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Summary: "Investing in America's Surface Transportation Infrastructure: The Need for a Multi-Year Reauthorization Bill"

Senate Committee on Environment and Public Works

July 10, 2019

Witnesses:

- Mr. K. Luke Reiner, Director, Wyoming Department of Transportation
- Mr. Carlos M. Braceras, P.E., President, American Association of State Highway and Transportation Officials, Executive Director of the Utah Department of Transportation
- Mr. Max Kuney, President, Max J. Kuney Co., Chairman of the Highway Division of the Associated General Contractors of America
- Ms. Vicki Arroyo, Executive Director, Georgetown Climate Center
- Ms. Carolann Wicks, P.E., Senior Policy Fellow, University of Delaware, School of Public Policy & Administration

Opening Statements

Chairman Barrasso (R-WY) opened the hearing by recognizing critical investments are necessary to improve the nation's surface transportation system. The Committee has set a goal to advance a bill through the Committee this summer and said it would be the most substantial and bipartisan surface transportation bill ever passed. He called for a long-term, five-year plan rather than short-term extensions, as these can undermine state planning. The bill will ensure that both rural and urban areas have access to funding by maintaining state allocated formula funding. He said this formula-based approach is key to provide states with funds faster and allow for flexibility. Additionally, the bill will aim to speed project delivery by streamlining federal permitting, the paperwork burden, and incorporate innovative construction approaches and technologies. While the Environment and Public Works Committee does not have jurisdiction over funding, Members will work with the responsible committees on appropriate funding sources. On this topic, the Chairman stated that he believed highways should be paid for by users, including electric and alternative fuel vehicles.

Ranking Member Carper (D-DE) emphasized the bipartisan nature of the Committee. He expressed the need for a safe transportation system that nurtures the economy, protects the environment, and enhances mobility. Most importantly he said the bill should aim to reduce congestion, lower emissions, and improve safety. The country needs a long-lasting, resilient infrastructure system that is able to withstand impacts from usage as well as severe weather. He spoke in support of new sources of sustainable user-fee-based revenues to make the necessary transportation investments.

Witness Panel

Mr. K. Luke Reiner, Director of the Wyoming Department of Transportation, began his testimony by listing the five most important provisions he believes should be included in a surface transportation bill: 1) continued federal support for transportation investments in rural states; 2) continued emphasis on formula funding; 3) thoughtful regulatory reductions and streamlining. Streamlining regulatory

processes and requirements would enable transportation funds to be used more effectively; 4) additional funding provided through the Highway Trust Fund (HTF) to enhance safety, increase mobility, create more jobs and strengthen the economy; 5) multi-year authorization. He added that he supported the repeal of rescission of FAST Act funds.

Mr. Carlos M. Braceras, P.E., President of the American Association of State Highway and Transportation Officials and Executive Director of the Utah Department of Transportation, highlighted four key requests: 1) ensure timely reauthorization of a long-term federal surface transportation bill. He stated that simply to maintain current HTF spending levels adjusted for inflation, Congress will have to identify an additional $90 billion in revenues for a five-year bill. The lack of stable predictable funding makes it challenging for state departments of transportation (DOTs) to plan for projects, as they need reliable flow of funding; 2) increase and prioritize formula-based federal funding provided to states; 3) increase flexibility, reduce program burdens, and improve project delivery. The first performance management reporting cycle mandated by the MAP-21 legislation is not expected to be completed until 2022– he requested the Committee refrain from considering new performance measures and changes to existing regulations that would increase requirements until at least two full reporting cycles have been completed; 4) support and ensure state DOTs have the ability to harness innovation and technology.

Mr. Max Kuney, President of Max J. Kuney Co. and Chairman of the Highway Division of the Associated General Contractors of America noted the expanded needs for infrastructure improvements as our economy continues to grow and global competition increases. Transportation infrastructure requires investments to meet current as well as future needs. He said formula funding allows states the flexibility to address their individual priorities and specific requirements while supporting the overall need for a strong, well-functioning, and interconnected national transportation system. He voiced his opposition to short-term extensions as they can cause project delays and cancellations. He called for reliable, dedicated, and sustainable revenue sources derived from users and beneficiaries of the surface transportation system. He suggested that the simplest way to achieve this funding source would be to increase the fuel tax.

Ms. Carolann Wicks, P.E., Senior Policy Fellow at the University of Delaware, School of Public Policy & Administration, said Congress needs to build on the momentum generated by the FAST Act to solve the many transportation challenges remaining. She believed a long-term comprehensive approach is needed to anticipate future impacts to transportation infrastructure and create funding plans to help mitigate these impacts to ensure a resilient transportation system.

Ms. Vicki Arroyo, Executive Director of the Georgetown Climate Center, called for the bill to include provisions to reduce emissions and congestion, build more resilient infrastructure, and decarbonize trucks and buses.

Question & Answer

Chairman Barrasso asked what the impact on states would be should Congress fail to enact a long-term surface transportation bill and instead opt for a short-term extension. **Ms. Wicks** said a lack of reliable funding can be disruptive to project planning. **Mr. Braceras** agreed that long-term predictability is

critical to build trust among the general public as well as to most efficiently leverage public investment. Mr. **Reiner** said it would cause non-emergency safety projects to be deferred. Additionally, short-term extensions could lead to slower project delivery and restrict funding to only smaller projects.

Ranking Member Carper asked about the viability of a vehicle miles traveled (VMT) fee. **Mr. Braceras** said Utah increased its registration fees for electric vehicles, and is working on a voluntary road usage charge program. Electric vehicle owners will then be offered the option to either pay the increased registration fee or contribute by paying the road usage charge. **Mr. Kuney** believed a gas tax increase to be the short-term solution, as challenges still exist with VMT data collection and the costs associated with it. He would support further research and working toward a VMT program. **Ms. Wicks** said she would be supportive of a VMT fee.

Senator Boozman (R-AR) asked about the impact on the economy and trucking industry if Congress does not provide adequate funding. **Mr. Kuney** said it would lead to unsafe conditions which would be more costly to resolve in the future than if they are addressed now.

Senator Cardin (D-MD) called for a surface transportation bill to provide authorizations for at least five years, and asked what the bill could include to ensure more resiliency. **Mr. Braceras** said that investment needs have changed and the transportation system needs to be adapted to accommodate those needs. State DOTs could use guidance on how to approach and identify projects using risk-based statistical analysis. **Ms. Arroyo** suggested more efficient coordination between federal agencies.

Senator Capito (R-WV) asked what the biggest obstacles are for rural states. **Mr. Reiner** said maintaining formula funding is important to allow states to quickly and efficiently use funds. He also suggested streamlining requirements, making oversight agreements simpler and less onerous in terms of regulations. **Mr. Braceras** recommended allowing states the flexibility to use funds as they see fit.

Senator Capito asked how the bill can encourage bridge reconstructions. **Ms. Wicks** said bridge reconstructions are not always considered a priority. She recommended working to educate elected officials and the general public on the benefits of preventative care and timely inspections. She specifically mentioned financial and safety benefits.

Senator Whitehouse (D-RI) called for the use of innovative materials in infrastructure construction and rehabilitation. He also hoped the coastal infrastructure program and port electrification projects would be subject to HTF funds. He mentioned the Bridge Investment Act which would provide grants to repair structurally deficient bridges and indicated this provision is included in the draft legislation.

Chairman Barrasso spoke about the One Federal Decision policy implemented by the Trump administration. This policy requires agencies to develop formal processes to produce a schedule, elevate disputes and work to complete reviews and authorizations for major infrastructure projects within two years. Many of these requirements are already federal law but some, including the two-year time frame, are not. He asked if state DOTs would benefit from adding missing elements from this policy to existing statutes. **Mr. Braceras** stated his support for making the process more effective and efficient. However, he believed the two-year deadline to be a bold goal that could be difficult to achieve. He agreed that it is

more efficient for one federal agency to take the lead. **Mr. Reiner** stated he was confident that schedules could be shortened without reducing environmental protections.

Chairman Barrasso asked how funding uncertainty affects contractors. **Mr. Kuney** said contractors use funding projections for planning purposes. He said it is hard to make investments and commitments if there is no funding certainty. He added that short-term extensions can lead to sudden increased workloads as well as higher costs.

Senator Braun (R-IN) emphasized the need to develop funding sources for the infrastructure bill and asked for suggestions. **Mr. Braceras** said he supports a user-based approach. He suggested a gas tax increase initially and then work toward a road-usage fee over the next 15 years. He said tolling was an option as well but fairness and applicability would need to be considered. **Mr. Kuney** agreed that a user-based charge is best way to fund infrastructure. Ms. Wicks said a user fee would be an equitable way to generate funds. **Ms. Arroyo** said that options could include a gas tax increase, user-based fee, tolling, and carbon pricing. She also mentioned that she believed large trucks are underpaying their share based on the roadway impact relative to their weight and use.

Ranking Member Carper asked which changes could be made to help the general public understand the benefits of infrastructure investments. **Ms. Wick** suggested investing in community improvements that are important to safety and the local economy. **Mr. Braceras** recommended increased transparency regarding project funding decisions and more effectively communicating the benefits funded projects provide to the public.