned with where we want to go with the PFC increase as well. Thank you.

STAUBER: Thank you. Mr. Chair, I yield back my time.

DEFAZIO: Thank you. Thanks for those questions. Now, we got a Representative Garcia and after his questions are concluded the committee will recess for votes on the floor. There are four votes, and so it'll probably be a half an hour or so the way this place works. So Representative Garcia.

GARCIA: Thank you, Mr. Chairman, and Ranking Member Graves for organizing this most important hearing. And, of course, thanks to all of the panelists before us this afternoon.

I come from Chicago and represent a district that's both city and suburban. And as all of you know, Chicago is a part of the nation's transportation networks, including rail, highways, waterways, and also home to two major airports, including one of the nation's busiest. At its root, good transportation and urban planning means access to good jobs, access to healthcare, and access to school and job training.

I'd also like to shed light and shift some focus within this committee to the needs of those too often overlooked in our urban planning and policy making processes. I represent a district that is--has many foreign born individuals like myself, and majority Latino, and I know all too well that for too long people of color in immigrant communities have not been given a seat at the table on surprisingly, urban planning. And I will confess, I am an urban planner from the University of Illinois at Chicago, and transportation policies frequently fail to adequately address the needs of working-class and minority populations.

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I'm only one of two members of color on this panel who hail from the Midwest and the only one of Hispanic descent. I pledge to my constituents back home and to those without a seat at the table, that I intend to be a voice for those communities that have been adversely affected by this lack of representation.

Studies from the Transportation Research Board confirm that immigrants in general, and Hispanics, and Asians are the fastest growing users of public transit in the country. The gentlemen, from Amtrak, of course, knows this. In Chicago, inadequate investment in Latino and African American communities has led to people moving out. A neighborhood in my district Logan Square, for example, has lost over 23,000 long-term Hispanic and African American residents due to rising home costs, increasing problems in transit frequency and reliability, and increasing congestion. The lack of inaction not only hurts us as a nation, but the impacts to communities of color and working class families are profound and lasting.

So I would ask any of the panelists who could address this, to talk about how we ensure if we do an infrastructure bill--and I, of course, I'm very enthusiastic about it--how do we address those inequities? How should we begin to think about them? I think that's an important lens to introduce into the conversation.

And lastly, how do we ensure that we do projects like transit-oriented development, that in Chicago for the most part, have served, have contributed to gentrifying communities as opposed to being inclusive in helping create more livable working class and lower-income communities?

WILLIS: Well, let me take a stab at that. In part, congressman, because I'm from outside Chicago and have family there. So I understand exactly the--the issues that you're--you're talking about. And we talked about this in my--in my written statement, Chicago is a perfect example of where there are jobs in the area, there's no doubt about that, but we have trouble connecting the right communities to those jobs. And obviously, it starts with transit, but it starts really drilling down at looking at those transit programs to figure out, you know, where--where those bus lines are going to go.

And, quite frankly, while money doesn't solve all problems, and you can't just throw money at this problem, money is a big part of this. So if we do a big infrastructure bill, we run it through the existing transit programs, maybe refine them, I think that we can--we can help solve that problem. Because that's--that's why we're here at the table. That's why the labor movement, we care about this issue for a lot of different reasons, but that's a big part of it. So we're committed to figuring out how to--how to deal with--with those issues because we know there's a real disparity there on--on I'm connecting those people to those jobs.

MCARDLE: Mr. Congressman, real quickly, from the American Trucking Association Workforce Development Committee, that we're looking at as well, we're just--have just initially started to have conversations where we can do things in the city of Baltimore. There are--there are folks inside the cities that really do not know what the opportunities are within our industry. That's clearly understood. And now we're taking a look to see how we can penetrate to be able to look to make those--make our industry available to those folks that really don't have an idea of really all the careers and the high paying jobs that could be reached in our industry.

DEFAZIO: Okay, with that, the committee will be in recess until the conclusion of the votes.

(RECESS)

Okay. With that, I would recognize Representative Gibbs.

GIBBS: Thank you. Thank you, Mr. Chairman. Thank you to the panel for enduring all this activity all day long.

Mr. Anderson? Yeah, right. On your testimony--I was looking through your testimony, that it must have been the Hackensack River Bridge in New Jersey there, is your youngest asset, I think you I think I heard you say, built in the early 1900s. I see in your testimony, 450 trains cross that bridge every day in the 24 hour period, that comes out to about a train every three minutes. I got to ask you, if that kind of utilization, how did Amtrak let an asset like that get depleted in such a situation that many years old and didn't--didn't take care of it, didn't put, you know, put a new bridge in? I mean--

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ANDERSON: Well, we own it on behalf of the federal government.

GIBBS: Pardon, what was that?

ANDERSON: Excuse me. We own it on behalf of the federal government and there's never been an appetite to provide the proper funding to invest in the infrastructure up and down the Northeast Corridor. So when you look at the asset base we have, the winter is the tunnel in Baltimore that was dedicated by General--our General Grant, President Grant at the time in 1873. And that's typical of what we see in the Corridor, which is the busiest railroad in America, which is the spine to the economic development in the Northeast and we just haven't, as a country, had the appetite to make the kind of investments that I think the people that live up and down the corridor expect.

GIBBS: Yeah, I mean, it just kind of blows me away the asset's that all that kind of utilization, you know, it really addresses the question, you know, what's--what's Amtrak's been doing? They can blame it on the federal government, that's fine, but that's--that's malleable Congress's malleable administration's, it just raised a red flag with me. So I just want to highlight that, okay, you know--

ANDERSON: --No, it's--

GIBBS: I'm not--I'm not trying to be disrespectful of you or anything like that.

ANDERSON: No, that's a--it's a good question. I--I will say that we do, and the people at Amtrak, do a very good job maintaining a railroad that was built by the Penn Central Railroad at the turn of the century, and our people do a very good job--

GIBBS: --Yeah, the last century, right?

ANDERSON: Yeah. Yeah, that's true. Got to get my centuries right.

GIBBS: Well, I think, you know, if we look at the private secondary roads, you know, especially the ones out West, they seem to be doing pretty well. So I got to move on because I've only got a couple minutes left and I want to get the Mr. Fanning. Fanning, how do you say it?

FANNING: Fanning, yes.

GIBBS: I'm really kind of intrigued to hear you talk about the Urban Air Mobility, UAM. When I was reading through your testimony, I *don't* think I'm--I think I understood this right, you could have a passenger vehicles, cars that could actually go airborne. And--and we had--we actually a hearing last Congress, recently, where they said, we're not that far away from that happening because I brought up the Jetsons, you know. I asked the question, "Are we getting close to where we're going to be like the Jetsons?" And--and the person said, "Yes." Do you remember that, chairman?

DEFAZIO: I remember.

GIBBS: It just like kind of blew me away. So can you maybe talk a little bit about that? And--and I think I heard in your testimony you talking about that 400 foot level. And then also, you know, of course, with the interaction with drones, too, because we see all this stuff happening, you know, Amazon's talking about drone deliveries, et cetera, et cetera, so--

FANNING: So we--we already have vehicles in testing. And there's some photographs that we submitted from member companies who have developed and our testing things, their vertical takeoff and landing vehicles. I actually took a reference to the Jetsons out of my testimony, because people come up with it on their own. So those vehicles do exist. The issue is the technology is not mature yet, battery capability, the--the power of those electric engines for that takeoff and landing. So there's still some more work that needs to be done on that.

GIBBS: I would assume--I would assume the--the technology too, would include anti-collision technology, right?

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ANDERSON: Well, that's a part of what industry and government are working on right now, exactly, to make sure that we have the--the proper systems, the framework, and processes, and regulation in place to make sure of that. And that's that cut off at 400 feet, the different air spaces, but it needs to be thought of as one airspace when all this up and flying. But absolutely, there has to be a regulatory regime in place and systems in place, much like we have now to make sure that we don't have those kind of (INAUDIBLE)--

GIBBS: --So I only got 30 seconds, but interaction with drones.

ANDERSON: So people call these drones, too.

GIBBS: Okay.

ANDERSON: That's a part of what--that's a part of the framework that's being developed right now, thought through right now, which would lead to something like the air traffic management system we have now or an extension of that, to track and cover everything that's in that air space below 400 feet.

GIBBS: Interesting. Well, the future's exciting. Thank you. I yield back, Mr. Chairman.

DEFAZIO: Thank you. Representative Carson.

CARSON: Thank you, Chairman DeFazio.

The importance of completing the Gateway Program cannot be overstated, I think we know that. The Hudson River tunnels and the portal bridge move about 200,000 commuters every day. These tunnels are also a part of the larger Northeast Corridor or the NEC, which carries 800,000 passengers every day and contributes \$3 trillion to the National GDP. The 10-mile stretch of the NAC is the focus of the Gateway Program, which includes vital infrastructure that is more than a century old and was badly damaged by Superstorm Sandy.

Given the significance of this corridor, can you describe, Mr. Anderson, you can take the lead or anyone else, the regional and national impacts of failing to complete the desperately needed infrastructure upgrades called for in the Gateway Program and along the NEC?

ANDERSON: We did, the Northeast Corridor Commission, which was put together by section 212 of PRIIA, which are all the states up and down the corridor that contribute to the operation of the corridor, did a study in 2016 and estimated that if the Northeast Corridor were out of commission for one day, it's \$100 million a day in economic impact. I would actually submit that if you did not have the Hudson tunnels and you had everyone trying to get over to Manhattan, it would basically ensnare the whole region into gridlock. And the follow on effects of that would be so significant that I think that we shouldn't get to the point where we think that's what it's going to take for us to prioritize this as an investment.

If the president has said the money has been set aside for Gateway and Hudson tunnel funding, we are ready with the portal bridge. We've done the design, the designs complete. We've gotten all the answers environmental approvals. We are ready right now and in fact, have some preliminary construction underway on the first piece of that that's really important. But in our--in our view, this is the most critical piece of transportation infrastructure in America today.

CARSON: In addition to that, Mr. Anderson, I represent the largest passenger rail maintenance facility in the country and Beech Grove, Indiana. The work done at this facility is critically important, I think you know that, to the safe and efficient operation of our passenger rail system. I have heard numerous concerns that there may be plans to cut back on the operations and possibly personnel at the maintenance facility. Is this true? And if so, please explain what you all are planning. Considering the short time here, I'm going to ask you for a separate briefing on any plans to significantly change or reduce the work performed at the maintenance facilities.

ANDERSON: Right. And I'd welcome the chance to come by your office--

CARSON: --Sure--

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ANDERSON: --and sit down and talk through where we are. The--we're re-fleeting the--both the locomotion on Amtrak. So we just placed an order to replace the P-42 fleet because it was in violation of EPA regulations, about 30-years-old. That fleet is maintained in Beech Grove. Over time we're--we have to re-fleet the Amtrak rolling stock.

In the current plans, current budget, there's no plans to close Beech Grove. We have been bringing down some of the work there. And I think over the longer-term, we have a much bigger effort underway to figure out where we're going to do our maintenance work.

We have two big construction projects underway right now at Amtrak to build maintenance facilities in Seattle and Oakland and we have major work on the East Coast on the--in Brooklyn, and in Sunnyside yard, and down here in DC in Ivy City.

So we have four big construction projects underway to expand our maintenance capability, but I think that footprint's going to change over time because we're moving to much more modern equipment. And I'll be glad to come by your office and sit with you and talk about what it means.

CARSON: Does that change equate to significant layoffs or a complete shutdown?

ANDERSON: No, it doesn't--it doesn't to layoffs at all. Because as we have to morph how we do business at Amtrak. We can't do it on the backs of labor, it has to be in a way where we mediate the issues in a way that doesn't impact people. Because there are changes that we need to make in our network and changes in the way we do business to modernize from a 70s railroad to a railroad that will meet the demand of Millennials today. But as we go down that process, we have to be very mindful of its impact on our people.

CARSON: I look forward to speaking with you in the future. Thank you, Mr. Anderson. Chairman, I yield back.

(AUDIO GAP)

MASSIE: --it's allowing airports like yours to more flexibility to set their own passenger facility charge, is that you won't spend the money responsibly. Is it true that you're going to build an amusement park ride with the extra PFC money you might generate?

KRAUTER: No, sir, it is not.

MASSIE: Can you tell how PFCs would allow you to improve your airport and what type of improvements those would be?

KRAUTER: Thank you, Representative Massie. I really appreciate the question.

Our Terminal Renovation Expansion Project is really a very conservative project. As I pointed out in the graphic, it's--it's effectively, making lemonade out of a 1960s terminal building and a 1999 terminal building, both built, obviously, before the 9--post--9/11 environment and both very, very difficult to figure out how to make as efficient as possible.

Alternatives to that could have been going out into the Greenfield and building the perfect terminal building but that would have been \$400 to \$500 million and we said, that's just not going to be the right approach for our community. And so we looked at a more conservative approach. And that's how we develop term the Terminal Renovation Expansion Program. It's about \$190, million program. And that will give us probably some functional life, 15 years, potentially more, and some much needed gate capacity, a consolidated passenger screening checkpoint, a consolidated baggage claim area. These are not things that--that are unnecessary or could be, I think, in any way, shape, or form defined as--as being frivolous or irresponsible in terms of--of a capital improvement program.

MASSIE: So--so it would cost \$190 million. And how many passengers do you accommodate every year?

KRAUTER: Right now, just under 2 million.



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MASSIE: So one of the other arguments I hear about against giving airports more flexibility to set their own PFCs, Passenger Facility Charges, is that you'll set them astronomically high. Would you--you know, how much would you have to raise your passenger facility charge to finance a project like that over, say, 15 years, or--

KRAUTER: I think we would end up somewhere in the \$7 to \$7.50 range if we wanted to say, get somewhere between a 12 to 15 year payback on that. But I--I would also like to point out--

MASSIE: --Is it \$7.50 in addition, 450?

KRAUTER: No, sir.

MASSIE: Okay.

KRAUTER: It's \$7.50 total.

MASSIE: So \$3--\$3 extra a passenger facility charge lets you build this facility.

KRAUTER: Yes, sir. And the other thing I would like to point out too, is that--that the--the idea that we would be in a position where we would just set a passenger facility charge at a very high rate doesn't really make sense because we're trying to manage to an objective in our industry and managing to that objective is the cost per enplaned passenger. We are--we are very aware of the impact of our capital program on the cost per enplaned passenger to the airlines. And so it would not make any sense for us to price ourselves out of a market, of a competitive market, by having a very high CPE. So keeping that CPE competitive in an--you know, amongst our peers is very important. So, I think that that serves as a market regulatory function for all airports that are looking at how they're going to finance their capital programs.

MASSIE: So what do airlines charge to check a bag now at your airport?

KRAUTER: Up to \$30.

MASSIE: Up to \$30. And what are you allowed to charge for the use of your airport to a passenger?

KRAUTER: On the PFC, a maximum of \$4.50 of which I get for \$4.39 back.

MASSIE: \$4.50. So, like a sixth of what they're charging to check a bag you--to use a bag you get to charge to use an entire airport.

KRAUTER: For capital improvements, yes, sir.

MASSIE: Right, For capital improvements. So if there--if like the bag fees and--and those sorts of things have such an effect on the price of a ticket and you would be able to improve with just \$3 extra on your passenger facility charge, your facility, why do you think airlines are opposed to modernizing airports using PFCs?

KRAUTER: I'm not sure that they're entirely opposed. I think in small airports in particular, where they don't have the concentration in their market to warrant their personal corporate investment in facilities, I think a smaller reports I think they like the fact that there's PFC capacity because they don't have the--the--the corporate interest necessarily and coming in and building their own specific facilities. So I think that in--in--in my case, in Spokane, I think the airlines are delighted that we have been very fiscally responsible and have a significant PFC capacity available to build the T-REX project.

MASSIE: Well, I hope you appreciate I'm playing devil's advocate here a little bit. I support giving airports the flexibility to set their own passenger facility charges, and so do a lot of conservative organizations and a lot of my colleagues on the other side of the aisle.

So thank you, Mr. Chairman, for holding this hearing. I agree there is a big cost to doing nothing or being stuck 20 years prior in history. We haven't adjusted the passenger facility charge cap in a long time so I support that. And I yield back, Mr. Chairman.

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DEFAZIO: Thank you. And now we--what we're doing is that we had to abbreviate the first hearing, and I said at that time, anyone who was here at the end and had been waiting would get to go first. And then after that, we will go to other people who didn't have an opportunity during the first panel but you weren't here at the end. So this--that's how this order was established. So Representative Larsen's up next.

LARSEN: Thank you, Mr. Chairman.

Mr. Krauter, I guess without going into too much detail, what do you collect in revenues per year? And how much goes to operation and how much goes to reserves and borrowing of costs and so on and what are you left with? And I'm getting at the question of why don't airport just finance terminal construction themselves?

KRAUTER: Thank you, Representative Larsen.

Basically, I think what--what we're getting at is--is how much unrestricted cash does my airport generate? And how much unrestricted cash do I have available for capital improvements? So just to talk a little bit very quickly about what unrestrained means, because it means different things to different people the way it's defined. But to us, it does not mean available because we define available cash is that which is on-hand after reserves. And we maintain a number of reserves such as operations and maintenance reserve, other post-employee benefits reserve, environmental liability reserve, et cetera. So after all of that, what we have available in funding a \$4 million to \$6 million a year non-grant funded capital program is 6 to 8 months of cash-on-hand.

LARSEN: And can you build a terminal in a timely manner with that?

KRAUTER: I cannot build a terminal in--in a timely manner. We're good at--really good at what we do, sir, but we're not that good.

LARSEN: Okay. Well, you are--you are pretty good, to Spokane you're pretty good.

KRAUTER: Thank you, sir.

LARSEN: I'm going to go home and say that, that I said it. They'll never believe it.

On your chart, I think it is important to point out--well, I'd like to explain it. You have the chart, you've got there, blues and the reds and this is the chart that you handed out beforehand. Is the interest costs strictly based on the payoff that you've chosen or is--is it a combination of factors?

KRAUTER: The--the interest cost really is--is--is running at it on its own there. it's--if you look at the upper-left corner of the graphic you see the actual cost of T-REX at \$191 million, and then another \$151 million, give or take, in interest over the course of--of the bonds. And you can see we've effectively figured that we would have general airport revenue bonds that would probably be 25 to 30 years plus payoffs.

And so we go down from the top of the graphic to a scenario of what would that interest rate decrease to or interest total decrease to if we were able to charge a higher PFC? And we picked 650 in this particular example. You can see the interest beginning to disappear. And then at 850, you can see that the interest goes from \$151 million a--in the total project cost down to \$66 million.

LARSEN: So in your world who pays that red bar?

KRAUTER: The passengers.

LARSEN: The passengers pay that interest?

KRAUTER: Yes, sir.

LARSEN: So do the general taxpayers at all pay that?

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KRAUTER: No, sir. It's--it's--it's the users of the airport that pay for it. We do not rely on any taxpayer assistance to run our airport system.

LARSEN: That's how that works. Okay.

Why is AIP a less attractive method to pay for terminal build improvements or as an option at all?

KRAUTER: A couple reasons. First, is that AIP has been flat for a very long time. And if you look at its purchasing power, we've talked about the--the decrease in the purchasing power of the PFC, but AIP has also had a corresponding decrease in its purchasing power. So the \$3.35 billion per year after the FAA takes out what it needs to manage the program is \$3.2, but effectively, it's about worth \$1.8. And so most AIP is actually 71 percent of AIP is directed towards airfield projects only. And on top of that, we can't bond off of AIP.

LARSEN: You can't bond off of AIP. All right.

I want to switch gears a little bit with Mr. Fanning. What is the single most--what--what's the one thing the FAA can do from a regulatory perspective to address or to advance the UAM?

FANNING: Well, first of all, it's getting the right regulation in time. Other countries are--are focused on this and if we don't have the regulatory schemes in place in time for the--for the utilization or the realization of this technology, other countries will get there first. So it's not just a matter of slowing down the United States, it's seeding that market to other countries.

But what's also important, and Congress has taken leadership on this, is making sure it's the right regulation, that these are performance based regulations. Because these companies are approaching this in different ways and this technology is very iterative and so if we use old prescriptive regulation it will slow down the advancement and utilization of this technology.

LARSEN: Okay. And the other part of your answer is get the remote ID rule done?

FANNING: Get the remote ID rule done, yeah.

LARSEN: That's what I--that's what I thought you were going to say next.

FANNING: There's a--there's a--there's a number of things in the framework, that, operations over people, operations beyond the line of sight that we've got to figure out, but remote ID is definitely a part of that.

LARSEN: Got it. Thank you, Mr. Chairman.

DEFAZIO: Okay, Mr.--Representative Balderson.

BALDERSON: Thank you, Mr. Chairman.

My first question is directed to Mr. Krauter and thank you so much for being here. It's quite a privilege to have a fellow Ohioan, OH--

(LAUGHTER)

--here this afternoon.

I recently had the privilege of touring the air traffic control facility at the John Glenn Columbus International Airport. And I believe Congress must ensure that our air traffic controllers have access to necessary tools and the resources to keep us safe.

Earlier this afternoon, I agree with concerned share today about how government shutdowns impact the FAA and the aviation workforce. Which is a major, major region I, along with another fellow Ohioan, introduced a piece of legislation called End the Government Shutdown Act, here.

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But prior to the shutdown, the partial shutdown that we just had, there already was a shortage of qualified air traffic controllers in this country. And right now there's only one training facility for air traffic controllers in the United States. Do you believe it's important to increase the number of such training facilities?

KRAUTER: First of all, I started my career at Port Columbus, Representative Balderson, so I know the airport very well. And I do believe that there should be a--a number of different approaches taken to try to increase the--the control workforce. I do think that regionalization of those--those--that training curriculum would be very helpful. We've had similar conversations, actually, with other government agencies like the TSA. In similar fashion, I think we need to also recognize the importance of the United States Contract Tower Program which serves as a training ground for many controllers across the country. The U.S. Contract Tower Program is 253 towers out of the 513 towers in our country and it is a --it is a meaningful and important incubator for our future controllers.

BALDERSON: A follow-up that would be, are there other ways that we can expand and recruit folks out there to--to get involved in this industry and encourage them and encourage students to invest their future in this industry?

KRAUTER: There are--there are many ways and there are many different organizations that are on the oars trying to get that done. Even at the local level, we have engagement with the Experimental Aircraft Association, with the Aircraft Owners and Pilots Association, with our state aviation associations, with our federal associations, like the American Association of Airport Executives in particular, and also with our DOT and FAA partners. I think everybody is really trying to look at ways to fill that pipeline of future aviation workforce.

I think one of the things we need to do a better job of is coordination of all of it. And I do think that Congress can play a meaningful role in helping us do a better job of coordination. And I think the infrastructure bill might be an opportunity for us to--to look at that, you know, that--methods that we're using right now to try to increase workforce.

BALDERSON: Okay, thank you.

One last question. Can you discuss the difficulty small and medium hub airports may have received in the same tools as the larger commercial airport?

KRAUTER: Absolutely. There's definitely an emphasis being placed on equipage of larger airports and I am concerned about that, coming from a smaller airport, also an airport that operates a general aviation reliever facility with a contract tower. And so to me, I do think that it would be more helpful in the future if we could see a strategy pursued by the FAA in which they are--they are equipping the system, both from the top down and the bottom up. And because I don't think it's right that you have to fly through time when you fly from a large community to a smaller community.

BALDERSON: Agree. Thank you.

My last question is for Mr. McArdle. With UPS, sir, could you speak on how UPS is utilizing the drone technology to help alleviate with some of your traffic congestion?

MCARDLE: Yes. Thank you for the question.

UPS has--we've looked in drones for--for quite some time. And right now we do find a practical use where we're helping with humanitarian needs across the world, not just--as matter of fact, not within the U.S. but outside of the U.S. Certainly, you can imagine, when their needs where it's very tough to get to wherever, blood, or wherever medicine is needed, drones are a perfect way to do that. So through our foundation, we've partnered with that.

When it comes to the commercial use of drones, we've looked at it, we've tested it, we continue to look at it and test it. We stay active in where, you know, the--where the--where the space is going to go, we're at the table with it. But it's certainly something that looks like it could be promising for extreme rural type deliveries.

BALDERSON: Thank you very much. Mr. Chairman, I yield back.

DEFAZIO: Thank you. Mr. Lipinski.

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LIPINSKI: Thank you, Mr. Chairman, and thank all the witnesses for their patience being here today.

We are working on an infrastructure bill. We're here talking about that. We also, part of that, also is we want to make sure that this is going to be a green infrastructure bill that is--that is transportation and infrastructure that we help out and choose we--we--and we make more green. And certainly, rail is more green of a way to--to move both freight and also move people passing the rail is the greenest, certainly, for inner-city and possibly--probably also for intra-city.

So, Mr. Anderson, I was happy to have an opportunity to speak with you yesterday. I'm--I'm glad we--we--yesterday we talked in my office about labor issues. I'm glad that we were talking about what earlier you had--had mentioned, in terms of work that you're doing to streamline Amtrak, that you said: "We can't do it on the back of labor." And I'm very happy that you--you said that and we have to make sure that--that--that's the way things move forward.

But I wanted to you, Mr. Anderson, about, you know, I'm, obviously, as everyone knows, from Chicago. I have worked on CREATE since--since I've been then here. We've made a tremendous amount of progress on CREATE but there is still more work to do, as you told me yesterday, about the issues of Amtrak getting into--into Chicago. So I want you to--I want to ask, how important is it in doing an infrastructure bill if we're going to help passenger rail? Not just Amtrak, it would also help, you know, commuter rail. It would help also move freight in Chicago. How important is it that we, in this infrastructure bill, put more money into the Chicago rail system?

ANDERSON: Look, it's really important, not just for inner-city passenger rail, but for Metra and for freight rail. When you come from Indiana and you get outside of Chicago it's just a whole series of interlocking things and a lot of delay and congestion. And so Amtrak has provided letters of support and matching funding for various aspects of the CREATE Project, so we are supporters of it. I would note for you that for inner-city passenger rail, we would like to build a direct line that's passenger-only from Indiana straight into Union Station, as being the long-term best solution to separating the freight traffic from the--from the passenger traffic.

But in summary, we're big supporters. We have done matches when the local community has asked us to. We've filed letters of support. And we think it would go a long way not just for Amtrak but for metro and the freights.

LIPINSKI: And also important, as we had discussed yesterday, about the Union Station and work on--on Union Station, making sure that the--the track areas get--get the work, the update--the--that that they need and I want to make sure we continue to be focused on that. And I know with anything else that may be moving forward with Union Station in redevelopment.

So I want to turn to Mr. McArdle. We've talked about a little different issue here. We've talked about how we're going to pay for--what we're going to do for the Highway Trust Fund. And I just wanted to ask what your thoughts were. I know that, for example, Germany has a--a VMT for--for heavy trucks. We've talked about moving to a VMT, but it seems like it'd be easier than for cars and light trucks right now to move more quickly to VMT for heavy trucks. And I was just wondering what your thoughts were on--on that?

MCARDLE: Well, congressman, thank you for the question.

I'm--I'm not sure why would it--would not be any easier. I think VMT is certainly, one of those programs that needs to be tested. We encourage pilots, true pilots, proof of concept pilots, pilots that will test the--the, you know, the personal security behind-- VMT pilots are going to test the, you know, the, the evasion rates behind VMT type miles, who are those are going to try to avoid it? Pilots are going to really understand what the true costs are with the VMT program.

LIPINSKI: But that--that would be easier for right now to do it for the heavy trucks rather than--I mean, easier than it is for passenger vehicles, though, because we already do some tracking of the mileage for trucks, correct?

MCARDLE: We do it and then it gets into the equitable side with a VMT. We want to make sure that when you look at between passenger cars and vehicles, that the right approach is taken.

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Just one other comment on the VMT. I think it does need to be evaluated and looked at. But when you take a look at the number of registered cars out there, there are, you know, what, close to 280 million registered vehicles out there that we're going to have to make sure that we have a good handle on, what we'll be doing when it comes to the VMT.

So I think I heard it mentioned earlier today, it's the transition to the future, but I think the bridge to the future right now is still the Highway Trust Fund.

LIPINSKI: Thank you. I yield back.

DEFAZIO: Thank you. Representative Westerman.

WESTERMAN: Thank you Mr. Chairman, and thank you to the witnesses for being here today. Appreciate Mr. Lipinski talking about efficient green modes of transportation. You know, the one that comes to my mind is on our inland waterways where it's our most green mode of transportation, it's the lowest cost and one of the highest efficient ways to--to move material over those waterways are available. But like all infrastructure in our country, it's facing its challenges as well.

Ms. Meira, when you look at deepening projects and other authorized but not yet initiated or completed projects, what--what economic benefits are being foregone on the inland waterways that we could be realizing if those projects were done?

MEIRA: Well, thank you, congressman.

So out in our part of the country, we have our own inland waterway. We have the inland Columbia Snake River system. So once you leave the Portland Oregon area, you go 365 miles east, all the way to Lewiston, Idaho, and that's a 14 foot deep barging channel between, again, Portland, Oregon and Lewiston, Idaho. You go past eight navigation locks four on the Columbia, four on the Snake. And these are the highest lift locks in the United States. So over 100 feet of lift at each of those locks. And we have one lock at each of those dams so we have one chance to get it right. And so when you have infrastructure that is that massive as those projects are, you think long and hard about what their needs are, what--what components are reaching the end of their design lives, what your plans are for repair and replacement.

And we've got really a wonderful story to tell out in the Northwest. We've had two extended lock maintenance closures. We learned from the Corps of Engineers, that if we were to have a failure of one of our lock gates it would take a year to design, fabricate, and then install one of those gates. So the idea of our system being down for a year was unacceptable. So we--we worked with the corps in a proactive way to get after those needs and plan for them.

And we had two extended lock maintenance closures, 15 weeks each, where we took the entire river system down, and it was well broadcast with all of our growers, our shippers, even our overseas buyers of soft white wheat, one of our main products we ship. It was a total success story. That's the way to do it, not to wait for a failure.

WESTERMAN: Not to do it on an unplanned basis.

MEIRA: Absolutely.

WESTERMAN: So, you know, as we look in other places around the world, we know that the--the Panama Canal project, it was conceived, designed, implemented, operational in a 10-year time-frame. Sometimes it takes twice that long just to do a feasibility study to see if we want to do a project in our country. What do you think could be changed to--to make that process much more effective?

MEIRA: Well, the Corps of Engineers and--and the ports community, they've gotten to work on something called this 3x3x3 Initiative, meaning that study should take no more than three years, \$3 million, and three levels of review. So let's get through the study and planning process faster so we can get to an authorized and then a

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constructed project and get those benefits out to the U.S. taxpayer. That's the way we should be building and--and doing these channel deepening projects.

Out our way, we've had a successful one already go through that 3x3x3, that's the port of Seattle. They are ready to deepen. They're ready to go to 56 feet. The port of Tacoma is just behind them, they're getting ready to go into the study process. Contrast that with one of our more recent deepening, one that concluded in 2010, that's the Columbia River Channel deepening, that project took 20 years, 20 years to get through studies, planning, the inevitable litigation, and then finally, to authorization, and appropriations, and actually deepening.

WESTERMAN: But you finally got there.

MEIRA: We sure did.

WESTERMAN: So, you know, I personally understand why we need ports. You mentioned the--the--the port and the deepening project. But how would you--what would you tell people in other parts of the country who may be far away from a port, why that port is important to them, even though it's on the West Coast, and they're living in the middle of the country?

MEIRA: Well, and first, we have to say thank you to this committee for raising awareness over the past six or so years about the importance of WRDA and how everybody is connected here to ports. So whether you are growing and making things and you want to be part of the export community, you want to get your goods out overseas, ports are important to you. Or if you're going to the shelves and picking something up for your family, ports are important to you. It's--it's the key to our everyday life here.

WESTERMAN: Thank you. I yield back, Mr. Chairman.

DEFAZIO: At this point now, we're--Mr.--Representative Pappas.

PAPPAS: Thank you, Mr. Chair. It's great to be with you all. Thank you to the panel for being here. It's exciting to be in a room of folks that are so excited about transportation and infrastructure, they can talk about it all day, literally, and that's what we've been doing here today. So really appreciate you being part of this.

You know, one of the exciting things of being a new member of Congress is connecting with constituents. I've been doing that over the last several weeks, holding town halls, getting out there to local communities. And without fail, if I'm visiting with a town manager, a city council, a mayor, in a city, mid-size, or a real small community, they always bring up infrastructure as their top concern. They have a bridge that's not open. They have a culvert that is inadequate. They have a rail project that needs to be worked on. So I think the folks around the country are really looking to this committee and the work that we're going to be doing to help bring--advance the discussion over this in a way that's going to produce benefits at the local level.

What we've seen, as the chairman said in his introduction, over the past 10 years or so, was a 19 percent decrease in the federal share of transportation investment. And we have a multi-billion dollar backlog that exists. At the state level, I've worked on developing our state's 10-year transportation plan, always more needs than we have resources available. But we felt the pinch of the decreasing share of federal investment and it's resulted in more deficient bridges at the end of the 10 years then we have at the beginning, not keeping up with the paving, not to mention all the other investments in ports and water systems and things like that, that we're not able to adequately address.

So one of the bigger picture questions I had for the panel is this, you know, we talked about investment and funding streams that are available. We can also talk about financing projects. And I'm wondering if you could all assess sort of what works best for your interest? Is it financing some of these large scale projects over time? Or is it funding streams that could ensure that we don't crowd out future priorities? I'm thinking in particular of water infrastructure. I don't know if Miss Lee, you might be able to address that first.

LEE: Thank you for the question, congressman.

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What works well, for Charlotte Water is when we can get those State Revolving Loans, in terms of funding and finance. In the last three years, Charlotte Water has gotten at \$83 million from our State Revolving Loan Fund. And what that does for us is that that allows us to manage our rates for our ratepayers. So when you, you know, you think in terms of water and wastewater systems, it's really the ratepayers who are funding and, you know, who support our systems. And so just having financing available where we can get grants for the smaller systems and zero to low-interest financing for large systems, like Charlotte, really is very helpful, and then helps us maintain the infrastructure that we have.

PAPPAS: Well, thank you for that. And certainly, the backlog is great and interested in hearing from Ms. Meira. I've had a issue in my district. I have the 18 miles of New Hampshire's coastline in my district. There's a harbor that has some real serious shoaling going on to the point where there are many hours of the day we're boats can't come in and out. I'm wondering if you support fully utilizing the Harper Maintenance Trust Fund to deal with the backlog that exists, of about \$2.3 billion of projects?

MEIRA: Absolutely. We have examples like that all around the country where we're just not getting the funding out there that's required to do basic maintenance judging of these federal channels. All these channels were constructed for a reason in these communities, they're providing value, we should be out there, maintaining them, so they can continue supporting the communities, their regions, their states. We've got so many examples back where we live and it's not just the channels, the dredging ends up being a Band-Aid sometimes, because we never get enough funding to take care of the structures that would, in some cases, help reduce the amount of dredging needed. So it's not the most cost-effective way forward and we you're shortchanging ourselves in the--in the long-run. So, yes, we need to spend that HMT.

PAPPAS: Thanks. I hope so.

And just for the entire panel, we just have a few seconds left here, I'm wondering if anyone on the panel is earning the same amount of money that they did in 1993? And if you are, could you please raise your hand? That was the last time of course--

(LAUGHTER)

ANDERSON: I'm not paid.

PAPPAS: Well, Amtrak's benefiting as a result. But thank you for your service. And how about since 2000, anyone had a stagnant pay since 2000 on the panel?

DEFAZIO: You're about off the time machine there, Chris.

PAPPAS: Well, thanks. Look forward--look forward to the increase investment, Mr. Chairman.

DEFAZIO: Okay. Mrs. Miller.

MILLER: Thank you, Mr. Chairman. And thank you all for being here today to share your expertise with us. Chairman DeFazio, thank you for the opportunity to come together to discuss the many opportunities to rebuild and improve our nation's in infrastructure. I think the panels that you have assembled have a wealth of experience to share with us.

My home state of West Virginia is at a critical juncture. We have land that is abundant in resources and natural beauty, but we do not have the infrastructure to match. Much of my district lacks easy access to highways and interstates. This makes it difficult for my constituents in the rural parts of West Virginia to access services only available in more populous areas, such as health care, groceries, and other necessities.

The King Coal Highway, Route 2, Route 10, and the Coalfields Expressway are critical access points for my district and need to be completed. I recognize the need to maintain and improve these roadways while also working to improve safety and access for my constituents. These roads, transport coal, and energy, and facilitate economic development for us.



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My hometown of Huntington is the home of the port of the Huntington Tri-State, which is one of the largest inland water ports in the United States. This port brings important commerce to West Virginia and lets us share the bounties of our state with the entire nation and world. I am proud to have this port in my hometown and I'm excited to work in this community to improve our nation's waterway.

Finally, rebuilding our infrastructure means jobs. These jobs can breathe new life into our communities and give our constituents new opportunity. The aspect of improving West Virginia's infrastructure is very exciting to me. This means connecting our most urban and most rural areas, bettering our clean water access, revamping our rail, and enhancing our ports.

My first question is to Mrs. Lee. In West Virginia, the water infrastructure in our rural communities is aging and out of date. What are the best practices on the federal level for working with our localities to improve our water infrastructure?

LEE: One of the best practices is to reauthorize the State Revolving Loan Program, to pass funds from the federal through the states to the--to the local utilities is much needed.

Aging infrastructure is an issue across this country. As I stated before, we've gone from, in 1977, from 63 percent of water infrastructure being funded federally, down to 9 percent, and so ideally, that--that trend needs to change for the water and wastewater utilities in the country.

MILLER: Thank you.

Mr. McArdle, as you are likely aware, West Virginia is an incredibly mountainous state, which poses safety issues for freight transportation. In your testimony, you mentioned the importance of technology to improve safety for drivers and others on the road. Could you elaborate on this?

MCARDLE: Yeah. And thank you, congresswoman.

The--the technology that we're speaking about is to making sure that as we look forward into the future that we leverage, not only the virtual technology, the vehicle-to-vehicle, the vehicle-to-infrastructure, the vehicle-to-pedestrian, but also at the same time, to making sure that our roadways are designed to--to handle the traffic they have now, to make sure that crashes, that--that could be avoided, the types of crashes along the roadway sides, that vehicles and tractors, and commuters could be protected. There's infrastructure that's in front of us every single day that could be improved, to improve the--to improve the safety of the roadways.

MILLER: Thank you so much. And to the panel of as a whole. In my district I have a bridge to nowhere, nowhere, it just stopped. We have 3.8 miles of road that never were completed. How can we better facilitate coordinating and completing projects? You look as dumbfounded as I feel.

KRAUTER: I'll take a shot at that, congresswoman.

Having served on Metropolitan Planning organizations for many, many years, I do think that that tells me that we have some opportunities to do a better job in our planning process. And to make sure that--that when we are anticipating a project that it has a rational Nexus, it's going to end up somewhere.

MILLER: Thank you. I yield back my time.

DEFAZIO: Thank you. Now, we would go to a Representative Craig.

CRAIG: Thank you so much, Mr. Chairman. We started in Minnesota with Governor Walz, back to Minnesota here for just a moment.

As you may be aware, my congressional district is a mix of really rural agricultural communities, as well as suburban communities, just outside the south of the Twin Cities of Minneapolis and St. Paul. So my question, really, to the panel, but perhaps we can start with Mr. Willis, is how can we make sure that any comprehensive

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infrastructure package that we come up with on this committee will--will really strengthen our rural communities throughout Minnesota second and communities like mine? I want to make sure that we understand that America is a big place and my towns and townships and cities all are very important, and we need to make sure that is represented in an infrastructure package.

WILLIS: Well, it has to be a priority. And I think one of the issues that gets to it is the question that we were discussing earlier, funding versus financing. And obviously, both of those have a role to play in--in sort of figuring out how you--how you fund our nation's infrastructure, but I think especially in rural areas, and--and what you're talking about, you have to--you have to do the funding. You know, financing can be a little tricky, you got to, you know, find projects. They're going to have, you know, some, you know, some toll, or some return or, you know, some way to--to pay that back.

Again, there's a role there, but there's a lot of projects, rural, you know, some--some real projects that are going to need direct funding for the federal government. And that's why, you know, we're a big advocate of--of the gas tax to--to, you know, stabilize the Highway Trust Fund. I think it's always great when the labor movement and the AFL-CIO can agree on an issue, and this is one we--we agree on. So I think doing the funding right gets to your rural issues quite well.

CRAIG: Thank you so much. Anyone else have any comments on how we make sure we prioritize the balance? Perhaps, then my second question, you know, importantly, we've talked about workforce development and recruiting and what can be done to make sure we have a workforce to deliver on the infrastructure needs. What we haven't talked about is the impact more broadly on those working families across our nation.

So again, Mr. Willis, I'm going to pick on you in a very good way today, because I think we haven't talked a lot about the knock-on effect of just making sure we have that kind of economic robust growth plan for the country.

WILLIS: Well, you know, as--as we've discussed earlier in the hearing, we are involved in these issues for a lot of reasons. Obviously, you--you create jobs when you do these projects, you have good operating jobs. But we're also at the table because, you know, the--the labor movement broadly represents workers that have to get to work every day. And, you know, we--many of our members drive and take the bus and--and rail and there's--there's a lot of multimodal needs out there.

And there's a lot of mobility problems in--in both cities, and suburbs, and rural areas, where people have trouble getting to work and businesses are suffering and we're hearing about it, you know, from our members. So it's not just--you know, when we talk about this creates good jobs, it's not just about the jobs that it immediately creates and people that work in the system, it's the ability to get people to the jobs that we know are out there. So it is--it is a big part of why the labor movement participates in this debate.

CRAIG: Thank you so much.

And I--I was the former head of HR, don't hold it against me, for a major fortune 500 company for a number of years in the Twin Cities. And you know, my observation was when we have public sector investment that certainly, private sector investment follows, if not immediately, soon after. So if I--if I could ask, does anyone have any thoughts on just--just what impact it would have on your organization, perhaps UPS or others, if in fact, that private sector growth followed public sector investment?

MCARDLE: Sure, congresswoman. I'd be glad to comment on that.

Two programs that come to mind right off the top of my head at UPS, one's in the Chicagoland area, the other one's in--is in Louisville. And--and we've--we've found a way to where when we need a workforce we're able to go into the community, provide education assistance, if you would, meaning tuition, and it's not so much a tuition reimbursement, it's actually helping employees within the local colleges come together, create programs, create criteria, curriculums that only support what we may need, but is important to the chamber, the businesses around our community Louisville. We can support in that fashion. We have a similar program in the Chicagoland area.

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I will tell you, it works where there's a mass when you need the mass to make it work. But those are just two examples. We have found those to be extremely successful programs for both the community as well as the company.

CRAIG: Thank you. Mr. Chairman, I yield back my time.

DEFAZIO: Thank you. We would turn to Mr. Rouda, Representative Rouda.

ROUDA: Thank you, Mr. Chairman.

Hi, I'm Harley Rouda, from Orange County, California. My district represents about 80 percent of the coastline there. And what I want to talk about is the intersection of infrastructure and climate change.

I talk a lot with my constituents about how climate change is the greatest threat facing humankind. And--and I predicate that on the fact that where we have built our homes, our cities, our farms, are all based on predictable weather patterns over the last 1,000 years. And if you shift those predictable weather patterns by changing the ambient temperatures of the atmosphere in a matter of a few short generations, where we have built our homes, our cities, and our farms, have been built in the wrong place. We're talking about an infrastructure issue far greater than the widening of the 405 in Orange County.

And I'm hopeful that I can get from you maybe some ideas were in the infrastructure that you have participated in, that you have built, that you can share with the committee specific examples where you have used infrastructure as an opportunity to address climate change. Please.

ANDERSON: As we said earlier, in--as I said earlier in my remarks, passenger rail is the most efficient way with the most minimal carbon footprint to move people through urban areas. So at Amtrak, we have invested in a new Acela train set to increase the capacity in the Northeast Corridor by 40 percent over the next eight years.

Second, we had the most foul diesel locomotives in our national network. I think, but for being Amtrak and owned by the federal government we wouldn't have gotten a waiver from the EPA. We marshaled our resources and just placed a large order to buy Tier Four, the most modern electro--diesel electro locomotives. So I--I think we all have that same obligation to in all of our businesses to not--to face up to what global warming really means in our businesses and make real commitments.

In a prior life, I was the chairman of the International Air Transport Association IATA, and we adopted the first global framework around aviation to reduce aviation admissions 2 percent a year, ongoing from 2015, and to move to carbon neutrality by 2050, but by 2025 to be on a--on a reduction basis. So I think you can find many of those kinds of concrete examples in industry.

ROUDA: So--so in your planning process for any infrastructure project--and look, I know we've got extreme overdue maintenance. The U.S. spends about 2.5 percent of our GDP on infrastructure, which is about half of what the European Union nations spend and about a third of what China spends. What are you seeing, though, in--in the long-term planning in these projects, taking into account the impact of climate change and--and--and the fact that there's estimates of 200 million climate change refugees by 2050, which will be impacting in so many different ways?

ANDERSON: We do it from a macro perspective, of--of continuing to reduce Amtrak's carbon footprint by year with a goal across the top of the company. Our goal is to really reduce our footprint and gain efficiencies of about 2 percent a year. But that's going to need to accelerate, given the statistics that you just gave us.

ROUDA: Okay. Anybody else on the panel who would like to weigh in? Please.

MEIRA: I know in the port's community, the Corps of Engineers and our ports think about climate change whenever they're thinking about channels, about jetties, about the--the structures and--and the things that are in an adjacent to the water which may have to survive higher wave heights, different temperatures, et cetera. And then within the

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ports industry itself, there's a lot of retrofitting of--of engines. The towboat community, they're re-powering their--their towboats to use cleaner, greener engines.

And then in the Northwest, we have a big focus on hydro-power production. It is a green, renewable, outstanding source of energy, we're blessed with it in the Northwest and we're always holding that up as a high priority to preserve.

ANDERSON: I can't let that moment go by to not point out that if everybody would give up their cars and get on trains, and California high-speed rail, and low sand, and the capital corridors, that's the biggest impact we can have on the carbon footprint.

MCARDLE: Mr. Congressman, we don't build infrastructure at UPS. But one of the things certainly, our investment in alternative fuel fleets has been significant, it's significant for the last 10 years, we've reduced our carbon footprint by about 18 percent since 2007, we've got close to 10,000 alternative fuel vehicles out there.

And speaking of the railroads, one of the things that's not well-known as it we're--we probably move about 3,000 containers a day on the rails, we've been one of the largest customers of the rails. So rails are important to our, not just our company, but to our industry as well.

ROUDA: Thank you for your comments. And Mr. Chairman, I yield back.

DEFAZIO: I thank the gentlemen. With that, we move to Representative Malinowski.

MALINOWSKI: Thank you so much, Mr. Chairman. Thank you for your emphasis upfront on the Gateway Project, which is, of course, extremely important to my constituents as it is to the whole country, and for your intention to--to take the committee to take a closer look at that 10-mile stretch of the Northeast Corridor.

I--I had a chance to do that a couple of weeks ago with some members of--of our state delegation and it was quite striking. I had been through and over that infrastructure probably hundreds of times in my life, but in the tunnel, no one ever turned the lights on before until we--we stopped in a special train and indeed, turn the lights on and--and you could see just what 110-year-old tunnel looks like close up. You could see just how close it is to, I think, what all of us would consider a catastrophic failure.

And, of course, Mr. Anderson, you know, some 200,000 people pass through and over that infrastructure every single day. Many tracks narrow down to two tracks over the portal bridge, and through the Hudson River Tunnel. And it's not just the incredibly frustrated New Jersey and New York commuters, it is--it's all of the rail traffic in the Northeast Corridor. And I wonder if you could maybe expound for us a little bit on the importance of that 10-mile piece of--of transit infrastructure, to everything from North Carolina to New England?

ANDERSON: Well, we actually, at Amtrak, think of the Northeast Corridor as running from Maine, down to North Carolina, because when we sell tickets and--and people travel across that infrastructure, it's connecting people all the way down from North Carolina, even down into Florida, all the way up through the East Coast to Maine, and into Canada - so it's really an interconnected network and we run that network on an interconnected basis with all of our commuter partners.

So it's really pretty remarkable when you think about it. We run 24 trains an hour and Amtrak maintains and dispatches all of that traffic because it's our railroad, but we take it as our responsibility to make NJT, LIRR, VRE, SEPTA, all of our partners, we--we have to do a really good job for them. So when you think about that, 24 trains an hour, if you had one of those go down we'd be running 6 trains an hour, and at 6 trains an hour, you would put New York City in gridlock. And all those connect that we sell from down in North Carolina, and down in Florida, up through the Northeast, would all be cut off and the impact would ripple all up and down the East Coast.

Because when you think about it, all the big--New York's the banking center of the world, well, many of those banks have all of their infrastructure and operations in New Jersey and the banking system relies upon, just like all the industry in New York, in the financial services industry, relies on Amtrak. And there's no way that you can somehow or another put that traffic over the George Washington Bridge or the Holland Tunnel--

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MALINOWSKI: --Right--

ANDERSON: --there's just not enough capacity to be able to do it, so in effect, you would shut down the economic activity in Manhattan.

MALINOWSKI: Exactly.

Now, just--just this afternoon, President Trump, in an interview with Newsday, said that he is now--now open to funding the Gateway Project. I hope that's true, I'd certainly welcome it if it is true. He said, "We have the money set aside. We haven't decided to use it yet," which was an interesting statement.

I--I want to ask you about the next step in the process, should the commitment be there. My understanding is that for the Hudson River Tunnel, that would be getting the--the final Environmental Impact Statement done, now, is that correct? And you've submitted all the paperwork, all the reports necessary for that?

ANDERSON: Yes, we have. The first piece is the Portal Bridge--

MALINOWSKI: Right? Which we addressed already, that's right.

ANDERSON: That's just--that's ready to go. And New Jersey's given their half a billion--you know, basically a 50 percent match and we are ready to begin construction on the Portal Bridge replacement. Everything's ready to go, the designs done, NEPA's done, we're set.

The Hudson River Tunnel, we have continued at Amtrak, this is back to what we've been doing the last three years, we've been trying to be really good stewards so we have continued the design process on the--on the tunnels. In other words, while we're restricted by our FRA grant from spending anything on major construction, we're spending the money to do the--the design and the engineering and the environmental approval is right now at DOT.

So the--and fortunately, the states of New York and New Jersey are both in the process of passing legislation to create the gateway Development Corporation. We are fortunate at Amtrak to have Tony Coscia as our chairman, who was the former chairman of the Port Authority of New York and New Jersey. He was in charge of building the--the tower. He is the chairman of the Gateway Development Corporation, and Stephen Gardner, behind me, who knows more about this project than anybody on Earth, are the leaders of that effort for Amtrak.

So if we get that legislation passed then we have a recipient for the federal funding and-- You know, there's an inevitability that this is going to get built. So why we spend all this time gyrating around, it's--it's not a Republican issue or a Democratic issue, it's an American issue. And what we ought to do is just fund it and get on with it, because a 1906 tunnel under the Hudson River just doesn't get it done for this country.

MALINOWSKI: Thank you so much.

DEFAZIO: Thank you. Sorry. Representative Fletcher. Thanks for your patience.

FLETCHER: Thank you so much, Chairman DeFazio.

I want to thank you and Ranking Member Graves for holding this important hearing today. And I want to thank all the witnesses for coming, your testimony has been extremely helpful and useful, as we set about our work and think about the cost of doing nothing.

I represent Texas' 7th Congressional District, in Houston. And as many of you can probably imagine, I'm very interested in these issues. It's a big part of why I decided to come to Washington. Houston is a metropolitan area, now, of just under 7 million people, ranking as the fourth largest in the nation. More than 250 people move to Houston every single day, and our infrastructure is feeling the challenge.

In particular, though, what we have talked about is the incredible infrastructure need we have in our community following Hurricane Harvey, which many of you all will remember from August of 2017. And so I want to focus my

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questions for the purpose of this hearing on a concept that we've heard from some of you about, but I want to specifically follow-up with Ms. Lee and Ms. Meira, about the conversation about resiliency planning and what it looks like to plan a resilient infrastructure, I think, not only for the Greater Houston area, which is on the Gulf Coast but for coastal communities across the country.

When we talk about rebuilding our infrastructure, we're talking about rebuilding resilient infrastructure, and I think we really need to understand what kinds of specific things that you think, Ms. Meira, in terms of ports.

And Ms. Lee, for you, in terms of, especially the stormwater conveyances, and--and systems, but the water systems in general, when we talk about what it--what would make these more resilient, what are the things that you specifically would like to see and how would you define that resiliency are the kinds of things we should be doing in our ports and in our water systems?

MEIRA: So I'll start off and I'll tell you that in our part of the world we worry about earthquakes. And so we are actively planning for a 9.0 Cascadia subduction event to happen somewhere in the Portland/Seattle area. We're part of that ring of fire there and so when we have that earthquake, there is high likelihood that it will be accompanied by a coastal tsunami. So Portland is about 100 miles inland, river miles at least, from the Pacific Ocean. But out on the ocean-side, there will likely be a tsunami that comes in and devastates our coastal ports. So we'll have--we'll have two things to respond to, we'll have all of those folks in our metropolitan areas who will be without all the basic services and we'll have hurting people out on the coast and likely, all of the bridges down between Portland and the coasts.

Those are the things that the State of Oregon, the State of Washington, our ports, the federal, all of our federal partners, we are all thinking about that and planning for that now, determining where we will actually shut down operations and say, "Those folks are going to have to concentrate on their families." We are shifting the--the headquarters, whatever group it is, inland hundreds of miles because we know that that impacted areas won't be able to respond. So it's a combination of planning, but then also being thoughtful about the infrastructure that comes after it.

FLETCHER: Thank you very much. Ms. Lee.

LEE: Yes, I definitely echo her comments regarding planning. What we look for would be controllable and uncontrollable impacts to our infrastructure and the water sector is really implementing and evaluating a number of strategies regarding infrastructure resiliency. We're looking at our resource recovery, we're looking at energy, we're looking at ways to recycle our water, and nutrients, and nitrogen, and phosphate. And so, you know, we're looking at technologies that will allow us to look at the controllable and the uncontrollable impacts.

FLETCHER: Thank you.

I guess one question I have in-in hearing about the ports, Ms. Meira, we experience that same concern about storm surge and coastal storm surge, have you all been working on plans or do you have ideas about how we can create physical infrastructure to address the storm surge concerns?

MEIRA: Yes, absolutely. So our--the State of Oregon is working with our ports, working with the Coast Guard, working with the Corps of Engineers, to understand exactly what our coastal ports can currently withstand as built, trying to get a sense of what the--the tsunami will look like, and then trying to determine what infrastructure will be left. Will we be able to land any kind of vessels at those ports, or will they have been, essentially, a scrubbed clean? And then you're looking at parking offshore assets and helicoptering in relief efforts. Those are the kinds of conversations we're having. It--it is likely to be devastating and to take not weeks or months, but years to recover from.

FLETCHER: Thank you very much. Thank you, Mr. Chairman. I yield back my time.

DEFAZIO: Thank you. I thank the gentlelady. And now, last and not least, Representative Mucarsel-Powell, from Florida.

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MUCARSEL-POWELL: Thank you, Mr. Chairman. The last one, and the most interesting one. I can't tell you how excited I am to finally ask--I have 1000 questions. I don't know if I can do all of this in five minutes. But thank you so much for being here with us this afternoon.

I represent South Florida, all of the Florida Keys, Monroe County, and--and parts of Miami-Dade County. So as you can imagine, my excitement when I was chosen to be a part of this committee because we definitely are ground zero for sea level rise. The impacts of climate change and our infrastructure is crumbling.

So you know, we have been hit by major hurricanes, floods, and extreme weather events. In 2017 Hurricane Irma was the strongest hurricane on history coming from the Atlantic Ocean. And it really--we really saw there, the cost of federal inaction. You can imagine how urgent it is for us to invest in protecting--we have seven bridges that ties Monroe County, all of the Florida Keys, to the mainland.

One of them is the Card Sound Road Bridge, which is right now in dire need of investment and infrastructure. And I'm wondering, and I--my first question, because I do have several, I don't know who would take this question but you can tell me, what do you think with this bridge, which is only one of two bridges that connects the--the northern part of the Keys to the mainland, if we only have--if we were to invest in trying to get that bridge up to where--up to par with where--where it needs to be, what would mean--what would that mean if we only have one reliable means of evacuating to the mainland in the event of an emergency? So you would only have one road. Can you speak to us about the public safety risks that this would possess?

MCARDLE: Well, congresswoman, I can just tell you that that, certainly from a--a transportation standpoint, motor carrier is a service, a delivery service option, any way to, you know, even to feed the goods and services or goods to the businesses that are on the wrong side of that--that--that traffic jam would be--would be something to take a very, very long time to get through. It's going to be very, very difficult. And, you know, then it just--it's going to compound into, you know, what becomes the priority, evacuations, getting goods delivered, the rebuild time? I can see it'd be a heck of a--heck of a challenge for you, for all of us.

MUCARSEL-POWELL: And my community down in the Keys, also has really seen the cost of not really investing in our infrastructure. Our local governments have fronted significant funds toward the implementation of the Florida Keys Water Quality Improvement Program, and as a result, Keys residents have footed a majority of the bill for the water treatment system in the region. We have also a very serious issues of leaky septic tanks in the southern part of Miami-Dade County as well. And we've seen that, on a regular basis, the consequences of having an insufficient system.

So I wanted to ask Director Lee, if you could talk about the importance of the Clean Water State Revolving Fund in building and maintaining a sufficient septic system? Because as you can imagine, it's unacceptable that in our country and in South Florida we only have half of the septic tanks that function during parts of the year. So if you could speak about that.

LEE: Thank you for the question, congresswoman.

That fund is--is so important to utilities across--across the country, across the nation. And--and that is a vehicle for us to be able to fund the infrastructure improvements that are needed. The cost is passed on to our ratepayers and so the more funding we can get for utilities, then there's a direct correlation to the--to what ratepayers will be paying. We need the--the--we just need that local funding. We need the State Revolving Loans. We need funds going down to the post utilities across this country. Because aging infrastructure is an issue, it is not going away. Water and wastewater services are basic to human life. And you have given some examples of the impact of not being able to fund that infrastructure appropriately.

So if I can leave you with something, really consider reauthorizing--reauthorize State Revolving funding, reauthorize WIFIA in FY 21, and ensuring that we've got funds that can be passed down to the local level to take care of the basic infrastructure that is really responsible for human life.

MUCARSEL-POWELL: Thank you. Thank you, Mr. Chairman. Yes. Or--or do I have more time?

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DEFAZIO: No, you don't.

MUCARSEL-POWELL: I have like 10 more questions. Yeah?

DEFAZIO: You're over. I'm Sorry.

Okay, this will be--I think I'll be the last one. I'll go quickly. And first, I wish to discuss the PFC. And I know that important people are listening.

And so here's the argument I've been having for years with the airlines, if you put another \$1 or \$2 on the ticket no one's going to fly again. They're just going to walk away. And I said, "Well, what about bag fees?" "Well, that's part of the passage and the ticket and all that." But to me, a big part of the experience is when you walk into the airport, is it properly configured for security so you're not standing in these line forever? You know, when we go out are--are the gates adequate for the number of people? Do you have enough gates so you don't sit on the tarmac idling and wasting fuel? Which is happening more, and more, and more, and more frequently for people.

So I think it is all part of the experience, it's one experience, and I just quite can't get to the bottom of it. And I want to ask this question. So if I look at your option one, the 30-year payoff, full-bonding, there's \$151 million of interest over 30 years. Now, who's going to pay that?

KRAUTER: The users.

DEFAZIO: The users. Okay. And that would be both the airlines and their passengers, right? Because you're going to get to renegotiate your gate contracts somewhere in that 30. I'm sure you have longer than 30-year contracts don't you?

KRAUTER: No, sir.

DEFAZIO: So one way or another, the airlines and/or their passengers are going to pay for that.

KRAUTER: That's correct, Mr. Chairman.

DEFAZIO: And so if we look at your last-- Well, I won't even be that extreme. We'll go to your next last option, we're at \$34,200,000. So we subtract that. So okay, that takes us down \$117, \$118 million of difference. So wouldn't it be prudent to do it now and not waste \$118 million and send it to the banks or Wall Street or wherever the hell that you borrow the money?

KRAUTER: We believe that it would be prudent. We do not want to take on unnecessary debt.

DEFAZIO: Right.

KRAUTER: And on top of that, we don't want to be extended out 38 years on our passenger facility charge to pay for all that.

DEFAZIO: Right.

KRAUTER: We have a lot of other projects that we would like to build instead of paying the banks the interest.

DEFAZIO: And you're not building a--you're not like Singapore, wherever they're putting in the waterfalls and the Taj Mahal and all that stuff. I mean, in the United States, we restrict how you can use the PFC money.

KRAUTER: That's correct, Mr. Chairman. We have a very robust consultation process with our airline partners and an approval process with the FAA. Our terminal renovation and expansion project is very modest, very lean, answering all those issues that you pointed out at the beginning of your question.

DEFAZIO: Okay. And I'd like Ms. Meira to answer just one. I mean, how about, you know, we have shutdowns, we have--you know, we don't know what's going to be in the president's budget, or what Congress is going to



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appropriate on an annual basis in terms of harbors, who's going to get dredged, who isn't, who's jetty is on--on the very long list the corps has for reconstruction, and how much more will it fail before we fix it.

Could you just address how important it would be to have more predictability, let alone more money being invested?

MEIRA: If we have both. if we have more consistent funding. So more funding and more consistency, we would have more efficient projects, and we would have better return on investment for the U.S. taxpayer. We have seen in the Northwest, what it looks like when the corps, is at times, adequately funded for a particular project, they are very efficient, they work very well with stakeholders. We've got some great success stories and I know you're--you're aware of them. But we also have a lot of failures and that's because we're not funding the corps the way we should.

And--and some of those failures, they lead to unsafe conditions, and you're very aware of them on the Southern Oregon Coast. Some of the most challenging bar crossings in the United States. They are literally, literally a matter of life and death. That dredging, those jetties, they matter, not just to the mariners who are trying to get out to make a living at a commercial fishery, but when they are put in harms-way you have Coast Guard personnel who are having to go out and make countless more search and rescue missions, putting their lives at stake and their assets at stake, it all adds up. So if we can be more thoughtful in the way we fund the core, have more predictability, it's better for the taxpayer, it's better for everyone.

DEFAZIO: I think that's a great place to end. Thank you very much. Thanks to all of the panel. Wait, I'm going have to say--I have to read something. But I want to first, before I get to that part, I want to thank you for your testimony. You know, this is a--a really important issue confronting this committee. And I think things we heard today are going to help us to come together in a bipartisan way and make some of the investments we need.

So I ask unanimous consent that the (INAUDIBLE) days hearing will remain open to such time as our witnesses have provided the answers to any questions that may be submitted by them in writing and unanimous consent that the record remain open for 15 days for any additional comments, information submitted by members or witnesses to be included in the record of today's hearing. Without objection. So ordered.

I would like to thank our witnesses, again. And I have nothing to add. Bob, do you have anything to add?

GIBBS: I'd like to say thank you to all our witnesses. And I just wanted to, just for the record on the--on the Army Corps stuff, it's sort of--it has been very bipartisan to get more of that Harbor Maintenance Trust money or it's supposed to go and we did it on the last couple orders in the Water Rights Trust Fund. We did increase that and we got almost that kind of off budget that saved a lot, we put a lot of money. So it's been very bipartisan. When we were in the majority we worked very hard to make those improvements. So--

DEFAZIO: --That's bipartisan. I agree. I started actually, working on turning that trust fund into it real trust fund with Bud Schuster in 1996, we're almost there.

With that, the committee stands adjourned.

## Classification

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**Language:** ENGLISH

**Subject:** US DEMOCRATIC PARTY (89%); US REPUBLICAN PARTY (89%)

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