

**Hearing on Our Nation's Crumbling Infrastructure
and The Need For Immediate Action**

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**Hearing on Our Nation's Crumbling Infrastructure And The Need For Immediate
Action**

U.S. House of Representatives,
Committee on Ways and Means,
Washington, D.C

WITNESSES

The Honorable Peter A. DeFazio
Chairman, Committee on Transportation and Infrastructure

The Honorable Sam Graves, Ranking Member
Committee on Transportation and Infrastructure

Richard Trumka
President, AFL-CIO

Thomas Donohue
President and CEO, U.S. Chamber of Commerce

Gregory E. DiLoreto
Past President, Chair of Committee on Infrastructure, American Society of Civil
Engineers

Chris Spear
President and CEO, American Trucking Associations

Marc Scribner
Senior Fellow, Competitive Enterprise Institute



HOUSE COMMITTEE ON WAYS & MEANS
CHAIRMAN RICHARD E. NEAL

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS

FOR IMMEDIATE RELEASE
February 27, 2019
No. FC-6

CONTACT: (202) 225-3625

Chairman Neal Announces a Hearing on Our Nation's Crumbling Infrastructure And The Need For Immediate Action

House Ways and Means Chairman Richard E. Neal announced today that the Committee will hold a hearing, entitled "Our Nation's Crumbling Infrastructure And The Need For Immediate Action," on Wednesday, March 6, 2019 at 10:00 a.m. in room 1100 Longworth House Office Building.

In view of the limited time available to hear witnesses, oral testimony at this hearing will be from invited witnesses only. However, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit written comments for the hearing record can do so here: WMdem.submission@mail.house.gov.

Please ATTACH your submission as a Word document, in compliance with the formatting requirements listed below, by the close of business on Wednesday, March 20, 2019.

For questions, or if you encounter technical problems, please call (202) 225-3625.

FORMATTING REQUIREMENTS:

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion

of the Committee. The Committee will not alter the content of your submission, but reserves the right to format it according to guidelines. Any submission provided to the Committee by a witness, any materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

All submissions and supplementary materials must be submitted in a single document via email, provided in Word format and must not exceed a total of 10 pages. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.

All submissions must include a list of all clients, persons and/or organizations on whose behalf the witness appears. The name, company, address, telephone, and fax numbers of each witness must be included in the body of the email. Please exclude any personal identifiable information in the attached submission.

Failure to follow the formatting requirements may result in the exclusion of a submission. All submissions for the record are final.

The Committee seeks to make its facilities accessible to persons with disabilities. If you require special accommodations, please call (202) 225-3625 in advance of the event (four business days' notice is requested). Questions regarding special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Note: All Committee advisories are available [[here](#)].

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The committee met, pursuant to call, at 10:11 a.m., in Room 1100, Longworth House Office Building, Hon. Richard E. Neal [chairman of the committee] presiding.

Chairman Neal. Mr. Brady has made an excellent suggestion, and that is, without objection, we could proceed right away to have our witnesses step forward. I don't know if Mr. DeFazio and Mr. Graves are here.

So what we will do is we will proceed with the chairman's opening statement and then with the ranking member's opening statement, and we will see if we can solicit a prompt visit from Mr. Graves and Mr. DeFazio.

Good morning, and welcome to our witnesses and our audience members, and thank all of you for being here this morning. Today we will hear testimony from some of the Nation's leading members of the labor and business communities, as well as from experts on the systems that connect our communities and fuel our economy. They will highlight the urgency with which we must address our Nation's infrastructure crisis.

Our infrastructure system used to be the envy of the world. Now, due to decades of underfunding and neglect, it is falling apart and we are falling behind our global competitors. The deficiencies of our roads, our bridges, transit, water systems, broadband, electrical grids are all well documented and widely known. This is a problematic reality for every single State and congressional district in the Nation.

In fact, the American Society of Civil Engineers gave our country's infrastructure system a grade of D plus. They also would note that it would take up to \$2 trillion of investment over 10 years just to bring our grade up to a B.

We face the largest infrastructure funding gap in the world. America shouldn't settle for anything less than world-class infrastructure. We need land, air, and water transport systems that move people and goods from point A to point B efficiently and at reasonable cost. We need systems that deliver reliable, sustainable, low-cost power. And we need water systems that protect the public

health.

As we neglect to make basic repairs to our Nation's infrastructure, other countries are charging ahead and modernizing theirs. For example, China boasts more than 15,000 miles of high-speed rails with top speeds over 155 miles per hour. Meanwhile, the fastest train in the United States has an average speed of 82 miles an hour. We are both figuratively and literally failing to keep pace with our global competitors.

Everyone wins when we make meaningful sustained investments in the Nation's infrastructure. Infrastructure development creates thousands of good paying jobs for hardworking Americans. From civil engineers and hydrologists, to truck drivers and railcar repairers, infrastructure investment offers workers a wide range of skills and education levels and those opportunities that come with it to earn competitive wages.

Infrastructure investment is also a win for American business. Our transport systems are the backbone of our economy. When we invest in infrastructure, it results in a significant economic multiplier. With each dollar spent, our Nation becomes more competitive and indeed more prosperous. What is good for the Nation as a whole is good for our local communities. We must continue to reinvest and revitalize our urban neighborhoods and rural communities through successful programs like the low-income housing tax credit and the new markets tax credit. I certainly have been a long-time supporter of both of these initiatives because they have real positive effects on our communities.

The President campaigned on a massive infrastructure package, and he mentioned it again this year in his State of the Union Address. I have spoken personally and met with Secretary Mnuchin and Secretary Chu, and both have

assured me that we have willing partners in the administration. So I think we have a real opportunity here to work together and do something really big.

And with that, let me recognize the ranking member, Mr. Brady, for his opening statement.

[\[The statement of Chairman Neal follows:\]](#)

Mr. Brady. Chairman, thank you for convening this hearing today.

While too much time in Congress is being wasted in a rush to impeachment by the new House majority, there is more urgent work to be done on behalf of the American people acting to address our Nation's infrastructure. This is crucial from my State of Texas where we are experiencing strong economic growth, nearly half a million new residents a year moving in, and increased cargo from our growing trade relationship with Mexico and other trading partners around the globe.

It is also crucial for America, which thanks to our new modern Tax Code, is enjoying economic growth today; nearly 50 percent higher than projected just 2 years ago, record low unemployment, the highest paycheck growth in more than a decade, especially for low and moderate income workers, and more job openings than unemployed.

U.S. manufacturing is back, experiencing its best year in decades. And all this growth translates into a greater need for more roads, modern ports, expanded rail and waterways, more pipelines to carry affordable energy to communities, the latest telecommunications infrastructure into every rural and every low-income community, and smart technology to increase capacity and lower congestion.

Stronger growth through better infrastructure is a priority that President Trump and lawmakers on both sides of the aisle share. We are eager to work together with our Democratic friends on this committee to send meaningful legislation to the President's desk this year.

And as we begin this work, we should also recognize the challenges. Among them, the fact that our highway infrastructure program is too often a leaky bucket, with nearly 20 percent of funding diverted to nonhighway uses. And all the while, vital projects are often delayed for years by mind-numbing State, local and Federal

red tape, it drives up costs and increases congestion.

It is important that as we explore ways to find revenue to fill the infrastructure bucket, we take concrete steps to go to fill these leaks so more money goes directly to the projects our communities and States desperately need. That means doing more to cut bureaucratic red tape and permitting delays while removing unnecessary costly regulations at all levels of government and across agencies. We are ready to sit down and roll up our sleeves to find common ground on rethinking the process and responsibly accelerating infrastructure projects. That includes encouraging the use of technology and innovative solutions.

We cannot overlook the role of the private sector in the 21st century infrastructure system. As we have seen in nearly every industry from technology to healthcare, the ingenuity and imagination of the private sector will always lead to better, more affordable, and more reliable products.

I am also convinced that we can redesign our infrastructure system to track far more private capital to help us address our infrastructure needs, to augment, not to replace. And for a Nation that prizes free enterprise, we fall woefully behind other nations in attracting nongovernment investment for our growing infrastructure needs.

I must caution it would be a mistake to fund infrastructure by raising taxes on local businesses and corporations, making them uncompetitive in the global market. Any effort to slow down wage growth for workers and take our economy backwards by putting local companies at a disadvantage in this global economy doesn't make economic sense and will be opposed.

And as we promote and seek advances of new technologies and innovations, we must not simply throw money from D.C.'s coffers and pray it sticks somewhere.

This year we note the 10th anniversary of the 2009 stimulus bill, which I think we all acknowledge fails to address America's infrastructure. Whether a supporter or a strong critic, let's learn from its lessons by ensuring we don't waste taxpayer dollars by rushing into projects without sufficient consideration, their efficiency, and value.

In closing, improving our Nation's infrastructure is a priority we all share. I am optimistic that we can reach a bipartisan consensus on how best to accomplish this. I look forward to hearing from our witnesses today, their ideas as well.

Thank you, Chairman Neal.

[\[The statement of Mr. Brady follows:\]](#)

Chairman Neal. Thank you, Mr. Brady. You are invited to continue, if you would like, while we wait for the two witnesses.

So we will just take a bit of a temporary timeout, because I understand if there was better infrastructure, they would be here faster.

[Recess.]

Chairman Neal. We will now reconvene.

We have two witness panels today, and we will begin with our Member panel, and then we will move to our panel of outside experts and industry representatives.

On the first panel I have the honor of welcoming two of our esteemed colleagues from the House Transportation and Infrastructure Committee. First, we will hear from the Honorable Peter DeFazio, who is chairman of the House Transportation and Infrastructure Committee, and is the longest serving House member in Oregon's history. I would note by the way, he was born and raised in Massachusetts. He has been a champion on infrastructure issues throughout his career.

We will then hear from the Honorable Sam Graves, who is the ranking member of the House Transportation and Infrastructure Committee. Mr. Graves represents the Sixth District of Missouri, and as a small businessman and sixth generation family farmer, he is personally familiar with the impact of infrastructure and its investment on business.

With that, Mr. DeFazio, would you proceed.

**STATEMENT OF THE HON. PETER A. DEFAZIO, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF OREGON**

Mr. DeFazio. Thank you, Mr. Chairman. Thanks for holding this long overdue hearing by the full committee on America's infrastructure needs and the possible provisions to pay for it.

You know, Sam and I could write a great bill in terms of policy, but the bottom line is we need investment. If you look at Federal spending, we haven't increased the gas tax since 1993. Basically, we have cut Federal spending by 20 percent in real terms. The Highway Trust Fund is averaging a \$16 billion a year deficit in terms of the current revenue, so we are borrowing \$16 billion a year to backfill the Highway Trust Fund. And, you know, that still is not an adequate investment.

According to the American Society of Civil Engineers, over the next 10 years, we are going to be about \$1 trillion short for surface transportation needs from all sources. So the needs are huge. \$836 billion for unmet capital for highways and bridges; 50,000 bridges need substantial repair or replacement. Forty percent of the national highway system needs, not just to be resurfaced but to be rebuilt. And about \$100 billion in terms of transit. And that is just to bring things up to a state of good repair. That is not to get to the point where we are mitigating congestion and giving people new transit alternatives in urban areas.

And the cost of doing nothing are astronomical. A couple of examples. Brent Spence Bridge between Ohio and Kentucky, it is about a \$3 billion project. It is going up by \$75 to \$85 million a year every year we delay. And the estimates are the current bridge won't be usable in 10 years. Then what do you do?

We have the tunnels under the Hudson River Gateway and the Portal Bridge. Those tunnels went near failure during hurricane Sandy. If they fail, the cost to the

economy is \$100 million a day. And if you wanted to build two new tunnels on an emergency basis, maybe you can get done in 4 years. So you have now spent \$140 billion of lost economic activity because you wouldn't invest in a \$16 billion project.

Business Roundtable says we lose \$27 billion per year in extra transportation costs because of congestion and delays. Drivers are -- people driving small vehicles, individual vehicles, they wasted 3.1 billion gallons of fuel stuck in traffic. And their annual repair bill due to disrepair for their cars runs an average of \$1,400. As I said, we are shoring up the Highway Trust Fund now by borrowing. And over the next 10 years will be short \$164 billion with current revenues just to maintain the status quo, which is inadequate.

And now, there are some, you know, proposing P3s, private-public partnerships. I brought this report. I will email one to every member of the committee. This was a bipartisan select committee of transportation 5 years ago, which came to the conclusion that P3s, private-public partnerships can address somewhere close to 10 to 12 percent of our needs because much of the system can't make money, so you cannot engage the private sector in doing those projects.

Similarly, an infrastructure bank, which some would say will solve all the problems. We have private activity bonds, we have TIFIA loans. We could put more money into those programs. You could create an infrastructure bank, but that again is only going to lend itself to things that have revenue. Yeah, you can toll some of the bridges, but, you know, there is no transit system in the world that makes money. Most of the highways we are talking about don't carry volumes that are adequate, even if you tolled them, and with many of the bridges it's the same thing.

So we need real Federal investment. Others say let us go to a VMT. Well, we are not ready to jump to a vehicle miles traveled. I would like to do a nationwide

pilot program. My State is on its second pilot. There are a lot of issues with VMT, vehicle miles traveled. If you can do it fairly, you have to do it with real-time pricing, congestion pricing, because someone who drives 25 miles to a feed store in a rural area is not contributing to deterioration or congestion; someone who jumps on I-205 in Portland during rush hour is. They shouldn't pay the same per mile fee. And there is a little bit of concern among people, particularly in my rural areas, about the government tracking their movements. So we have got to work our way through that.

But if we do a nationwide pilot in, you know, 10 or 12 years, we will be ready to move there. I have proposed something very de minimis, because people are afraid of the gas tax, although many States -- way more than half the States now have raised their gas tax, no one has lost their election over it. And many of those are substantial increases. But I say, okay, anybody think you are going to lose your election if gas goes up one and a half cents a gallon? I never get anybody to raise their hand. Do you want to raise your hand? Okay, no one here either.

So I have Penny for Progress, index the gas and diesel tax, and then bond the projected income. You could issue bonds for 15 years in tranches of about \$33 billion to \$35 billion, fill in the hole in the trust fund, create another \$20 billion a year for needed backlogged spending. And sure, it creates a cliff out there a decade or so, but in a decade or so, we will have much higher penetration of electric vehicles and we will need to move to vehicle miles traveled in order to have a system that is equitable.

With that, Mr. Chairman, I hope that this committee will take substantial action to raise revenue, as there is a provision in the current FAST Act, which allows us to do nothing and if you raise revenues, they will flow through the existing

formulas. If the money was there today, the States would have the money tomorrow under existing formulas and they would be contracting for this construction season. There are perhaps some changes we would like to make in some of the provisions in a short-term bill, but generally, that is the bottom line. You put up the money, it will get done.

[\[The statement of Mr. DeFazio follows:\]](#)

Chairman Neal. We thank the gentleman for his institutional knowledge on these issues.

The gentleman from Missouri, Mr. Graves, is recognized.

**STATEMENT OF THE HON. SAM GRAVES, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF MISSOURI**

Mr. Graves. Thank you, Chairman Neal, Ranking Member Brady, and the rest of the committee, for that matter. And I appreciate you holding this hearing to focus on how we are going to fund our infrastructure now and obviously in the future.

I think we have a real opportunity to address a lot of question, which is improving our infrastructure, creating jobs, and strengthening the economy. I think there is widespread agreement within the House, within the Senate, the White House, that we do need to act. We saw the President urging Congress to send him a bipartisan infrastructure piece of legislation that he can sign into law, and most importantly, I think all of our constituents want this as well.

Chairman DeFazio and I are eager to do our part. Last month, our committee held its first hearing, and we heard from numerous stakeholders about our infrastructure needs. And the chairman and I have been talking about how we can move forward an infrastructure bill that we can be proud of. And we both stand right in -- as he pointed out, we can write a bill right now. We obviously -- we can work with your committee. We have always had a very good working relationship with your committee in being able to do something like this.

The Federal Government has long played a role, a leading role in infrastructure investment, and we need to continue that role as we serve -- and

serve as a reliable partner to both State and our local governments. And today, as you consider how to ensure robust infrastructure investment, I want to outline some of my priorities and some of the challenges.

In order to launch our infrastructure into the 21st century, I believe we need to do a better job of incorporating advancements in technology. If we can tap into this potential, technology can make our infrastructure much safer and much less costly and improve the efficiency of the network that we have.

And furthermore, continuing to streamline the project delivery process is going to help ensure that we get the most out of our Federal funding. It is going to expedite the necessary improvements that we need and basically -- and you all know this, that time is money.

The biggest elephant in the room, as has been kindly pointed out, when it comes to surface transportation investment is going to be fixing the Highway Trust Fund and ensuring that it is sustainable for the future. As the chairman pointed out, I think all options are on the table. The fact is the Highway Trust Fund is going to continue to face shortfalls in the coming years, approximately \$16 billion annually, to give you just a little bit of a rough sense of things. While gas tax and diesel taxes have historically served as very efficient mechanisms for sustaining the trust fund, they simply aren't going to meet our future needs. And this situation is only going to get worse as cars, buses, and our truck fleet become more fuel efficient and hybrids and obviously electric vehicles become more popular.

To be frank, the gas tax is not a long-term solution. We have to decide to address the long-term solvency of the trust fund, and it is going to take significant political capital to accomplish our shared goal. And the same is true for the near-term fix as well.

If we are going to spend that political capital, we have got to focus on the long term, in my opinion. And the most promising long-term solution is VMT, as has been mentioned. VMT has the potential to be a true user-funded program that captures everyone and gets the Highway Trust Fund back to where it needs to be to maintain our network and improve it.

Like any real solution, there are challenges with it. For instance, privacy is a big concern of many of our colleagues. And the question about whether or not VMT is fair to both rural and urban drivers has been raised. Answering these questions are important to getting buy-in on the VMT program. And I can assure you they are being addressed in a meaningful and quantifiable way by multiple States that are actively testing VMT.

A recently completed study in Washington State provided some very good insight into some of the commonly raised concerns, including data showing that rural drivers are expected to fare better under VMT than under the gas tax. As has also been pointed out by the Chairman, that we can come up with an adjustment for urban and rural drivers. This pilot also showed that in the long-term VMT, it outperformed the State's 49 cent gas tax, which is the third highest in the Nation.

The fact is pilot programs in multiple States are successfully exploring these and many other issues with VMT, including different collection mechanisms to guard a driver's privacy. Not everything has to be GPS, as some might assume. We aren't talking about tracking; we are talking about doing something in a much simpler way. Taking lessons being learned from the states we can put in place a national framework for VMT with the goal of providing the stable, truly long-term solution that we desperately need for the Highway Trust Fund.

Solutions for the trust fund and our infrastructure will require building

consensus and being good stewards, obviously, of the taxpayers dollars. Our committees, again, as I pointed out earlier, we have a long history of working together. And I look forward to continuing that relationship to accomplish something great for the American people and the economy.

As I mentioned, again, everything is on the table, we are open to whatever you all put forth. But again, if we are going spend that political capital, and it is going to take political capital to try to get something done, my belief is that we go ahead and we do it now for the long term rather than doing something that we are just going to have to come right back around an fix later, because we do have more and more efficient vehicles and more and more vehicles on the road that simply are not paying for the use of the roads.

With that, I appreciate the opportunity for both of us to testify today. [[The statement of Mr. Graves follows:](#)]

Chairman Neal. Thank you, Ranking Member Graves.

And out of respect for your schedules and consistent with past practice, we will not ask you to stay for questioning. I thank you both for appearing before us today, and I look forward to continuing the conversation.

The committee has received your written statements and they will be made part of the formal hearing record and you have 5 days to make any adjustments.

With that, I thank the two of you.

Chairman Neal. We will now have our second panel. Going to give them a moment to take their seats.

For our second panel we have assembled distinguished witnesses who view our infrastructure crisis from differing perspectives. First, I would like to welcome Richard Trumka, the president of the AFL-CIO. Mr. Trumka represents 12.5 million members advocating to ensure that all workers have a good job and the power to determine their wages and working conditions.

Next is Tom Donohue, president and CEO of the United States Chamber of Commerce. Having served in this position since 1997, Mr. Donohue has spearheaded the Chamber's efforts to rebuild America's infrastructure.

Greg DiLoreto, who is president of the American Society of Civil Engineers and currently is the chair of the Committee for American infrastructure.

Chris Spear is president and CEO of the American Trucking Associations. Mr. Spear also serves on the board of directors for the American Transportation Research Institute, the Federal Advisory Committee on Autonomous Technology, and the Northwestern University Transportation Center, its advisory council and its congressional award foundation.

And then finally, Mr. Marc Scribner is a senior fellow at the Competitive Enterprise Institute. His research focuses on transportation, land use, and urban growth policy issues.

Each of your statements will be made part of the record in its entirety. I would ask that you summarize your testimony in 5 minutes or less. And to help you with that time, there is a timing light on your table. When you have 1 minute left, the light will switch from green to yellow and then finally to red when the 5 minutes are up.

Mr. Trumka, would you please proceed.

STATEMENT OF RICHARD TRUMKA, PRESIDENT, AFL-CIO

Mr. Trumka. Thank you, Mr. Chairman and Ranking Member Brady and members of the committee. I appreciate the opportunity to appear before you today.

As you noted, the AFL-CIO is America's labor federation representing 55 affiliate unions and 12.5 million workers across the country. Let me start by saying that it is an honor to address you today. While an honor, it is also quite frustrating, because despite widespread calls to act from business and labor and those who rely on our infrastructure every single day, after all the studies and reports outlining this urgent crisis, no meaningful action has been taken to correct decades of chronic underinvestment. So, Mr. Chairman, I do find it encouraging that you are holding this important hearing.

The fact is our Nation used to pride itself on our ability to create a better, brighter, and more prosperous future by investing in our infrastructure. Our parents and grandparents didn't pass the buck; they rolled up their sleeves and they went to work. We can do that too. We can create millions of good jobs, increase long-term growth, maintain our position as leaders of the global economy, and improve working people's lives and livelihoods.

The AFL-CIO and our affiliates have long supported a substantial long-term infrastructure investment plan. Today, I want to walk you through four key reasons why we keep doing our part to help Congress get there.

First, infrastructure investments create good jobs and career paths that can

support a family, a child's education, a secure retirement, and a middle class life. To that end, infrastructure packages must maintain long-standing Federal policies that support working people with high labor standards and good jobs.

Second, infrastructure investment spurs economic growth. Studies have shown that for every dollar of infrastructure investment creates more than \$3 in growth, making it one of the greatest economic multipliers at the Federal Government's disposal. New rail and transit terminals are often followed by housing and businesses that sprout up around them. These types of transportation investments help workers find employment opportunities that may have been previously inaccessible.

Third, if we want to be a Nation that continues leading the way in the global economy, we have to build modern, forward-looking infrastructure. We can't afford to fall further behind our foreign competitors. Above all else, infrastructure investment is a vital long-term national necessity that will determine what kind of country we will be decades from now.

Lastly, investing in infrastructure improves the quality of life for all working people. Take the simple act of commuting to work each day. The average driver now spends an extra 97 hours a year on the road due to congestion; precious time that could have been spent with family, friends, or earning a few extra dollars. Lost time and wasted fuel is now costing commuters more than \$1,300 a year, while adding unnecessary emissions to our atmosphere, plus they endure, on average, \$600 of damage to their car each year.

The cost of inaction is being felt far and wide and it poses significant risk to our country. Even projects of critical national security or national significance are being neglected. A couple of examples, the Gateway Tunnel. The existing 100-year

tunnel that connects the entire northeast region under the Hudson River has been in need of expansion for 25 years. Every day our members move 800,000 passengers through the labyrinth of outdated infrastructure. If left to fail, it will cost our economy \$100 million a day.

The Soo Locks in Michigan have only one functioning lock built in 1896 that can handle modern vessels. The U.S. Army Corps of Engineers calls it the Achilles' heel of the industrial economy, which, if failed, would result in the economic loss of \$1.1 trillion and 11 million jobs.

The Highway Trust Fund is facing an urgent and dire funding cliff that needs immediate attention. The gas users fee which funds the trust fund has not kept pace, and needs to be adjusted to meet current needs.

Mr. Chairman, I know my time is up. I would just say that the working -- the people of America can't afford to wait any longer. We need to act. We need to act now.

[\[The statement of Mr. Trumka follows:\]](#)

Chairman Neal. Thank you, Mr. Trumka.

With that, Mr. Donohue, would you proceed.

**STATEMENT OF THOMAS DONOHUE, PRESIDENT AND CEO, U.S. CHAMBER OF
COMMERCE**

Mr. Donohue. Thank you very much, Mr. Chairman, Ranking Member, and others. You know, as Rich has just said, we have been here before and we are going to keep coming. We are determined to get this done. And in our judgment, it can only be done in a bipartisan way. In that spirit, I urge the members of this committee to find a common cause on this national priority just as business and labor have.

The stakes are high for all of us. Our long-term competitiveness and lasting prosperity is critical, and the businesses that the U.S. Chamber represents depend on it and are willing to support a vigorous program.

Just today, we released our quarterly small business index, which found that crumbling infrastructure is a significant roadblock standing in the way of American small business. The majority of the respondents told us that highways and local roads and bridges are critical to their success. And 62 percent said that the local surface infrastructure is average at best, poor or very bad quality in most places.

The Chamber has outlined a four-part plan that addresses the essentials. How to get projects approved in a timely manner? Who does the work? And how to pay for it. Dedicated funding systems, trust funds, Federal loans, and grants, and private resources should all be leveraged to upgrade core infrastructure. There is \$100 billion in private global capital that we know is available to be a part of this

effort, and we have to find ways to motivate it and get it there. My written testimony discusses all of these ideas.

For the balance of my time, though, I would like to talk about the elephant in the room. I want to talk about a gas tax. The Federal gas tax which funds highway and transit programs is a flat 18.4 cents, the same as it was in 1993. How many people in this room can live off the same paycheck they had in 1993? No one. Our Nation's roads and bridges and transit systems can't either.

The Congressional Budget Office estimates that \$150 billion in additional revenue is necessary just to carry on the program until 2025 that is in place. That is why the Chamber advocates raising the gas tax by 25 cents, which would generate just about \$400 billion over the next 10 years, which would give us some of the money we need to do roads, bridges, and transit.

Understand that much of this increase would be paid by business. Truckers, for example, who will speak for themselves, would bear a large portion of this cost. They are already taking care of these costs on the infrastructure side and will do more. This is a well-understood question outside Washington. That is why I am glad you are getting so many people to talk about that. And I have always said the Chamber's open to any ideas that will help us get there, and we both believe that.

We are even hosting a competition at the Chamber for new deals, new ideas on how to fund this, and we are paying for it. The Chamber members pay the cost of this inaction. We are ready to step up and do what is needed. And I ask your support in going forward on this before, and as Rich said and as others will say, we go so much further that the bridge to where we need to go is so big and so long that we won't be able to afford it.

Thank you very much.

[\[The statement of Mr. Donohue follows:\]](#)

Chairman Neal. Thank you, Mr. Donohue.

With that, let me recognize Mr. DiLoreto to begin his testimony.

**STATEMENT OF GREGORY E. DILORETO, P.E., 2013 ASCE PAST-PRESIDENT, CHAIR
OF THE COMMITTEE FOR AMERICA'S INFRASTRUCTURE**

Mr. DiLoreto. Thank you, Chairman Neal, Ranking Member Brady, and members of the committee. Thank you for the opportunity to discuss the need to invest in America's infrastructure. I am Greg DiLoreto. I am the past president and the current chair of ASCE's Committee on America's Infrastructure, and I am a retired chief executive of a large water utility and a former city engineer and public works director.

ASCE is the oldest national engineering society, and we represent over 150,000 civil engineers who serve as one of the stewards of our infrastructure here in the U.S. and around the globe. Every 4 years since 1998, ASCE has graded 16 major categories of infrastructure. And needless to say, since ASCE's first infrastructure report card, the grades have not been one to make us proud. We have yet to give an overall grade out of the Ds, and that remains true with our 2017 infrastructure report card.

Our accumulated GPA is once again a D plus. And that D plus represents the significant backlog of needs facing our Nation's infrastructure. Decades ago, even a century ago in some cases, we built our current day infrastructure. And life a roof on a house that you neglect to maintain, our systems are showing wear and tear. They have sprung leaks, they have worn down, they have become less reliable.

Let's take the water sector. There is an estimated water main break every 2

minutes in this country wasting 2 trillion gallons of drinking water. That is enough to fill the Empire State Building 7,000 times. We also depend on a network of roads and bridges that were envisioned and built during the Eisenhower era. Additionally, 44 percent of the Nation's major roads are in poor or mediocre condition. Driving on those roads is costing motorists over \$600 a year in vehicle repair and operating costs.

And then there is congestion. Forty-five percent of America's urban interstates experience congestion during peak hours. On average, Americans waste between 40 and 120 hours a year in congestion. That is the equivalent of your 1- to 3-week vacation just stuck on the interstate. Rush hour is now rush hours. And we spend \$170 billion a year in wasted time and fuel. Meanwhile, congestion at airports is growing. It is expected that 24 of the top 30 airports may soon experience Thanksgiving Day peak volume at least one day of every week.

In short, the grades and conditions of our infrastructure is the cause for concern and reflect the fact that America's infrastructure bill is long overdue. We estimate that the investment gap over the next 10 years is just over \$2 trillion. In other words, we need to be spending another \$200 billion a year to bring our networks back into a state of good repair. And just over half that gap is in transportation.

Failing to close this infrastructure investment gap brings serious economic consequences. According to ASCE's economic study Failure to Act, if we do not address the infrastructure gap by 2025, we can expect to see a loss of \$3.9 trillion to our gross domestic product. That is equal to the gross domestic product of Germany today. Our businesses will lose \$7 trillion by 2025, and we will lose 2.5 million high-paying jobs because we are no longer competitive in the global economy.

On top of that, it averages out that each American family is losing \$3,400 a year in disposable income, more than \$9 a day due to poor infrastructure. That is income we could be saving and spending on other things. We are really paying this price and we are getting nothing for it.

If we are serious about achieving a national infrastructure system fit for the 21st century, we have to take now. The first step for this Congress should be to fix the Federal Highway Trust Fund. You have heard from labor, and you have heard from business, and you will hear from us. We recommend increasing the Federal motor fuels tax by a nickel a year for 5 years. That would provide a much needed infusion of nearly \$400 billion into the Highway Trust Fund.

While this is a specific solution, we agree that all options ought to be on the table. The investment backlog doesn't end with transportation. We have needs across all 16 categories of infrastructure with acute needs in drinking water, wastewater, storm water, and transit which got our lowest grade at a D minus.

ASCE thanks the committee for holding this hearing on a topic that effects the quality of life and economic prosperity and livelihood of every American. We must commit today to make our vision of a future a reality. American infrastructure system is the source of our prosperity. ASCE and its 150,000 members look forward to working with the House Committee on Ways and Means to improve America's infrastructure so that every family, community, and business can thrive.

Thank you.

[\[The statement of Mr. DiLoreto follows:\]](#)

Chairman Neal. I thank the gentleman.

Mr. Spear, would you please begin.

STATEMENT OF CHRIS SPEAR, PRESIDENT AND CEO, AMERICAN TRUCKING ASSOCIATIONS

Mr. Spear. Mr. Chairman, Ranking Member Brady, and members of the committee, thank you for the opportunity to testify on behalf of the American Trucking Associations.

The ATA is an 86-year-old federation representing 50 State trucking associations. Our industry supports more than 7.7 million employees or 1 in 18 jobs in the United States where a truck driver is the top job in 29 States.

In Massachusetts, truck -- trucks haul 98 percent of the freight and two-thirds of the freight delivered from Texas. Nationally, trucking moves 71 percent of the domestic freight tonnage. That is more than \$10 trillion worth of goods. In fact, more than 80 percent of the U.S. communities rely exclusively on trucks, which in turn, rely on a national network of roads and bridges that define interstate commerce.

Without trucks, our cities, towns, and communities would lack key necessities, including food and drinking water. There would be no clothes to purchase and no parts to build automobiles or fuel to power them. The rail, air, and water intermodal sectors would not exist in their current form without the trucking industry to support them. And every time the government makes a decision that affects the trucking industry, those impacts are also felt by individuals and the millions of businesses that could not exist without trucks.

Our roads and bridges are literally crumbling. Just last month, chunks of falling concrete struck cars traveling under bridges in California and Massachusetts. We are no longer facing a future highway maintenance crisis; we are living it. And every day we fail to invest, we are putting more lives at risk. Nearly 53 percent of the highway fatalities, the condition of the roadway contributed.

Time wasted sitting in bottleneck traffic rather than at work or with our families has skyrocketed. Motorists now pay an average of \$1,600 due to repairs and congestion each year. Trucking now loses \$74.5 billion sitting in gridlock. That equates to 1.2 billion lost hours or 425,000 truck drivers sitting idle for an entire year.

These are the regressive and escalating costs of doing nothing, and they are reflected in the prices we all pay. These costs are measurable and should serve as offsets for new spending on our Nation's infrastructure.

ATA believes our Nation's roads and bridges should be paid for by users. While trucks make up just 4 percent of the vehicles on our Nation's highways, trucking pays nearly half of the Highway Trust Fund, and we are willing to pay more.

ATA advocates the passage of a build America fund consisting of a modest increase in the price of fuel. The build America fund would increase the price of fuel 20 cents a gallon at the fuel rack, just a nickel a year over 4 years generating \$340 billion over 10 years. This new revenue for our Nation's roads and bridges is real, not fake funding like P3s or asset recycling. The build America fund is the most conservative proposal, costing less than 1 cent on the dollar to administer versus up to 35 cents on a dollar for tolling schemes.

Lastly, our proposal is sustainable. It shores up the Highway Trust Fund and doesn't add one dime to our Nation's debt.

In summary, our Nation's growing economy is placing significant demand on all transportation modes. Federal inaction has prompted cash-strapped States to adopt regressive revenue schemes that hurt commuters, communities, and divert funds to noninfrastructure priorities. Look no further than the 10-mile stretch of I-66 just minutes away from this hearing room. A year ago, this short patch of Virginia interstate went to congestion pricing. As a result, I-66 commuters now pay a peak toll of \$47.50 one way, one day, one road.

For many who can't afford peak prices, they are either forced to drive through residential areas and school zones or navigate a costly maze of public transportation connections, which are often delayed or down due to underinvestment. This is the essence of regressive in our future if you choose to devolve your constitutional authority to the States. In contrast, if motorists paid the average toll, the cost of a 10-mile trip over an 8-day period on I-66, their cost for an entire year under ATA's build America fund for all roads and bridges in the United States.

President Reagan understood why our approach makes the most sense, which is why he signed a user fee twice into law during his administration. Now is the time for Congress and this President to come together and do what is right for America.

Thank you, Mr. Chairman.

[\[The statement of Mr. Spear follows:\]](#)

RPTR ZAMORA

EDTR HUMKE

[11:01 a.m.]

Chairman Neal. I thank the gentleman.

Mr. Scribner, would you please proceed.

**STATEMENT OF MARC SCRIBNER, SENIOR FELLOW, COMPETITIVE ENTERPRISE
INSTITUTE**

Mr. Scribner. Chairman Neal, Ranking Member Brady, and members of the committee, thank you for giving me the opportunity to testify before you today.

In recent years there have been increasing calls to raise Federal fuel excise tax rates in order to address what many have called an infrastructure crisis. To be sure, there are very real infrastructure needs in the U.S., but they are not uniform across infrastructure asset classes and are not primarily the result of a lack of Federal funding.

A more targeted approach is needed to best address these challenges. This would involve reassessing the Federal role in the provision of transportation infrastructure, examining alternatives to existing user taxes, and removing government barriers to investment.

First, contrary to common narrative, infrastructure does not face a broad immediate crisis in the U.S. Of the \$250 billion spent by all levels of government on surface transportation infrastructure each year, which is the majority of total government infrastructure spending, the Federal Government is responsible for

about one quarter, with State and local governments funding the remainder.

As a share of GDP, public spending on transportation infrastructure has remained stable over the last 4 decades. In highways the number of structurally deficient bridges and pavement roughness have been steadily declining over the last 3 decades.

We do see infrastructure problems of varying degrees concentrated in our cities. The failure of State and local governments to carry out routine maintenance as they agree to do in exchange for receiving Federal capital funding has led to the decay of mass transit systems, airports, urban surface streets, and water and waste water networks. This bad behavior by grant recipients should not be rewarded by Federal taxpayers.

Second, Congress should reassess the Federal role in transportation infrastructure. The continued lopsided Federal role in capital spending, as opposed to operations and maintenance, has created perverse incentives for State and local governments to build rather than maintain. In particular, this has led to significant overexpansion of mass transit.

To put this mass transit spending in perspective, just 5 percent of American workers commuted to work by transit in 2017, yet mass transit received 28 percent of total government surface transportation funding, more than five times its commuting mode share, and eleven times more its share of total commuting and non-commuting trips.

While the largely user-supported highway system moves more than \$10 trillion worth of freight every year, mass transit moves zero freight while enjoying \$0.20 of every dollar collected from road users under current Federal policy.

A rationalized Federal role in transportation infrastructure would focus on projects with true national significance that facilitate interstate commerce and international trade. The Constitution explicitly recognizes these roles as Federal functions. A mass transit system that exists largely to move local commuters and that does not move any freight cannot be appropriately labeled a nationally significant project.

Third, Federal transportation infrastructure policy should realign with the user-pays principle. As the vehicle fleet becomes increasingly fuel efficient and eventually electrifies, per-gallon taxation will no longer be suitable on either efficiency or equity grounds. Alternatives to existing user taxes are needed. In the short term this would mean eliminating Federal prohibitions on States tolling their own highway segments to augment existing fuel tax revenue. In the long term, this would mean examining a shift away from per-gallon taxation entirely and toward a mileage-based user fee.

Finally, Congress should eliminate Federal barriers to infrastructure investment. In addition to repealing the tolling prohibition I just mentioned, Congress should also eliminate the aggregate volume cap on private activity bonds to encourage more private sector investment in public purpose infrastructure. Similarly, the Federal cap on the airport passenger facility charge unnecessarily restricts local self-help.

Furthermore, Congress should continue to examine bipartisan reforms to procurement, labor, and environmental rules that may unnecessarily increase costs. The focus of these reforms should be on maximizing returns on infrastructure investment, not maximizing the number of temporary construction jobs.

As Harvard University urban economist Edward Glaeser recently noted,

quote, "Treating transportation infrastructure as yet another public works program ensures the mediocrity that we see all around us," unquote.

From highways to airports, current Federal law perversely reduces transportation infrastructure investment while increasing government spending and pressure on taxpayers. Given this environment, it is unsurprising that many Americans are skeptical of calls for higher taxes to fund more infrastructure spending. The evidence suggests they should be.

And with that, thank you again for the opportunity to testify before the committee, and I welcome your questions.

[\[The statement of Mr. Scribner follows:\]](#)

Chairman Neal. Thank you, Mr. Scribner.

We will now proceed under the 5-minute rule with questions for the witnesses. Consistent with committee practice, I will first recognize those members present at the time the gavel came down in order of seniority. I will begin by recognizing myself to inquire.

Mr. Trumka, in your testimony, you advocated for an infrastructure investment plan that lifts up working people, grows the economy, creates high-road jobs, and provides increased opportunity for people of color, women, and immigrants.

For too long these communities have been underrepresented in our jobs and in the building trades. How can a robust infrastructure package contribute to inclusive job growth and ensure that these communities have an opportunity for high-paying jobs?

Mr. Trumka. Thank you, Mr. Chairman.

Of course. First of all, infrastructure investments do create a number of high-paying jobs. Second of all, with the gentrification of most cities, people of color have had to move further and further out. Transit, good transit systems are necessary to get them to the job opportunities.

Each year more and more women and people of color are joining our apprenticeship programs. The North American Building Trade Unions, our building trades department, made a commitment over a decade ago to bring more women and people of color into construction by establishing apprenticeship readiness programs, ARPs.

ARPs have three characteristics: One, they are to increase the number of qualified candidates for apprenticeships across all trades; two, they increase the

diversity of apprenticeship candidates by recruiting women and people of color and veterans; and three, they increase the retention rate among apprentices by providing them with deeper understanding of both the industry and the role of craft unions and construction.

Currently, there are over 150 of those programs in effect, and let me give you the effect of three examples. The Gulf Coast Construction Career Center is in New Orleans. Over 400 people completed the Gulf Coast program over the last 3 years. African Americans made up 90 percent of the people enrolled and women were 9 percent.

In New York City the construction skills program placed 1,443 graduates into union apprenticeship program. Roughly 90 percent of the program graduates are Black, Hispanic, or Asian. In Louisville, Kentucky, Kentucky Works trained 293 members from underserved communities, including women and people of color, in construction skilled trades and placed 111 graduates into construction jobs in the industry.

Women make up 9 percent of the construction industry, but they make up 25 percent of our apprenticeship graduates each year. So things are moving in the right direction. In 2018, 68 percent of our graduates were people of color. We are proud of the progress that we have made. We still have much to do. I am not saying that the job is anywhere near done, but we are headed in the right direction. And a robust infrastructure program will help those communities as much as it helps anybody.

Chairman Neal. Thank you, Mr. Trumka.

Mr. Donohue, it is clear that the U.S. desperately needs a robust investment, as you have described, to revitalize and build new infrastructure. In your written

testimony, you stated that the Chamber supports a multifaceted approach that leverages more public and private resources. I certainly agree that we need several tools to help close the infrastructure investment gap.

In the past, taxable direct pay bonds have been a helpful tool in attracting investment, particularly for airports, for long-term infrastructure projects in the U.S. that were not reauthorized. Does the Chamber support reissuing taxable direct pay bonds, and do you think this would be helpful in attracting increased investment in U.S. infrastructure?

Mr. Donohue. Mr. Chairman, the Chamber will support expanding and reapproving a number of opportunities for us to get the resources we need to move forward in an aggressive way. You listened this morning to three or four very interesting ideas on how to move forward, but all of them were about the same thing, and that is go to programs that now exist or existed in the past, and, if necessary, add a few.

We will all get together and support what we finally decide on, but the bottom line is, if there is no cash, there will be no dash. And we have got to work on this. And I look forward to working with you and the members of this committee to get the support behind -- from every source behind moving forward.

Mr. Trumka and I are sort of a Mike And Ike Show. We go all over the country and talk about it. We are getting tired of that. We need to be here more often and get a decision on the financing.

And thank you very much for setting up this meeting.

Chairman Neal. Thank you, Mr. Donohue.

Mr. DiLoreto, you stated in your testimony that by 2025 our infrastructure gap will end up costing each American family \$3,400 per year or \$9 a day. Now, that

is not literal cash that comes directly out of our wallet so it might be hard for people to feel that in a concrete way. Could you explain a bit more how underinvesting in our infrastructure costs cost people real money.

Mr. DiLoreto. Thank you, Mr. Chairman.

You know, I have been speaking all over the country and even outside the United States on the need to invest for infrastructure, and I have been doing it for 6 years now to business groups and elected official groups.

And when I first started I asked the same question, well, I am not spending \$3,400 a year, am I, on infrastructure? And then I started looking at it, and I started talking to people, and guess what? It might not be \$3,400 but it is real cash.

For instance, my brother just wrecked the rim of the tire on his car and had to get it fixed and it was \$1,000. That is real cash. Every time we burn a tank of gas sitting on the interstate, that is real cash that adds into it. Anytime an airplane is delayed and you might have to make a ticket exchange -- I know I fly United a bunch -- it is \$200 a ticket exchange. That is real cash.

I ran a large water utility in the Portland, Oregon, area. Every time we had a water break we made sure that our residents, our customers had access to bottled water. That was a real cost that had to fold back into the rates the next year when we were charging our customers.

Your businesses that are stuck in traffic, plumber comes out to my home to fix the plumbing, charges for travel time, longer it takes for them to get there the more I have to pay. And if they don't charge it, then the rate I am paying, that is all real cash.

So when you start to think about it in those terms, it averages \$3,400. And you might pay \$5,000, and you might pay \$200, but it is real cash, and we are really

paying it.

Chairman Neal. I thank the gentleman.

With that, let me recognize the ranking member, Mr. Brady, to inquire.

Mr. Brady. And, again, Chairman Neal, thank you for holding this important hearing.

Thanks for the witnesses as well and the insight you provide.

So America's economy is back in a way a lot of people didn't think it could be. We are seeing now investment from virtually every size businesses in every corner of this country. I toured two new manufacturing plants in my district last week in two of the poor counties that we have in east Texas. Investment that used to be flat 2 years ago is growing at 7 percent. And R&D investment, research and development, is triple the rate it was for the average of the last 10 years.

And for the first time, businesses are making location decisions to put their plants not overseas but here in the United States, manufacturing, research, intellectual property, the headquarters. All key things. So that kind of growth really demands new infrastructure, but new infrastructure also expands more growth. It is a virtuous cycle. That is why we are excited that you are here today.

So I want to start with Mr. Donohue. First, thank you for your leadership of the Chamber since 1997, your leadership on tax reform, your leadership on expanding trade, including the new U.S.-Mexico-Canada agreement, your leadership on removing the regulatory barriers that can slow our economy down.

One of the ideas around -- I want to get this one out of the way. So one of the ideas floating around here is increasing the corporate tax rate to 24 percent and using those dollars for infrastructure. So can you tell us why that is such a bad idea and if the Chamber would oppose that approach?

Mr. Donohue. First, let me say that the fact that we lowered taxes on corporations is among the important steps taken that have got us the lowest unemployment rate in 60-some years. That has put lots of people back to work. There is even a large number of people who have come off disability issues to go back and take up jobs that are available.

In many industries, trucking, for example, we are out of workers. We are just out of workers. And so we have to work on all of those issues. And going in and deciding to take money out of the private sector in a way that you just described is not where we ought to go at this point.

My view is more people working, more taxes are going to be paid, more people that are not taking the pressure of -- putting additional pressure on public support. And we are moving in a positive way. The politics of taxes, you know, go all the way back to the time of Christ, and we know what they are. The issue here --

Mr. Brady. Do you want to go through that whole litany since then or --

Mr. Donohue. No, because it gets a little sticky. But the issue today, Leader, is that we have to make decisions about infrastructure without taking apart other parts of the issue -- of the actions of government and the private sector that have created this significant growth in economic benefit to this country.

And the higher the growth rate is, the more we are going to have the resources to take care of the Nation's challenges. And this committee, among its other serious challenges, should put infrastructure right at the top. If I have talked around your question, let me be clear: We are not going to be supporting that idea.

Mr. Brady. You have never talked around a question in your life, so thank you, Mr. Donohue, for that.

Quickly, to you, Mr. Scribner, you cited \$100 billion in global capital, looking

to invest infrastructure. I am convinced that this is an important way we can augment funding for major infrastructure, not just roads and bridges, but looking at the full picture.

Most of the recommendations on how to do this is simply let us borrow more cheap money. But is that the only thing, the only redesign that would draw more private capital into the larger infrastructure picture? What else can we be doing, Mr. Scribner?

Mr. Scribner. As I said in my testimony, I think there are barriers to private investment right now. I think the big one is you are denying institutional investors like pension funds who would be willing to invest in public/private partnerships, say a toll road, but we don't allow toll roads over much of the system. So I think that that is where we should start.

And I am not saying that this is a one-size-fits-all approach. It is certainly not. What works in New Jersey won't work in rural Montana, but we should free the States to experiment with these different approaches.

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

Chairman Neal. I thank the gentleman.

With that, let me recognize the gentleman from Georgia, Mr. Lewis, to inquire.

Mr. Lewis. Thank you very much, Mr. Chairman, for holding this hearing.

I want to thank each and every one of you for being here. I can recall almost 54 years ago when we had a meeting with President Johnson, he said, in effect, if you want this project -- it was the Voting Rights Act in 1965. He said, if you want it, make me do it. Make me do it. You are going to make us do it, and we need to do it. So thank you for being here to testify.

I agree with you. Several members of my family drive big trucks in the southeast to make a living. And I travel some of the roads and some of the highways. We can do better. Some of our roads, highways look like third-world countries. We can do -- it is not safe. We can do better, much better. So let's do it, find a way to dramatize the issue. I am with you 100 percent. Thank you.

Thank you, Mr. Chairman.

Chairman Neal. I thank the gentleman.

With that, let me recognize the gentleman from Florida, Mr. Buchanan, to inquire.

Mr. Buchanan. Thank you, Mr. Chairman.

I want to thank all our distinguished witnesses. I want to take a little bit of a liberty. My good friend Tom Donohue, there is nobody with his background. He was 13 years in trucking and running that, and then he came on the Chamber 23 years ago and has done a magnificent job.

I will note that they have over 3 million businesses they represent across the country. And the nice thing about it is, 96 percent are fewer than 100 employees each. So to me, that says a lot about the Chamber. Maybe a lot of people don't realize that.

Also, I want to say, I started my career here 4 years -- my first 4 years on the Transportation Committee. I represent Florida, part of Florida, but Florida I looked at that just in general. With the growth there, we have gone from 7 million to 22 million people in the last 30 or 35 years. They are expecting another 4 million or 5 million the next 7 or 8 years.

We have got to find a way to get in front of it. We have got more and more gridlock. Everybody in a sense comes to Florida, loves it, but we are starting to have

real traffic issues in our cities and everywhere else. And as you know, a lot of these projects, you have to be thinking down the road 35 to 50 years. But we need to have -- be doing something together and, I would just say, clearly on a bipartisan basis.

Mr. Donohue, let me ask you, in terms of the dollars, I mean, we can talk about how we are going to pay for it, but what is the investment in your opinion, considered opinion, today that we need to be making now or in the immediate future?

Mr. Donohue. Well, thank you very much for your thoughtful comments.

You know, here we talk a lot about 10-year cycles. I really believe to fix our Nation's infrastructure, to get ahead of all of the challenges that are being discussed here, we have to look at this thing as a 30 or 40-year project, because just think how long it is going to take to fix the roads, bridges; think how long it is going to take to build new airports, to build new ports, to dredge out the inland waterways, to work on water systems in cities all over this country.

This is a massive effort which should be looked at like other massive efforts, and that is the strength in our military, which both Houses of the Congress went forward last -- in the last session to move the resources needed there. We need an effort like this. But everything has to start some place, and the starting some place is to increase the fuel tax to do roads, bridges, and forms of transit.

You are going to have to have the support for that as well in the States. And I believe you will get it. Then when you come to the major projects that are specific to individual States, airports, ports, the dredging, the water projects, all of that, you know we have to be a little creative here. The Congress of the United States can't write trillion dollar checks year after year to do this, but there are creative ways.

There are ways to do private/public partnerships --

Mr. Buchanan. Hey, Tom, let me take a second because we get 5 minutes. I wanted to ask you about permitting. It is one of your pillars that you had talked about, just quickly.

What, you know, projects that should take -- you want to try to get done in a couple or 3 years could take 5 or 10 years, what is your thought and the Chamber's thought on how we, you know, get -- smooth that process out where that makes sense?

Mr. Donohue. I will give you a real quick answer. There have been some recent improvements on permitting. But if we don't get a permitting commodity or element in this effort that we are going to do, we ought not do it because we have got to say to communities, look, you get a rational amount of time to work on your permitting.

You may get one level of lawsuits, but after that, if you are looking at years and years to get it approved, then this committee ought to set the structure with the Transportation Committee that if you don't get a permit, we move the money somewhere else. You would be surprised how quickly permitting will begin to work better.

Mr. Buchanan. Thank you, Mr. Chairman. And I yield back.

Chairman Neal. I thank the gentleman.

With that, I will recognize the gentleman from Texas, Mr. Doggett, to inquire.

Mr. Doggett. Thank you, Mr. Chairman.

And thanks to each of you for your testimony. I think it is valuable. It is hardly novel, in fact, as some of you have noted, you have been offering the same testimony year after year after year in Congress and across the country. And while

this committee has been guilty of gross neglect in not addressing the funding of infrastructure for most of the last 10 years, I am pleased we have a hearing finally today.

We know that when it comes to roadways, and railways, and airports, and water, and waste water, and flood control, we have a great need and we have a great will in this Congress to talk about it. The only will that is lacking is the willingness to pay for it.

We know that freeways are not free and that to just maintain the current inadequate system that has given us a great grade of D-plus on our transportation infrastructure, if we want to just maintain a second or maybe third-rate system that allows us to continue to fall behind our competitors, that the best estimate I have seen is that that will cost us, just that second or third-rate system about \$160 billion over the next 10 years.

As we look at those funding needs, I think it is important that we not get worse than we are now. And I was particularly struck by the amazing proposal President Trump over the last 2 years that he would change the funding formula, reverse it so that instead of an 80/20 Federal match he would change it to a 20/80 Federal program.

I don't think any of you have indicated you support such a reversal, and I hope he is reversing on that. At the same time as we look at this, I think we do need incentives for the States to do their part. We don't want to have them say, well, after so many years of neglect on this issue we no longer have to bear a burden on this also.

In fact, I would like to see any initiative we have focus on incentives for the States to do more. Some States, as you pointed out, have made the hard political

decisions to do more. And others like Texas have just looked -- waited for the Federal Government to do something as our infrastructure becomes more and more frail.

Anything we do here in order to provide the funding, as you well know -- and it is good to see labor and management -- business and labor here together as well as our other experts -- will have to be done on a bipartisan basis. And that will be particularly challenging.

We have just seen within recent months the current minority leader, Mr. McCarthy, make the question of investing in infrastructure that California did almost his only issue in the elections, from governor to Congress to dogcatcher, that if you voted for any increased revenue for infrastructure, you were doing harm to the State.

I think without a commitment of a substantial number of Republicans to back an infrastructure funding bill, we will have a true bridge to nowhere. It will not get us where we need to be. And we need an unequivocal commitment from President Trump, something that is very difficult to get, in public to a specific plan before that can happen. So I hope you will focus your attention there as well as here.

One thing that does need to be included that he probably won't be very enthusiastic about, but I think is an essential part of any infrastructure plan, is addressing the existential threat of climate change. Gone are the days when we can forget the impact of fires and hurricanes and floods on our infrastructure.

Indeed, I am sure, Mr. DiLoreto, that our engineers already give considerable attention to the effect of global warming, of heat on our roadways, of flooding, and water, and hurricanes on our infrastructure. And it is essential that any bill we pass

require looking to see whether we are adequately considering those factors, whether we are simply adding to the carbon impact on our economy, or we are looking at smart projects that get us in the right direction.

I think in addition to the infrastructure projects that you have talked about and a little out of what has been the traditional scope of infrastructure, we also need to be looking at what we can do with energy technology, with clean electricity, other forms of energy efficiency, and strengthening our electric grid.

The military, the Defense Department has been a leader in this area, but we need to be looking at that as well as a key part of an overall comprehensive infrastructure bill that I hope can be approved on a bipartisan basis.

I appreciate your contribution to the effort.

Thank you, Mr. Chairman.

Chairman Neal. I thank the gentleman.

Let me recognize the gentleman from Nebraska, Mr. Smith, to inquire.

Mr. Smith of Nebraska. Thank you, Mr. Chairman, and thank you to our panel. I think the discussion here today is thoughtful. It is in depth, at least somewhat, and certainly I think constructive as we do move forward on very serious issues.

I think we can all agree that we have unmet infrastructure needs across our country, and what that means to various parts of our country can mean different things. But as the representative of one of the Nation's most rural and in many cases remote districts, we have a lot of infrastructure, a little different than perhaps the Metro subway and other mass transit, but we also have the world's largest rail classification yard, Bailey Yard in North Platte.

We have more than 3,000 dams in the State, thousands of miles of irrigation

canals. We have a large portion of existing Keystone Pipeline as well as the proposed route for the Keystone XL Pipeline. We have more than 65,000 square miles of land, the vast majority of which is privately owned across 75 counties.

I could go on with more details about my district, but I have -- I do have concerns that simply raising the gas tax without implementing other reforms would merely get us a more expensive version of the status quo, which we know troubles most of us.

But let me be clear. Our job in this committee is to figure out how to fund infrastructure, not necessarily make the rules for projects. But I certainly want to reflect on the fact that I have concerns about moving forward with increasing a tax without some corresponding reforms and improvements in public policy. So I hope we can get there. I hope that we can continue a constructive discussion as we are having today.

Mr. Scribner, you referenced the need to address issues such as labor requirements, permitting rules, and lack of life cycle cost accounting to improve how transportation dollars are spent. Could you briefly expand on those comments?

Mr. Scribner. Yeah. Thank you, Representative Smith.

So those are areas where we see great variations. Take labor regulations, for instance. If you are in a high union density State and we are getting a Federal top-down labor requirement, that may not impact you very much because you have -- the workers of that, you know, type of workforce are already unionized. But if you go to a State with lower union density, that is where you can see substantial cost increases to those projects.

So this is -- the same goes for environmental permitting requirements, the lack of life cycle costing where, you know, we may get a low bid on the initial

construction but that doesn't take into account the entire project life and those costs that are borne across that time span.

So I think we need some basic standards and to recognize that one size doesn't fit all, that certain solutions are going to work better in different States than in others, but as you said, simply increasing the fuel tax and spending more money through the current channels is just going to be a more expensive status quo.

Mr. Smith of Nebraska. Okay. Thank you.

You know, it was mentioned earlier about climate change and the efforts can be -- have been described in a number of ways. But, Mr. Spear, can you elaborate a little bit in terms of how your industry is already acting on efficiency of energy consumption and various methods there?

Mr. Spear. Certainly, Congressman. The two highest costs to our industry are labor and fuel, so it is in our best interest to find newer technologies that make the equipment more energy efficient. We are obviously looking ahead 5, 10, 15 years out at alternative fuel vehicles. But in the near term it is making diesel power tractors more efficient.

And I think you are seeing tremendous strides in terms of the technology that is coming out of our truck and trailer OEM. So we believe that, you know, the savings that you can get by investment in infrastructure could have a dramatic impact on reducing our carbon footprint.

I mentioned \$74.5 billion our industry loses each year sitting in traffic. That is 425,000 drivers sitting idle for an entire year. That is a very measurable amount of CO2 that we are emitting, and we are just 4 percent of the vehicles on the road.

So we are moving 71 percent of the economy, but 4 percent of the vehicles on the road. So you count in all the passenger vehicles that are sitting in traffic, that

is a huge impact on the climate. So investing in infrastructure does make a difference and it will certainly have a benefit to the environment.

Mr. Smith of Nebraska. Thank you.

And just briefly, Mr. DiLoreto, the annual report card that you do highlights the grades. Can you explain briefly how rail infrastructure received the highest grade of any sector?

Mr. DiLoreto. Absolutely, Congressman Smith. Rail actually did a lot of investment in the system, some \$20 billion in 1 year alone. And it was those investments that they made in the freight rail system that got their grade up.

So where we see categories of infrastructure that invest, the grades go up, the condition is better, handles the capacity, operations and maintenance are taken care of. And that is how they got the highest grade.

Mr. Smith of Nebraska. Okay. Thank you. I yield back.

Chairman Neal. I thank the gentleman.

With that, let me recognize the gentleman from California, Mr. Thompson, to inquire.

Mr. Thompson. Mr. Chairman, thank you very much. And thank you for finally holding this important hearing on our Nation's infrastructure.

And thank you to all the of the witnesses who took time to be here today and for all that you are doing outside of this hearing room to make sure everyone understands the importance of adequate investment in our infrastructure.

You know, in 2017 the American Society of Civil Engineers issued a study, the infrastructure report card on our Nation's infrastructure. They gave it a D-plus and said it was in poor condition. They said things like there is a strong risk of failure.

In my home State of California there is about 180,000 miles of public roads.

Forty-five percent are said to be in poor condition, and our population is expected to grow by nearly 50 million people in the next 21 years, 22 years. So it is highly likely that this is only going to worsen.

It seems to me that this is more than just an inconvenience. There are tremendous costs, as some of you have mentioned, to businesses, to our communities, to people, and the amount of time that they lose in their property and most certainly in their health.

Mr. DiLoreto, what is the impact that -- to the everyday people across our country as we have just continued to ignore this problem?

Mr. DiLoreto. Yes, sir, Congressman Thompson. You know, I retired a few years ago, and I don't have to drive in rush hour traffic anymore. But every now and then --

Mr. Thompson. But everybody else. What is the impact on everybody else?

Mr. DiLoreto. Exactly, but every now and then I do. And it seems like I try not to be on the road after 3:30. The impact is how do you sit there in that traffic, missing soccer games, missing things in your life? It is a quality-of-life issue if you are the resident. It is a business issue if you are sending your goods and services. That is the impact that each and every one of us sends everyday. And, you know, we have kind of just, I guess, accepted it. We don't -- we need to get it fixed and get our quality of life back.

Mr. Thompson. Mr. Spear, could you add anything to that given the importance of, although only 4 percent, the importance of trucking to our country?

Mr. Spear. Absolutely. I think that, you know, the congestion is really a measurable element to your infrastructure proposal. I mentioned the fuel, the CO2, but the productivity losses to our industry and the economy, those costs are passed

on to all of us. What you eat, what you drink, the clothes you wear, the medications we take, we pay higher prices for that. The longer it sits in traffic, that is all transferring to the consumer. Very measurable.

Lost times with families, I mean, just a recent study last month -- I was testifying before the Senate Commerce Committee -- Washington, D.C. is right now ranked number two in terms of congestion; 155 hours sitting in traffic, that is an entire month. A month.

I mean, you can calculate how much productivity is lost by our workforce sitting there. And if you are a truck driver moving 71 percent of the economy, we are already short 50,000 drivers. If I am sitting in traffic, I have got to be sitting there thinking, man, I could be doing something much better with my life. I am getting paid by the mile and I am not moving.

Mr. Thompson. Thank you very much.

I am glad that the issue of disaster resilience has been injected into this hearing today. I come from a district that has had our fair share of earthquakes, fires, floods. And I know I have legislation, the Earthquake Mitigation Tax Incentive Act, and I hope that my bill and others will be thought of and talked about in this debate.

We need to do more to help communities, protect communities and our public investment in any infrastructure. And I would be remiss if I didn't point out, because this Congress played a big role in it, the flood project in my home county of Napa, downtown Napa used to flood every year. We have lost lives, lost businesses. And we had the biggest flood we have had in decades this last week, and the project worked. There were no problems at all. So we need to continue to talk about that and protect our investments.

And then just lastly, I know it is not a fix for everything, but it seems to me a national infrastructure bank is an important component as we move forward and discuss what we do with infrastructure. And if anyone would like to add to that, I would be all ears. The infrastructure part, I guess, infrastructure bank part.

Mr. Donohue. The issue of an infrastructure bank is discussed all the time. It is -- there are similar issues around the world. When you start a bank, you have got to put money in it.

Mr. Thompson. We did it in California. It was my legislation, and it has helped a lot in infrastructure investment.

Mr. Donohue. I promise to look into California's infrastructure issues. I know you have been through a lot of them.

Mr. Thompson. You guys supported it back then.

Mr. Donohue. Yeah. Thanks.

Mr. Thompson. Thanks.

Chairman Neal. I thank the gentleman.

With that, let me recognize the gentleman from Texas, Mr. Marchant, to inquire.

Mr. Marchant. Thank you, Mr. Chairman.

And I look forward to working with the committee on solutions to fund this infrastructure expansion that we are talking about. I appreciate the people back in my district. The region that I represent is a very forward-thinking region. They have a major airport, regional airport in their district, have more tollway miles than any other district in the State of Texas. We have over 100 million square feet of warehouse facilities around that airport, and major distribution points.

Our local people are engaged in this issue. They have projects stacked up.

They have projects ready to go. I have a letter here from -- signed by Mayor Franke from Cedar Hill, who serves as the chairman of the Regional Transportation Council, which is a group formed from the North Texas Council of Governments. And it is basically addressed to the Secretary of Transportation, but mainly covers items that affect the implementation of those projects once they have already reached a stage of being funded.

Mr. Chairman, I would like to enter this letter into the record, please.

And the main --

Chairman Neal. Without objection.

[The information follows:]

***** COMMITTEE INSERT *****

Mr. Marchant. The main emphasis of the letter is, other than revenue, asking that we make sure when we put together a revenue package that -- and I think it has been mentioned a couple times before -- that we not neglect the part of revising and streamlining our Federal permitting process and our Federal regulations so that we don't come up with this very elaborate revenue scheme that funds the thing and then finds out that it is almost impossible to implement at the local level. I am a former mayor, former State legislator. This is the biggest concern. Always revenue is a concern, but it is the biggest concern that we have in our district.

And if I may ask, Mr. DiLoreto, with your background as a civil engineer, can you talk to that issue a little bit and make some suggestions to the committee as to what would be categorically the thing that we ought to make sure is in this bill?

Mr. DiLoreto. Well, clearly, Congressman, the first point, of course, is the funding and we have talked about that. But you are correct, there is the issue of how we permit projects. And having had a number of projects when I was a city engineer, the process can be, you know, quite cumbersome. And so obviously, the best way would be to help us streamline and by a more comprehensive approach, and Congress has done that. Certainly, I think in the last transportation bill there was a streamlining of how we permit projects.

Certainly, ASCE I will say is not -- you know, we are not looking at let's remove some of the -- certainly the environmental considerations that we have. More importantly, it is that we try to put a comprehensive permitting process together so that we are not going to this agency and doing it and then we go to that agency and then we have to go back to this agency.

Some way that we can pull that together in a comprehensive -- and I did that on one of our major projects. Unfortunately, the project didn't get built, but we did

have the opportunity to take advantage of a -- might have been a trial program that the Federal Government was doing with the Corps of Engineers as the head, and it turned out to be a really advantageous force by having a comprehensive, unified approach to the permitting process.

Mr. Marchant. I also think that coming from a State that over the years has had a very effective design build program in a streamlined environmental impact process, not to avoid that process, but to streamline it and allow these projects to move along. And these processes, not to be, number one, number two, number three, but to move along at the same time.

Mr. Scribner, what other kind of funding mechanisms can we talk about other than just an outright new tax?

Mr. Scribner. Thank you for that question.

As I say in my testimony, I think there are barriers to some of these public/private partnerships that we have seen, including in Texas. And I think we should perhaps, not at the Federal level encourage those, although I would, but we should certainly not stand in the way of States experimenting with these projects.

They have worked very well internationally. They have worked well in the United States where they have been done on a limited basis that they have been done. But as you said, with design-build, there is no reason we should be doing design-bid-builds anymore, design-build at the least.

But I would like to see a lot more design-build, finance, operate, maintain, concession projects and bring in that private investment that right now we are just not seeing much here. But things like that, asset recycling that has been successful in Australia, these are all things that we should be looking at as opposed to just raising existing tax rates.

Chairman Neal. I thank the gentleman.

With that, let me recognize the gentleman from Connecticut, Mr. Larson, to inquire.

Mr. Larson. Thank you, Mr. Chairman, and thank you for this hearing.

I thank the witnesses.

I especially want to commend our Chairman DeFazio and Ranking Member Graves. I think they are spot on. No pun intended, but this is where the rubber meets the road here in terms of addressing the issue of taxation. That old saying, "If you want to dance, you have to pay the fiddler" could never be more true.

And I thank the gentlemen, especially Mr. Trumka and Mr. Donohue, who have been doing this for some time seemingly without Congress getting that the fierce urgency of now is present in here. And that is why I think it is so important that we take action.

Mr. Spear, I especially appreciated your comments and the emotion behind what you were saying and the frustration that underscores everything that all of you had to say with respect to infrastructure. It is shared over here. A frustration that has been building over the last 8 years of not even having, well, a hearing.

So while this may seem novel, it is certainly an extraordinary step, but it certainly will not be an important step unless we follow through with action. There seems to be general consensus here that most of you at the table would be in favor of increasing the gas tax. Is that so? Could we just go down quickly.

Mr. Scribner, would you be in favor of that?

Mr. Scribner. No.

Mr. Larson. Mr. Spear?

Mr. Spear. Without question, yes.

Mr. Larson. Mr. DiLoreto?

Mr. DiLoreto. Absolutely, yes

Mr. Larson. Mr. Donohue?

Mr. Donohue. Definitely.

Mr. Larson. Mr. Trumka?

Mr. Trumka. Yes.

Mr. Larson. Thank you.

It also seems that there was a general consensus that as we move forward also what the chairman referred to as -- and Mr. Graves especially was the VMT. Is that something, Mr. Trumka, you would favor as you look forward, first on a pilot basis and then moving forward?

Mr. Trumka. Yes.

Mr. Larson. Mr. Donohue?

Mr. Donohue. I would have to be convinced. Simply the multiplication of how you would run something like that is astronomical. If we are going to do it, let's do it after we up the fuel tax and start building some stuff.

Mr. Larson. With the qualification of after.

Mr. DiLoreto?

Mr. DiLoreto. Yes, the ASCE supports that.

Mr. Larson. Mr. Spear?

Mr. Spear. We would qualify it. I think for the next 10 years the user fee is the most viable solution for immediate income. Technology does have a role. Our industry is willing to come to the table and look beyond 10 years. If it is a VMT-like model, we will certainly want to be engaged in developing that.

Mr. Larson. Mr. Scribner?

Mr. Scribner. Yes, absolutely.

Mr. Larson. Many of you may be aware of the fact that such liberal-minded thinkers like Jim Baker, George Shultz, Kevin Hassett, Martin Feldstein, Hank Paulson, Gary Cohn, Art Laffer, Rex Tillerson have all proposed a carbon tax. Would you favor a carbon tax as you look at -- I know many of you said all things should be on the table. Mr. Scribner?

Mr. Scribner. No.

Mr. Larson. Mr. Spear?

Mr. Spear. I would not.

Mr. Larson. Mr. DiLoreto?

Mr. DiLoreto. ACSE would consider it one of the tools.

Mr. Larson. Mr. Donohue?

Mr. Donohue. An increase in the fuel tax is a carbon tax.

Mr. Trumka. We would have to see the details of it before we --

Mr. Larson. I love the Irish, you know. They are great.

Yes, Mr. Trumka. I am sorry.

Mr. Trumka. I said, we would have to see the details of it before we would commit.

Mr. Larson. Lastly, there is -- I think one of the most important things that this committee can do, and I can tell in the frustration, a common practice here in the Congress is that oftentimes these issues are debated. There is nobody on this dais that doesn't understand the urgency right now of funding an infrastructure program. There isn't a person here when asked to raise their hand and they are not for funding in infrastructure won't do it.

Then when it comes to paying for it, everybody heads for the exit. But what

you ought to be insisting on, and several of us have asked you to do this, is that if you vote no, you shouldn't be able to take the dough.

And that is what happens too often up here is that as you construct a compromise or you construct an opportunity to move forward, whichever mode that is, there ought to be some responsibility back on this side in terms of standing up and putting, if you want a project in your district, if you have roads that need to be built, you can't just vote no and say you were against that kind of tax increase but then say, oh, but I was so happy to have everything built in my district. And that can only happen when you guys step forward and hold our feet to the fire.

With that, I yield back, Mr. Chairman.

Chairman Neal. I thank the gentleman. And I would note that there are a lot of Members of Congress who have made careers out of doing what you just described.

With that, let me recognize the gentleman from New York, Mr. Reed, to inquire.

Mr. Reed. Well, thank you, Mr. Chairman.

And to follow Mr. Larson's comment, I think that concept of vote no, take the dough has evolved into the vote no, hope yes caucus of our Members. And I am seeing some of that occur on both sides of the aisle as we go toward.

So I appreciate this panel. I appreciate the conversation that we are having. And I think, to echo Mr. Larson's comments, that many of us -- it is the \$1 trillion question of how you are going to pay for it, where is the revenue going to come from. And I think what you are seeing in this debate is the classic dysfunction of Congress that we face right now. There is no trust amongst us here on Capitol Hill as well as with the White House.

And so I think the trick that we have to identify is what is that moment where we can all join hands, us in the House of Representatives, the leaders in the Senate and the Senate representatives, as well as the White House White House, because at that point in time then we all jump together and we solve this problem going forward.

And as we do that, one of the philosophical issues that I think we need to hammer down today at this hearing is there is a lot of discussion going around Capitol Hill about untying the infrastructure investments from the user-fee based model. And they are looking at these pots of money that are new revenue sources that have nothing to do with infrastructure.

I have heard legalize marijuana as the panacea for this issue. I have heard financial transactions tax as the panacea for this issue. And one of the things that struck me in your testimony, Mr. Scribner, when I read it, was you were a very strong proponent of making sure that the longstanding user-pay user benefit, fiscal principle of the infrastructure tax be adhered to.

Can you articulate to me exactly why you feel so passionately about that, and what is the downside of decoupling our infrastructure revenue sources, be it what they may be, from a user-fee system to a general revenue bucket of money to try to tie into?

Mr. Scribner. Thank you for that question. Yes, we have long supported the user-pay's principle as the bedrock for sound transportation policy. I will answer that by kind of reframing it as to what advantages does that have over general revenue appropriations.

The first is fairness. Highway users benefit from the improvements their user taxes benefit or generate, so, you know, those are the most direct beneficiaries. We

can talk about broader economic impacts, but ultimately it is the users who primarily benefit.

Second, proportionality. Users who drive more pay more. That is also an element of fairness.

Third, funding predictability. Highway use and therefore highway user revenue doesn't fluctuate very widely in the short run.

And then fourth, and I think this is important, signaling investment. Because of that third element, because revenue roughly tracks use, this provides policymakers with an important signal as to how much infrastructure investment is needed to achieve a desired level of efficiency and wear. So those are the four key advantages.

Mr. Reed. And what is the risk of decoupling?

Mr. Scribner. I think --

Mr. Reed. Does anybody -- and let me ask this on the panel before. Does anybody on the panel, from Mr. Trumka to Mr. Donohue, Mr. DiLoreto, and Mr. Spear, propose a general revenue increase in order to fund the infrastructure? Because every proposal I have read in your testimony, it seemed to be a user-fee based model. Mr. Trumka?

Mr. Trumka. We are willing to look at any funding source because the cost of inaction is more than the cost of acting. In addition to that, we will --

Mr. Reed. So you are open to marijuana tax? You are open to financial --

Mr. Trumka. We will look at whatever it takes --

Mr. Reed. Mr. Donohue. Mr. Donohue, are you willing to violate the user-fee principle that has funded our infrastructure for decades?

Mr. Donohue. I have watched --

Mr. Reed. I have only got a minute. Yes or no?

Mr. Donohue. I am not willing to --

Mr. Reed. Thank you. Mr. DiLoreto.

Mr. DiLoreto. I don't know if they are mutually exclusive. So, I mean, we certainly look at all of the revenue sources that would go in.

Mr. Reed. You are willing to decouple from the user-fee model?

Mr. DiLoreto. We want both, yeah.

Mr. Reed. Okay. Mr. Spear.

Mr. Spear. The American Society of Civil Engineers (ASCE) supports the user fee model as the preferred solution to provide revenue for the Federal Highway Trust Fund. ASCE also supports General Fund revenue that would support other types surface transportation infrastructure investment such as BUILD grants.

Mr. Reed. Okay. Thank you.

So what is the risk if we decouple, Mr. Scribner?

Mr. Scribner. I think, moving away from the trust fund and user tax model risks turning infrastructure into every other political issue that we see. And given these are massive projects, they take multiple years, billions of dollars oftentimes, that means that we are going to see dramatic costs and uncertainty spiral out of control.

Mr. Reed. And then that potential flag to the investment also is at risk, is it not, that you reference as one of the reasons why we use the user-fee model?

Mr. Scribner. Absolutely. You are going to be losing that signal, yeah.

Mr. Reed. So if you are looking for capital acquisition, capital markets to invest, especially if we go into a PPP type model, asset recycling and other issues, you are going to lose the potential revenue that people are willing to invest in there

because they are not guaranteed what that revenue to cover that cost would be. Is that --

Mr. Scribner. Correct, you are going to have a lot less information. Investors will have less information.

Mr. Reed. I appreciate that.

Very good witnesses. Thank you very much.

Chairman Neal. I thank the gentleman.

With that, let me recognize a real thought leader on the whole question of infrastructure for a long period of time, the gentleman from Oregon, Mr. Blumenauer.

Mr. Blumenauer. Thank you, Mr. Chairman. I can't thank you enough for calling this hearing. This is something I have been waiting for for 8 years. I was saddened that my Republican colleagues could not find time for this hearing when they had 404 hearings in 8 years. This is, I think, the first step to restoring the trust that Mr. Reed talks about, because I think there were some members of the committee on the Republican side that would have welcomed it.

I mentioned to Mr. Donohue and Mr. Trumka, it was almost exactly 5 years ago to the day that we were at Harvard Business School having essentially this same conversation. I presented -- Mr. Rice might remember. He was there. I presented a proposal to raise the gas tax, index the gas tax, leverage the gas tax, and then ultimately replace the gas tax with something that was more sustainable.

And those two gentlemen stole the show, gave my speech better than I did. I am glad you have had more practice and that you are here with us today. But the only thing that has changed is the Federal Government today is a less reliable partner.

The Trump administration is sitting on an EIS for a multibillion dollar project for the Gateway Project. It has been ready to go. Don't complain to me about problems with the administration and environmental regulations. They have had it sitting on their desk ready to go for multibillion dollars that is costing us, what, \$100 million a day in excess costs? We are ready to go.

It doesn't have to be this partisan. I would ask that the staff distribute a letter from Ronald Reagan, a speech he gave November 27, 1982. It was a brilliant speech when he called Congress back to more than double the gas tax. It passed with almost unanimous support. And the arguments he made today echo what we heard from at least four of our five witnesses today.

I would really ask my Republican friends and my Democratic friends to look at this. I think we can have a start of a bipartisan effort to go forward. We have a President who campaigned on a trillion dollars of infrastructure. And recently he has talked about \$1.5 trillion or \$2 trillion and has allowed that he would support a gas tax increase in some instances.

If we could have this conversation in every congressional district over the next 2 months, not with this distinguished panel but with members of organized labor, members of local chambers and businesses, trucking, the 150,000 engineers, I am convinced if we invited in to hear what America wants, what their needs are, and what they would support -- remember, we have been reminded since we didn't have a hearing, 33 States have put together bipartisan proposals to raise their infrastructure needs.

And I would hope that we could work with you and with Members of Congress to have those conversations across the country. Would you be willing to work with us to try and have those local conversations, those of you who have vast

armies of people out there? Is that reasonable?

Mr. Trumka. Absolutely.

Mr. Donohue. We are working on it already.

Mr. DiLoreto. That would be my response as we go across the country. We are there.

Mr. Spear. We are in all 50 States. We would be more than happy to have that conversation.

Mr. Blumenauer. Look forward to seeing if we can piggyback on that effort to help Members of Congress have this information.

Mr. Spear, you touched on an item that gives some people pause about equity. Could you talk for a moment about the problems that low and moderate-income Americans face now with our inaction?

Mr. Spear. Yeah. I repeatedly hear from opponents of the user-fee increase that this is a regressive tax. What is regressive is not a \$0.20 on the gallon increase, \$0.05 a year over 4 years. What is regressive is doing nothing.

Sixteen hundred dollars that I testified on that people are averaging in terms of congestion and repairs to their vehicle, that is regressive. And that doesn't discriminate no matter how much money you make. If you are making \$20,000 a year or \$100,000 a year. You are still enduring that. If you are commuting, you are enduring that.

My wife is here today. She came in for the hearing last month in the Senate Commerce Committee I testified at. She hit a pothole, \$745 damage to her minivan, one trip in. I am praying she didn't have that happen today. But, I mean, that is -- it doesn't discriminate against her or anybody else that hits that hole. It is going to do damage and you are going to pay for that.

And it is measurable \$0.20 on a gallon over 4 years, \$0.05 a year over 4 years, that is \$340 billion over 10 years. That is real money, immediate into the trust fund. You are immediately going to see roads and bridges improving as a result of that.

That \$1,600 goes down exponentially, and you are paying just over \$100 more at the pump for the entire year. That commuter on I-66, as I said, 8 days of that at average toll pays for an entire year under our Build America Fund for all roads and bridges, not just that 10-mile stretch. I mean, that is a no brainer. That is an absolute no brainer. That is equity.

Mr. Blumenauer. Thank you very much.

Thank you very much, Mr. Chairman.

Chairman Neal. I thank the gentleman.

Let me recognize the gentleman from Pennsylvania, Mr. Kelly, to inquire.

RPTR DEAN

EDTR HUMKE

[12:04 p.m.]

Mr. Kelly. Thank you, Mr. Chairman. And thank you all for being here.

Earl, I agree with you when you talk about that, what President Reagan did. But I think we have to remember when he put that price increase on the price of a gallon of gas, I think, in the early 1980's was somewhere around \$1.20 to \$1.25 a gallon. So when you start adding taxes on to current prices and referring back to things several decades ago, it is like look, let's put it in the right perspective of what it costs.

Everybody agrees, every single person agrees that we have to do it, our rails, our roads, our runways, our rivers. We have to get this done, but I think Mr. Reed was very accurate. Then the question is who pays for it. I have got one solution, we have talked a little bit about the private and public partnerships. There was a piece of legislation that I have introduced with Mr. Clay and Mr. Budd that is called the Gain Act, some of you may agree with it some of you may not. All it does is directs the Department of Agriculture to assess and sell distressed assets on the open market and return those funds directly to the Department of Treasury.

Now what would those moneys be used for. Well, we use it for infrastructure in areas of the country where nobody wants to invest not just a dime, not even a penny in poor areas. The other half of that revenue then would go to reduce our debt so it is a win-win. That piece of legislation will be out there again this year. So I would hope all my colleagues want to get on that to find a way how do we get this done without putting too heavy a burden? By the way, that costs taxpayers

absolutely nothing.

So we have talked about Mr. Trumka, you have talked about it, and Tom you talked about it, Mr. DiLoreto, Mr. Spear, Mr. Scribner, the cost of doing nothing, how much that is going to come down to.

Let me ask you also the revenue produced, by the cost of doing something, just in wage taxes alone, the other taxes that would be paid by the work that is being done, does anybody have a figure on that, what kind of revenues would come into the Treasury? Mr. Spear.

Mr. Spear. Well I can tell you from a highways and bridges perspective, we are advocating 20 cents, Tom is advocating a quarter, ours is 5 cents a year over 4 years, that is \$340 billion additional, okay additional. That is \$34 billion a year. We currently authorized into the FAST Act to do 60, you are currently bringing in under CBO 42. So you --

Mr. Kelly. Okay let me ask you though, the other ancillary increases in revenue that would take place. I am going to assume that the people fixing all of these things are going to pay a wage tax, the companies actually doing the work. Mr. Trumka, just the union members, think of the number of people that would be put the work and looking at the 12.4 percent that comes out of everybody's paycheck that streams directly into Social Security. So we are saying we are going to run out of money we better do something about it. How about putting people to work? I mean the cost -- has anybody looked at what those numbers are? I am really interested in this.

Mr. Spear. I have actually. It is about half a million jobs under the build America fund that I had testified on. In Pennsylvania that is 19,000 jobs, so we can break it down and measure exactly how many --

Mr. Kelly. Dollar and cents I think because that is what relates -- what people pick up on back home because when you talk about that sounds like a lot of jobs, what does it mean in dollars and cents, it helps shore up some of the spending that we have. So I am really concerned about that.

Mr. Spear. Well certainly payroll wages you are going to look at --

Mr. Kelly. Absolutely. That is what I am talking about.

Mr. Spear. You can be a driver coming into the Federal general Treasury --

Mr. Kelly. It is a profitable return on investment. Yeah it is a win-win across the board.

Hey one other thing when you talk about user fees, you had made a comment about user fees, the people that those who use it, should pay for it. There is another aspect about that, those who benefit from it. So there is a double combination there. And by the way, I am not taking any exception to what you said, I am just thinking, we look so much about who this burden would fall on, I think what we forget is the benefit is for every single American. It is an incredible opportunity for us to come together and do something about it.

I was looking the other day, I was talking with Chairman Brady, the number of electric cars, by the way because they are not going to pay a gas tax, right?

Mr. Spear. It is less than .5 percent of all roads --

Mr. Kelly. So there is 1 million on the road today, electric cars?

Mr. Spear. Correct.

Mr. Kelly. Projected in the United States by 2030, are 19 million. So if you don't have a user fee and we have switched from gasoline powered to electric powered, the loss of revenue because we won't have people buying gasoline and paying a tax on it. Well then if it is not a user fee, how do you replace that loss of

revenue?

Mr. Spear. Registration fees. Certainly when they register the vehicle --

Mr. Kelly. Well you have to find an alternative is the answer, right?

Mr. Spear. Absolutely.

Mr. Kelly. Okay. And we know it is trending --

Mr. Spear. And they should be captured, absolutely.

Mr. Kelly. Okay. Yeah, because I do believe that those who use it should pay for it, but also those who benefit. I have got to thank you all for being here. Mr. Donohue it is always good seeing you. Mr. Trumka, you represent a lot of really great hardworking Americans. Thank you all for being here today.

Mr. Chairman, thank you for holding this great, great hearing. Thank you.

Chairman Neal. Thank you.

I thank the gentleman. Let me recognize the gentleman from Wisconsin, Mr. Kind to inquire.

Mr. Kind. Thank you, Mr. Chairman. I want to thank you for teeing up this very important hearing today. Long overdue. And I want to thank our witnesses for your very thoughtful testimony and the work that you have been doing for quite some time to develop consensus in this country about the need for us to move forward on such an important investment.

Let me just first make a comment, you know there has been rising concern in this country about the rise of China and whether they are going to eat our cake here in the 21st century and overtake us. And I would submit that the way to beat China, the way to out compete China is by making a crucial investment in a world class infrastructure system right here in America so we lay the groundwork for long-term sustainable economic growth.

The way to beat China isn't by erecting walls and creating barriers and slapping tariffs on them. It is by investing in a world class education and job training system. So our citizens have the skills they need to compete and to be full participants in the Twenty first global economy.

The way to beat China is to win the 5-G race on broadband deployment and to invest in basic and applied research so we can remain on the cutting edge of new scientific and medical and technological discoveries and breakthroughs so we can remain the most competitive and innovative Nation in the world. That is what we ought to be focused on in order to beat China or any other rival economic power throughout the globe right now. And this is an important part of it.

We have gotten very good at this place being able to recognize the challenges that we face. What we are lousy at is developing a solution and the consensus, and how to move forward and in this case we have all been talking about a sustainable revenue source that is going to make sense. I am going to challenge you all to help me or convince me on what that revenue source should be so I can sell it back home to my district because in so many ways geography really does influence policy around here. My good friend, colleague from Wisconsin, Ms. Moore, she represents a congressional district roughly 5 square miles in Milwaukee.

My rural western Wisconsin district is a little over 4 hours from Stevens Point down to the border of Illinois. And I am going to have to be able to go home and convince my farmers, and convince families, living in rural communities, that whatever revenue source we come up with is going to be fair and is going to make sense to them.

And I would submit that all this talk about maybe transitioning to other resources, we are only going to get one kick at this can for quite some time. Look

how long it has taken us just to tee up this hearing. And so if we are going to move forward on something. This is something we are going to have to lock into with the expectation that it is going to be with us for a very long time.

And that is why I am concerned about how committed you all are on the user fee model. And whether we are on a collision course with technology and whether it is going to make sense for that low-income family in my rural western Wisconsin district on a fixed income having to drive great distances, who can't afford the electric or hybrid vehicle. And whether they are going to fear that they are going to be paying a disproportionate burden on whatever revenue source and we are going to need that help.

Mr. Donohue, you said you have a contest going out of the chamber with new revenue sources and new ideas. It sounds like you are pretty connected to the user fee model.

And Mr. Trumka, you too express support for it? How open are you for looking at perhaps a more broad based revenue source that is sustainable because I do submit to the notion that whether you are filling up a gas tank or whether you are driving in on roads or highways all of us benefit from a sound infrastructure system in this country.

So how committed are you to keeping your mind open to coming up with something?

Mr. Donohue. Well, Congressman, if you look at our statement, you would find that we segmented roads, bridges and transit, and suggested let's go and deal with the user fee. And then we said this massive, demand factor and need on airports, water systems, inland waterways, ports, et cetera, et cetera. And what we have said is we are ready to participate in 3, 4, 5, 10 creative ways to do this.

When we had the big presentation, I said what we really all want to do is what we did when we bought our first house, we want to get the biggest house we can for the smallest price, with the best mortgage, at the lowest rate, with the longest period of time. And we can do that with investors of many types from around the world to get the rest of the deal done, but right now today we are at great risk on roads and bridges and we need to move on it and the quickest way to do that is --

Mr. Kind. Since we are running out of time, I hope we also keep an open mind as far as the waterway infrastructure system of our country. I have got more miles on the Mississippi than any other Member in Congress. And, you know, the 5-G deployment in rural America is going to be a real challenge too. So broadband I think makes sense within the broader infrastructure needs of our country.

Thank you, Mr. Chairman.

Chairman Neal. Thank you.

Mr. Kelly would like to make a request of the chair.

Mr. Kelly. Mr. Chairman, without objection I would like to submit a press release on the Gain Act so that everybody take a look at this. I think this is an incredibly important piece of legislation that really answers part of our question today about who is going to pay for it.

Chairman Neal. So ordered.

[The information follows:

***** COMMITTEE INSERT *****

Chairman Neal. With that, let me recognize the gentleman from South Carolina, Mr. Rice, to inquire.

Mr. Rice. Thank you, Mr. Chairman and thank you for holding this very interesting hearing. I do believe that a lot of our problem in infrastructure comes from our incredibly overburdensome permitting process. We have been working on interstate in my district I-73 for almost 30 years now and they began the permitting process over 10 years ago.

When I got to Congress 6 years ago, it was at a standstill, it took me 4-1/2 years to get a permit and then the environmental group, Costa Conservation League waited until the 175th day of their 180 day time period and sued us and so we have been in a lawsuit for 1-1/2 years now trying to get our permit.

I think our permitting process is laughable, it makes us less competitive in the world. And I think other countries pass us by and it is a restriction that we place on ourselves. It is a noose we put around our own necks, we have nobody to blame but ourselves.

You know, I am a tax lawyer and a CPA, and I am pretty much a pragmatist. I do understand and agree that a dollar in 1993 the last time the gas tax was raised was worth a lot more than it is today. And if you expect the same level of service from a 2019 dollar that you did from a 1993 dollar, you are not thinking very clearly.

So and I do believe that infrastructure is investment, it is not spending money, if you do it properly you do get a return on that investment, but I have one huge problem and that is that I come from a fairly poor State, South Carolina and some of the counties in my district are very poor, some of them are the poorest in South Carolina. I have one county in particular with a net household income of about a little over \$30,000.

And I have two problems, one is that 20 percent of the gas tax and the people in that very poor county pay, straight off the top of transit. They don't get any benefit from that at all.

And second, South Carolina is one of I think five or six States that got back less than they paid in gas tax from the time the gas tax was put in until 2008 when we started subsidizing that. So I hear you about investment, I hear you about your return. But what do I tell, Mr. Spear, what do I -- you explain it to my folks back home in that very poor county where the households make \$35,000 a year, right? Why should they, 20 percent of their gas top off the go to subsidized high speed rail in California, the New York City subway system. The problems at the Metro system here in Washington, why does that make sense for them?

Mr. Spear. I think the best way to do it is to look at what they are currently paying to repair their vehicles because of damage endured by roads and --

Mr. Rice. Twenty percent of their gas tax goes straight off the top to transit that they get no benefit from whatsoever. Why should they agree to pay that?

Mr. Spear. Well, it is a question for the T&I Committee, Chairman DeFazio understands the current FAST Act authorizes up to 20 percent of the Highway Trust Fund to be spent on nonhighway projects. We personally, you know, pay half the tab in the trust fund as the trucking industry, only 4 percent of the vehicles on the road. We would like it all to go to roads and bridges.

Mr. Rice. Mr. DiLoreto, how would you explain to these very poor families in South Carolina that they should be subsidizing these rich projects, in rich States.

Mr. DiLoreto. I think I would take a different tact on it. The one thing we know is that regardless of where you live, men will outlive their ability to drive by about 7 years and women will outlive their ability to drive by 10 years. So whether

you live in any particular part, at some point you are going to need some kind of service other than you getting in your car.

Mr. Rice. Well I can say that it doesn't exist in these poor counties right now.

Mr. Donohue, how would you explain to them why they should subsidize these very expensive projects in these rich States.

Mr. Donohue. You may not like my answer, but the reason that people from the trucking business, people from all over agreed to make -- let those funds go to transit is you need to do that to get urban votes for rural roads.

Mr. Rice. Okay. So you are saying that is the only way they can get it across the line?

Mr. Donohue. Well I think we would all be harder pressed to get what we need here if we couldn't get urban votes for rural roads.

Mr. Rice. Mr. Trumpka, how do I explain to these very poor folks back in rural South Carolina why they should be taking 20 percent of their gas taxes off the top to subsidize transit in these very rich States.

Mr. Trumka. Well, I haven't looked at your State specifically, but I would look at the overall intake and outtake, because there is a lot of States that get more in than they get out --

Mr. Rice. South Carolina gets 96 -- before the trust fund went negative and the Federal Government started to subsidize it, South Carolina was getting 96 cents back for every dollar it put in the gas tax.

Mr. Trumka. I am not just talking about the trust fund but taxes in general, because you may give some more here and get something over here. I would like to look at that.

But I would also tell them this, the cost of inaction is costing them as well

because the products that they buy takes more time to be delivered, they get -- have to have higher prices an they are paying through the nose for not having all of that done. Look, I talked before I was asked about funding sources and I think Member Buchanan asked Tom how much he thought it would take. I tell you what we think our figures are.

We think it will take \$2 trillion to bring the infrastructure up to a good state of repair and another \$2 trillion over 10 years to bring us into the 21st century. User fees are only going to be a part of that. We are going to have to fund a part of that some other way and you may, your Members and I know about the poor rural counties because I come from one right next to the poorest in Pennsylvania, they will get subsidized in another way.

Chairman Neal. I thank the gentleman.

I yield back.

Mr. Rice. Thank you.

Chairman Neal. Let me recognize the gentleman from New Jersey
Mr. Pascrell.

Mr. Pascrell. With all due respect to my friend to the chair, Mr. Rice, if we follow that path, go down that path, we are not going to go have anything, take my word for it. That is what -- the big argument we had in the "tax reform," quote unquote of December of 2017. If we are going to work together, let's work together. Do you know how much New Jersey gets back for every dollar it sends down to Washington? Do you know how much North Carolina gets, West Virginia, Louisiana? How can you sit there and say people have to know what they are paying on, I want to know how come I am sending all the money to Louisiana. We are one Nation. If Eisenhower would have felt that way, we wouldn't have the Interstate Commerce

Commission, we wouldn't have the interstate highway commission and you know it and I know it. That is absurd, absurd thinking. With all due respect.

Many today have rightly focused on the need for improving a national embarrassment, that is our D plus infrastructure. You mentioned that. We have heard about the budgetary gimmicks and shell games as we have failed to make hard choices about the crumbling infrastructure. Congress cannot continue the game we are suffering the consequences.

There are many pressing funding infrastructure projects in the State of New Jersey. We have 229 dams that are high hazard potential, that is already point \$.5 billion in drinking water needs. Three hundred million in unmet needs for our parks. Well, you shouldn't have so much taxes, you should be cutting this. There are all different States, one union, they are all different States that have different needs. The density of population has a lot to do with what your tax form is. Lower your taxes then, stop complaining, we are doubled taxed now, now that you did what you did on the salt deduction, the oldest deduction in the history of the country. I hope you are proud of it.

Failure to build infrastructure programs like gateway will negatively impact generations of people up and down the eastern seaboard and cost our economy hundreds of millions of dollars.

Mr. Donohue, I understood exactly what you were saying and doing when we had the big fight over the import-export banks. A lot of Democrats voted and for that. A lot of Republicans said we don't need it. Look at the money that is going to these companies. I remember that battle. The chairman stood up. And I am very proud of the chairman. I hope you will think about some Democrats down the line who are trying do the job as well as the other side. In all due respect.

Mr. Donohue. You may have noticed that we have made some changes in the way we are calculating our support.

Mr. Pascrell. Yes, yes. We have no shortage of bipartisan solutions, the art tunnel is something that is right before us it effects millions, and millions, and millions of people. In previous Congresses I offered a proposal to raise the gas tax and of course indexing of the gas tax with former member of this committee, Congressman Joe Renacci, and he was no wild lefty, I can assure you. It was never acted on. You didn't don't want to touch it, it is like a hotwire. You don't even want to talk about it. Now we have gateway in the portal bridge projects that receive bipartisan and regional support. The issue is the President, our President, I might add, holding up one of the most important infrastructure projects in the Nation for no reason other than a petty spite we have come to associate with this president.

How else do you explain it? Give me something algebra or geometry to explain it. Infrastructure investment has a higher return on investment that almost anything Congress can do. It has direct bearing on the daily lives of most Americans, every dollar of infrastructure investment creates more than \$3 in economic growth.

And I wanted to ask you Mr. Trumka, can you talk about why making the infrastructure package a reality is so important to the labor community? Why is that so important?

Mr. Trumka. It is important for a number of reasons. One, it creates jobs, it is a massive job creator. Two, it is a good paying job, those are good paying jobs, construction jobs so it helps contribute to the economy. Three, those jobs will offer a pathway out of the communities for disadvantaged people of color. It offers them a pathway out and a career for life quite frankly of having a trade. All of those makes our lives a whole lot easier because we put too many hours on the job already and

adding another 97 hours stuck in traffic and not being with our family, not coaching Little League, not going to church, not doing a number of things makes the quality of every American's life less than what it should be, could be, and will be when we correct this problem.

Mr. Pascrell. Thank you and thank to the panel. Excellent panel. Thank you, Mr. Chairman. Ms. Chairlady.

Ms. Sewell. [Presiding.] The chair recognizes Mr. Schweikert of Arizona.

Mr. Schweikert. Thank you, Madam Chairwoman. You look good in that seat.

Ms. Sewell. Majority has its privileges.

Mr. Schweikert. I love this subject because I see it as a bit of a puzzle. Let me share with the panel and my fellow members, I see it as a financing issue, a technology. And then we are going have to deal with permitting litigation, those sorts of things.

First on the financing, and Madam Chairwoman, I would like to actually just submit for the record, it is basically it is something from the Center for Capital Markets about the amounts of insurance capital that would be available. In part with -- with no objection.

[The information follows:]

***** COMMITTEE INSERT *****

Ms. Sewell. Without objection.

Mr. Schweikert. One of the reasons for putting it in the record is we have on occasion we will hear do we need infrastructure bank or those things. Capital isn't our problem. It is silos to pay it back, it is what is the mechanism to pay it back. There seems to be plenty of capital floating in our society in the world right now for infrastructure. It is what is your channel for paying it back.

Mr. Donohue, you actually touched on and I just want to understand it better. You had a working group that was actually discussing creative ideas.

Mr. Donohue. We went out to a broad range of people, professionals down to students and said we are very interested in ideas that would help us look forward in innovative ways on every type of financing you could think about. We have gotten back an unbelievable number of reactions and suggestions. We are sorting through them. We are going to pick the best and give some financial prizes. And then we are going to bring them to this committee and see if you can make something out of them.

Mr. Schweikert. Mr. Donohue, can I show my one concern, I asked you to sort of broaden your horizon because financing is one of our mechanisms, where do we get the revenue to pay, particularly if we use bonded indebtedness or those things. But I will also argue that the technology revolution that is happening and I know this is sometimes tough for the engineering world, those things how do you bring technology, engineering, financing, these mechanisms together? Quick thought experience what will mass transit look like in an urban area 15 years from now? Will you be waiting for a bus? Will you be waiting for the light rail? Will we be waiting for the autonomous ridesharing vehicle to come grab you? I believe it is the latter. In that case, the design of what you finance into will look different.

For many of us who care about rural broadband. We are right now launching the mini satellites, the solution for rural broadband is flying up in the sky and being organized right now. The solution is already here, that one has been solved, but we don't seem to catch up in our debates and discusses around here fast enough for how even something as simple an app like Waze, and its ability to build layers of a smart community.

How do you actually make technology part of this infrastructure discussion because there is some data out there that a smart city design will have dramatically more impact as a single item in urban traffic than almost anything we actually do.

The last one I want to sort of touch base on, and this one is sort of open to the panel, how do we make the efficiency of a permitting process go faster. We in Maricopa County, which I accept as, you know, large urban populated county, we paid ourselves for the vast majority of our freeway. We missed the gravy train of the interstate highway system. We did it ourselves. We put a half cent sales tax on ourselves, bonded it up, built, bonded it up, built and vast the majority of our -- but we had one that took 25 years to eventually break ground on because of litigation, environmental, back to litigation, back to another environmental. Anyone here with a brilliant idea of how to shorten that permitting process?

Mr. Trumka. First of all there are many steps for permitting that are important and necessary. In too many instances in fact they do take too long and we would favor streamlining that.

I would point to one thing, though, a number of permitting reforms were included in the last surface transportation act bill, the FAST Act. They have not yet even been implemented.

Mr. Schweikert. But do they still --

Mr. Trumpka. So we would like to see those reforms implemented -- and then were are open to join in other reforms.

Mr. Schweikert. Thank you for pointing that out. There are still holes on litigation side of different levels of litigation can drag things out.

I know I am down to my last few seconds, but --

Ms. Sewell. The gentleman's out of time.

Mr. Schweikert. With that I yield back.

Ms. Sewell. Thank you.

Mr. Davis.

Mr. Davis. Thank you very much, Madam Chair. And I want to commend the chairman for calling this hearing and I want to thank all of the witnesses who are here.

I am excited about so many aspects of what this bill will actually do as we do it. Of course job creation is one aspect and I am seriously excited about that. I am a strong ally, Mr. Trumka, of labor. And I support project labor agreements on construction activity, but I also served as chair of the Subcommittee on Worker and Family Support.

And I am interested that with any Federal investment that individuals go often left out of the labor market get an opportunity to participate, that is foster youth, individuals who have been trained in Job Corps, individuals who have not reached the point where they have union membership or connection to actually get into the union. How do we find ways to bring more of this disadvantaged workforce into the opportunities that would be created?

Mr. Trumpka. I gave an expansive answer at the beginning of that with the chairman. What we are doing is two other things, that I didn't talk about, 68 percent

of our graduates last year were people of color out of our apprenticeship program. But we are going back and doing preapprenticeship training to give people the skills necessary to pass our entrance exam and then succeed in our program, that is being highly successful.

In addition to that, we have a program called Helmets to Hardhats, we are going into people coming out of the military, and that is a large percentage of women and people of color and bringing them directing into our apprenticeship programs, giving them the skills that they need to succeed.

In addition to that we retrain every couple of years. And one of the best kept secrets in America is other than the military the United States labor movement trains more people every year than any other entity out there. And the growing number, as I said, a growing number of people of color, people that have been disadvantage, people who have had the door shut on them. I also want to emphasize just one other point, people, minorities and people of color are being forced out of the cities, they are being forced to move further, and further, and further away from where many of those jobs are located. The transportation system, the transit system that could be created is absolutely essential for them to be able to get to the opportunities that we create, not only with this program, but with every other program out there.

Mr. Davis. Well Mr. Donohue, let me ask you, I commend you and the chamber for the leadership that you have provided and continue to provide on this effort. We used to have something called the access to jobs program, reverse commute. As a matter of fact, oftentimes job opportunities are located where people are not, and getting those people to where the jobs are becomes challenging and difficult. The access to jobs notion was a program that provided resources quite

frankly through the transportation field for individuals to go where the jobs were. And to be compensated in the process of doing it. How many of you react to that kind of effort in the bill?

Mr. Donohue. We have to do two things at the same time. Number one, there are people still looking for jobs. Many of them are in smaller communities across this country, about 400 communities, and they are not about to leave, but the jobs have left. And we are working very hard with our companies to try and get individual companies to go to some of those places and set up jobs, because those folks are not going to leave. They have got 5 years left on the mortgage and junior and his family lives in the basement. And you go through the whole system, we are going to see if we can get jobs there.

But other than that, those kinds of circumstances, we are generally short of people. We have the lowest unemployment rate in 60 some odd years. And there are some people not prepared to work and I give a lot of credit to what Mr. Trumka's talking about in his pretraining training, to get people up to speed on mathematics, and reading, and things of that nature, which you absolutely need now to work. So we are looking for people and we are going have to do the things we discussed to get opportunity where people are located. What we basically have we have people without jobs and lots, and lots, of jobs without people. And it is a challenge for everybody in this room.

Mr. Davis. Thank you very much Mr. Chairman. I yield back.

Chairman Neal. [Presiding.] I thank the gentleman.

We are going to proceed now to two for one, based on the majority, minority which is a part of precedence of the committee. So I would recognize Ms. Sanchez and then we will go to Ms. Walorski.

Ms. Sanchez. Thank you, Mr. Chairman. And I want to thank all of our witnesses for joining you today. And I am glad that we finally had the opportunity to address this urgent issue that should unite Americans across party lines and across demographics. We all know that our infrastructure is crumbling, but I want to emphasize that infrastructure includes more than just massive highway projects. Infrastructure also includes millions of city roads and bridges that are our local government don't have the capacity to build on their own. It even includes maintenance of schools, homes and other buildings. There are many pieces to that puzzle. And if any of those pieces of puzzle are missing, it grinds our economy and our way of life to a halt.

We take for granted public services like energy transmission, flood prevention, safe drinking water and everything in between. Yet they are all dependent on systems that were built as far back as the 19th century and that desperately needs our investment.

So whether you live in an urban, suburban or even a rural community. Investment in infrastructure is something that will benefit everybody. In my district for example one of most urgent priorities is the repairer of the Whittier Narrows Dam which with a built in 1957 and protects more than a dozen cities in Los Angeles county from flooding.

Another is a very small bridge that was built in 1965 that connects Los Angeles and Orange Counties that is structurally deficient but carries more than 20,000 vehicles a day. There are stories like this in every one of our congressional districts. If the economic benefits alone aren't enough to muster the bipartisan support we need to build a 21st century infrastructure, then we should at least be able to do so to do a fundamental thing that I think should be our number one

priority and that is protecting the health and the lives of our constituents.

So Mr. DiLoreto, I want to start by focusing on the backlog that is facing the U.S. Army Corps of Engineers. In your testimony you noted that the current rate of investment -- that at the current rate of investment it would take more than 50 years to repair our Nation's dams and levees. As extreme weather conditions and events become more frequent as a result of climate change, how likely is it that we will experience loss of life as a result of that backlog if we don't start doing something immediately?

Mr. DiLoreto. Well, certainly the list goes up if we don't start replacing those. Those are high hazard dams that I am pretty sure you are talking about, high hazard dams mean that they have life below the damn. And so those are at risk. And clearly the longer you wait, the more the opportunity occurs for an event that will cause those dams to fail. And we haven't been investing enough in those particular projects to allow. We have one in my own neighborhood that we have been working or for 25 years now, kind of the same problem.

Ms. Sanchez. And Mr. DiLoreto, I happen to be card carrying member of the IBEW. I am very proud of that. And so I know how much we take our electric grid for granted. California has been a leader in developing renewable energy and improving energy efficiency. What is the Federal role in ensuring our electric infrastructure is modernized and able to support the emerging technologies like electric transportation, energy storage, and distributed generation?

Mr. DiLoreto. Yes, again, thank you for the question. One of things I will say and it kind of goes to the other side of your conversation, one of the areas that we have found with the electrical grid is that while the electric companies tend to be privately owned and they tend to have the revenue, they tell us that their issue is the

ability to permit projects, that that takes them a long time to complete the electric grid. And so anything that you can do to help them is not such for their money it is more regulations for them.

Ms. Sanchez. Thank you.

And finally, Mr. Trumka, I wanted to just give you an opportunity to respond. There was a response to a question by my colleague Mr. Smith where a witness alluded to the down sides of increased union workers doing work and I would like to you address that if you could. Are there down sides to using union labor?

Mr. Trumka. There are no down sides.

Ms. Sanchez. Microphone please.

Mr. Trumka. Union labor is the most skilled. One other thing he said was --

Ms. Sanchez. And the safest.

Mr. Trumka. Absolutely. He said that in low density areas it would increase cost. But what he fails to understand, he doesn't understand the principle prevailing wage, because you take the standard that is there and that is what is required, not a higher wage, but the standards that already exist.

Ms. Sanchez. In the community --

Mr. Trumka. That is to prevent the Federal Government from using its buying power to drive down wages as opposed to driving them up.

Ms. Sanchez. And as I have been on many union construction sites where the safety records are top most in the industry. I agree that you save costs by using more careful, more safely, more skilled workers.

Thank you and I yield back to the chairman.

Chairman Neal. I thank the gentlelady.

With that, I recognize the gentleman from Indiana, Ms. Walorski to inquire.

Mrs. Walorski. Thank you, Mr. Chairman and Ranking Member Brady for holding this hearing. I look forward to working with you both of you and the rest of my colleagues to find ways we can enhance our country's infrastructure. Thank you to all of our guests as well.

We all know too well the Highway Trust Fund is a difficult issue, and we have neglected it for too long. The National Association of Manufacturers last week released a report that said we need a reliable user based long-term funding stream so that families, drivers and manufacturers can have the safe efficient highways they need and to that I absolutely agree. I have one of largest manufacturing districts in the country.

We need to stop budget gimmicks to keep the trust fund afloat. We need to focus our energies on financing infrastructure projects for the sustainable funding stream, while also addressing burdensome regulations and permitting requirements that run up costs and delay projects.

So with that, Mr. DiLoreto, the FAST Act included several provisions to improve the condition of performance of the national freight network and to support investment in freight related surface transportation projects. What is the status of our national freight network? And what is the biggest area of need we need to ensure our national freight network is not hindering the flow of goods.

Mr. DiLoreto. The biggest concern in freight and certainly my colleague here on the panel will tell you is the congestion that each one of those trucks face trying to get to a port to deliver their goods, or picking up their goods and taking back to market. And not only are they sitting in traffic, but so are the people that work at those facilities that are sitting in traffic. So if we look at that secondly we have the issue of the facilities themselves, the bridges and the highways that all of those

freight networks have to go over.

Mrs. Walorski. Building on that FAST Act we need to think about about how to fund such critical investments in our infrastructure and our economic security. Do you think a freight vehicle miles traveled, the VMT that flows into priority freight corridors has the potential to replace the gas tax? Mr. DiLoreto.

Mr. DiLoreto. It certainly can be one of the options. At this point we are looking at a way to to get funds in here to fix these problems today, and those kind of ideas take a number of years to put together.

Mrs. Walorski. Mr. Scribner, my colleague Representative Blumenauer and I recently reintroduced the Move America Act, which creates move America bonds to expand tax exempt financing for public/private partnerships and move America credits to leverage private equity investments for States. Do you believe allowing States to leverage expanded tax credits will provide needed boost in resources to ease the strain of State and local governments?

Mr. Scribner. Yeah, I do think increasing financing options certainly relieves some of the pressure on traditional funding channels.

Mrs. Walorski. Do you know of any other funding mechanism that we can build on to help infuse private capital into those infrastructure projects?

Mr. Scribner. Well, as I said in my testimony, I think if we want to see a lot more private sector investment in these public purpose infrastructure projects, the big one to tackle would be eliminating the private activity bond volume cap which is currently set at \$15 billion and more than two-thirds of that has been issued or allocated to date.

Mr. Walorski. Thank you, Mr. Chair. I yield back.

Chairman Neal. I thank the gentlelady. With that, let me recognize the

gentleman from New York a terrific advocate. And really presents compelling arguments. As it relates to infrastructure. Mr. Higgins.

Mr. Higgins. Thank you, Mr. Chairman. The issue of infrastructure in terms of the bricks and mortar, there is no dispute. There is universal and and acceptance of the urgency to invest in American infrastructure. Now the user fee model is predicated on -- it is an activity that should be paid for by the users of the activity. Providing there is no larger benefit. And I will give you a couple of examples. I just think that we are stuck on this user fee idea, or as Mr. Donohue said, no cash, no dash.

We have paid \$240 billion rebuilding the roads and bridges of Iraq and Afghanistan. This was all deficit financed, and we were told that there would be a user fee imposed on the revenues of Iraqi oil, that never materialized. So American taxpayers are stuck with that bill. No return on investment. The U.S. corporate tax cut of \$1.5 trillion over a 10-year period will never recapture the economic growth, everybody's analysis who matters has concluded that. Best case scenario for every dollar that you give away in a corporate tax cut you get about 32 cents back in economic activity. That is a 68 percent loss on investment. Infrastructure is different, infrastructure is different.

Mr. Trumka, in his opening comment talked about a 3 to 1 ratio growth to cost ratio. So that is for every dollar that you invest in infrastructure you get \$3 back in economic growth. All right? So if you were to spend \$1 trillion over 5 years, that would result in \$200 billion in each of the 5 years, \$200 billion and a \$20 trillion economy represents 1 percent economic growth. And add the military multiplier effect of another \$400 billion you are at 3 percent economic growth for infrastructure alone.

And when that 3 percent economic growth for each year over the next 5 years based on infrastructure investment on top of what economists forecasts growth to be about 2, 2-1/2 percent, you are in the 5 percent range. The last time the American economy had that kind of sustained economic growth we did not have budgetary deficits, we had a budgetary surplus. We had a lot of money to invest in education, scientific research and other things we have seen -- view are important.

Most economists believe that the greatest return on investment is infrastructure. We create good jobs, we make the the economy function that much more efficiently, and it seems to me that we shouldn't be stuck on the user fee, we should have had a user fee for the corporate tax cut because that didn't pay for itself. This does.

So however way we do it -- and look I know there will be a pay-for in some way, but I just think that we need to focus on the growth that would occur and the growth that has been deferred for the past 20 years when in fact we were investing hundreds of billions of dollars in Iraq and Afghanistan to reconstruct roads bridges and not here in America.

Mr. Trumka.

Mr. Trumka. Well, your analysis also didn't add in the savings of roughly \$2,000 a year for traveling that would be spent on other things that would also spur the economy even more. We are at a crisis here, \$200 billion a year for 5 years that is about half of where it needs to actually be. Because we think it takes \$2 trillion over 10 years to get us up to good working order and then another \$2 trillion almost over that same 10 years to get us into the 21st century where we have a grid that is more dependable and actually more efficient and saves money and transmission than do a number of other things.

We also, I know you are very, very interested in the use of technology and we are undergoing we the labor movement are undergoing a futures project right now to determine where the economy is going and where work is going and how we plug in artificial intelligence robotics and other types of technology, how that will effect us, how that will effect the economy and how that will effect actually the American society.

Mr. Higgins. Thank you, Mr. Chair. I yield back.

Chairman Neal. I thank the gentleman. With that let me recognize the gentlelady from Alabama, Ms. Sewell to inquire.

Ms. Sewell. Thank you, Mr. Chairman. I am so excited today that we are finally talking about a subject that I think actual unite -- it should unite Republicans and Democrats because of the urgent need we have in fixing our infrastructures across the board, whether you live in rural Alabama or you live in urban New York, infrastructure effects everybody's everyday life.

I would actually like to point to a problem I am experiencing in my local rural communities and that is the issue really of public health crisis in water and sewer infrastructure. This is basic infrastructure. And in America in 2019 there are parts of my district Lowndes County, Alabama, for one, Perry County, Alabama where some of my constituents live in remote locations that are not connected to the water and sewer lines of the county or the city so decentralized areas where sometimes people inherit land and put trailers on those lands and create little small enclaves on that land and they are using septic tanks if they can afford it, and some using straight pipe. And we all know that with straight pipe there is a problem of the waste leaving their domicile but going outside and puddling in the soil, sometimes flowing into the local streams and it is a serious public health crisis.

And I notice that in your testimony, Mr. DiLoreto, you actually spoke about that. I would like for you to espouse upon the real public health costs that are associated with our crumbling infrastructure when it comes to water and sewer.

Mr. DiLoreto. All right. Well thank you very much for the question I actually got a call I think it may have been from your area or Louisiana where they had a water crisis because the people in that rural couldn't drink water. And guess what they have to do? They have to go buy bottled water, which is anywhere five to ten times the price of if we put in a public water system for those folks.

I know that we have worked we -- and when I say we, in my area in Oregon we have worked with some rural counties and the Department of Agriculture has had programs that we were able to tap into to help those small rural areas develop some public water systems. But clearly it is a public health issue and we owe more to our life expectancy in this country to save drinking and waste water to any medical procedure that ever came along.

Ms. Sewell. Absolutely. And I also notice in your testimony you talked a little bit about the importance of public-private partnerships in particular. I was a bond lawyer before I was a Member of Congress. And I have to tell you, making sure that we do what we can on this committee to promote, advance refundings, to lift the cap or eliminate the cap on private activity bonds all of those are ways that we can actually help spur better public-private partnerships in there. Would you talk a little bit about the importance of really investing across the board in municipal financing in helping with the crumbling infrastructure that we are seeing.

Mr. DiLoreto. Right. And certainly as someone who is a sitting engineer I took advance of municipal bond market many times. And the fact is any of the costs we incur infrastructure gets passed on to the people what use them, particularly in

the water and waste water. So the cheaper we make those costs is the cheaper they are going to be able to afford those water and waste water projects, it is just that simple.

Ms. Sewell. Mr. Spears, would you like to add to that? Because you talked about build America fund, which is very similar to build America bonds and other things that will really help to spur that.

Mr. Spear. We are supporting 71 percent of the domestic freight in the country so in terms of the supply chain it is very instrumental. This kind of speaks to Mr. Rice's question earlier about how interconnected infrastructure, modes, States, congressional districts really are. If you look at the heat maps that I put in my testimony, you get a really good example how even the most rural poorest communities are served by states 600 to 1000 miles away within 3 to 5 days. So our industry is very vital for gluing that together and making sure that even the most rural poorest communities are getting cost contained goods and products as quickly as you can. So --

Ms. Sewell. Mr. Scribner, you talked about private activity bonds in particular. Could you talk a little bit more about that? I know that two-thirds are already -- two-thirds of the \$15 billion have already been allocated and God knows they never make them their way to rural parts of this Nation but could you talk a little bit about that?

Mr. Scribner. Yeah, I think this allows more sort of alternative construction, management, financing options. It brings more to the table than you can do with just traditional funding. And ultimately really what I want to see and I am sure many here do as well, but shifting the risk away from taxpayers, both construction and financing risk and on to investors. I think that is a major benefit to these types of

programs that you can't get through traditional --

Ms. Sewell. Mr. Chair, I just really wanted to say it is about thinking holistically so it is being comprehensive in how we go about funding our crumbling infrastructure.

Thank you very much.

Chairman Neal. Thank the gentlelady.

And let me recognize the gentleman from Illinois, Mr. LaHood.

Mr. LaHood. Well, thank you, Mr. Chairman. And I want to thank you for holding this hearing today. I want to thank all the witnesses for your valuable testimony here today.

And my district in central Illinois is kind of a poster child for infrastructure, roads, bridges, rail, locks and dams on the Illinois and Mississippi rivers and transit. And you can't drive down a road or go across the bridge or navigate your way down the Illinois river without seeing the need for infrastructure.

According to the American Society of Civil Engineers of 10 infrastructure categories, seven are in mediocre condition and three are in poor condition. My constituents and people all across this country deserve better. And we have heard a lot today from both sides on the need to upgrade our infrastructure, but of course how do you pay for it? That is the big issue that we have to deal with. And I think any reasonable person knows that it is going to take a multifaceted approach with the support from local, State and Federal governments along with the private industry in partnership between all these entities to get it right.

And I want to bring attention to one of those partnerships in particular, it is between the insurance industry and those looking to finance infrastructure projects. Not only do I have a heavy ag and manufacturing presence in my district, but I also

enjoy representing large insurance companies, State Farm Insurance, All State, Country Financial, and Carthage Mutual Insurance Company. The numbers are staggering. Of the \$5.8 trillion in investment assets held by insurers, \$986 billion are held in municipal securities that are issued to fund our roads, schools, and hospitals. Insurers also directly invest in infrastructure projects having provided \$26 billion or 6 percent of all private infrastructure investment in 2016.

Insurance companies investments in these types of bonds create additional demand for these types of financial products which in turn lowers the borrowing costs for cities, counties, and States to fund highways, schools and sewer systems. This ends up being a win win for everyone.

Mr. Donohue, the U.S. Chamber of Commerce released a paper just yesterday titled the role of insurance investments in the U.S. economy. And Mr. Chairman, I would like to submit that for the record here today.

Chairman Neal. Without objection.

[The information follows:]

***** COMMITTEE INSERT *****

Mr. LaHood. Thank you.

Mr. Donohue, would you mind providing to the committee a high level overview of this committee report and its conclusions?

Mr. Donohue. I would be very happy to see that such a summary comes very quickly. But to tell you just in one sentence when we put together the equation on how we are going to do this, investment by domestic and international insurance companies will be part of the solution.

Mr. LaHood. Thank you. I was wondering if anybody else would care to comment on the role of potential insurance investments?

Mr. DiLoreto. Thank you. The only comment that I would make is if you look at the report that we have done at ASE we consider all openings open and they do have a great amount of capital that can be brought to bear. Again at the same time though they expect to earn some money and be repaid for that investment. So it is another tool and as you start to look at this entire equation you have got to look all of these and include them.

Mr. LaHood. Thank you.

Those are all my questions, Mr. Chairman.

Chairman Neal. I thank the gentleman. With that let me recognize the gentlelady from Washington State, Ms. DelBene.

Ms. DelBene. Thank you, Mr. Chairman. Thanks for holding today's hearing on such an important topic and thanks to all our witnesses for being here.

I have the privilege of representing a very diverse district is that has both urban and rural areas. Due to the makeup of my district a very unique set of issues need to be addressed when we talk about infrastructure. And in addition to insuring the sustainable and safety of our bridges, roads waterways and dams, I am happy

that we are here today discussing how to invest additional money into our crumbling infrastructure.

But I would like to highlight one area that is often left behind and that is broadband and in particular rural broadband. It is estimated that 32 million Americans lack access to robust broadband. This is completely unacceptable in a world where the internet is a key driver of economic growth and innovation in all sectors.

Rural America is being shut out of emerging opportunities for prosperity and growth created in our modern economy. And in my State alone there are nearly 366,000 people my State which is a technology State, nearly 366,000 people without what the FCC deems as adequate internet service.

And, you know, when we -- this has been impact on our transportation infrastructure as well. Some of you were talking about the cost that we are all paying for infrastructure, whether it is fixing your car when it hit a pothole or the cost of being in traffic, but there is also a cost of not having adequate broadband that means people have to make trips they otherwise wouldn't have to take. It means lost opportunities where there is not economic opportunity because a business can't move into an area because the infrastructure isn't there.

So Mr. DiLoreto, I see in your report that you have given the Nation's electricity and transmission lines a D grade. I believe many in my district would also describe access to broadband as receiving an F grade. But in order to solve that rural, broadband problem, first we need a complete and accurate picture of the problem. And unfortunately the national broadband map hasn't been thoroughly updated in years. And we can't really solve a problem if we don't have the data and understand the size of that problem.

First, Mr. DiLoreto would you be supportive of allocating infrastructure funds to updating and maintaining the broadband map? And do you agree that this is an urgent problem?

RPTR ZAMORA

EDTR ZAMORA

[1:04 p.m.]

Mr. DiLoreto. I am not sure I can speak one way or the other. We don't include broadband in our report because, typically, civil engineers aren't doing broadband. And so our experts that do the report tend to be experts in those 16 categories. So I am probably not the best person to ask.

Ms. DelBene. No, that is fair.

Mr. Donohue, what do you feel about rural broadband given there is so many missed economic opportunities there?

Mr. Donohue. We are -- we have a responsibility to work to put adequate coverage in the rural areas for broadband. Whether it belongs in infrastructure spending of this type or it comes out of requirements on the other industries that are very involved in this, which some exist now, is a matter that is going to have to be discussed.

I am very sensitive, from an education point of view and from a medical point of view, to this expansion of broadband and would be happy because we cover all these other subjects to participate in those discussions. I just wouldn't want to say right now this is the place that those funds should come from.

Ms. DelBene. You know, I think broadband -- rural broadband is basic foundational infrastructure for every sector of our economy. And so, Mr. Trumka, what do you feel about the investment in rural broadband and where we should make -- or should we make it a priority and where should those resources come from?

Mr. Trumka. I think absolutely we need to make it a priority. I come from a rural area and I know what happens. Experts are now warning of the broadband gap in which rural and low-income communities suffer from a lack of infrastructure to deliver reliable, fast internet referred to as broadband. So we would welcome that opportunity.

And I would just, if you wouldn't mind, just add one other thing. We have talked about infrastructure, but one of the infrastructures we didn't talk about today and I think needs to be mentioned is our crumbling school systems. The physical plants of our schools are deteriorating.

In Congressman Evans' district, children are going to school without heat, without air-conditioning, asbestos, lead paint, and a number of things. We need to focus on that. And generally, it is rural schools who fall behind because of the way those systems are funded.

Ms. DelBene. Thank you for adding that.

I yield back, Mr. Chairman.

Chairman Neal. I thank the gentlelady.

With that, let me recognize the gentlelady from California, Ms. Chu, to inquire.

Ms. Chu. Thank you.

I would like to draw the committee's attention to the need for investment in our freight rail network, and I would like to address this to Mr. DiLoreto. My district in southern California sits near the ports of Los Angeles and Long Beach. Forty percent of the imports that come from those ports go to the rest of the Nation, and 25 percent of the Nation's exports go back out to other countries through those ports.

Most of those products then go through freight rail lines through my district in the San Gabriel Valley, one of the most congested areas in the Nation. Unless fixed, there are excess emissions, train horn noise, and the potential for collisions. And by 2040, there is expected a dramatic increase. The ports are projected to handle about 35 million units of cargo, which will generate close to 120,000 truck trips per day. That is nearly double the current levels.

Of course, we have some that are working on this. The Alameda Corridor-East Project, or ACE, is responsible for constructing grade separations to facilitate the movement of all these freight trains through this urban area. They have constructed 19 grade separations, and more than \$1.6 billion has been raised by them from regional, State, Federal railroad programs and sources, other sources. However, the Federal contribution stands at less than 15 percent despite the national significance of this goods movement through this corridor.

So, Mr. DiLoreto, can you discuss the importance of maintaining and improving freight rail corridors, especially those near our Nation's major ports? Is this need expected to grow? And how can the Federal Government further invest, not only directly in freight rail but also projects like ACE that support the national freight network?

Mr. DiLoreto. Yes. Thank you. Well, in our report card, good news with all the 16 categories was freight did receive the highest grade, grade of B. And those were experts in the freight rail industry that sit on the report card, look at the data that is out there, and analyze it and get a grade.

I mean, we have 5 million tons of freight delivering approximately 85,000 passengers also a day, and they -- the freight rail owns a vast majority of it. But they spent \$27 billion in 1 year in freight rail improvements. Now, I can't talk about

where they made those improvements, but all over the Nation.

Between 2013 and 2017, they spent \$20 billion a year on freight rail improvements. The fact is, out of our 16 categories, they are the one category that spent a lot of money on freight rail. And you are absolutely right, getting goods to the ports so they can go overseas or wherever they are going or coming back into service is critical to the economy of this Nation.

Ms. Chu. Thank you for that.

Mr. Trumka and Mr. Donohue, in my Los Angeles district in southern California, we have overwhelming gridlock, pollution, and congestion, and that is why we are so excited about expanding our public transit system. While we might be famous for our freeways, we are excited to see the expansion of something called the light rail gold line which connects the San Gabriel Valley to downtown Los Angeles and other segments as well.

The last segment of the gold line added 19 segments to the rail line from Pasadena to Azusa. But what is even more exciting is the greater economic development it spurred: more than 8,500 housing units, more than 2.4 million square feet of commercial development, private sector investment of over \$4.7 billion.

So, Mr. Trumka and Mr. Donohue, can you talk about the implications for job creation and business development when you have these kinds of projects?

Mr. Trumka. It is almost infinite, and it also opens up opportunities. As I said earlier, people that have been disadvantaged and denied those opportunities are forced to live further out of the city, and in order to get there, they need the transportation system. But that happens every single place where we build it.

Businesses grow up, housing grows up, economic activity flourishes when you

have the ability to get to and from your home and work. So we are very much in favor of improving the entire rail system by light rail or transit as well.

Ms. Chu. Mr. Donohue?

Mr. Donohue. First of all, I served on one of the major railroad boards for 22 years. And the answer about the investments by the privately owned railroads get up around \$20 billion a year. And you multiply that for a long period of time, and that is why we have the systems we have.

The reality that you face in that circumstance is those systems are surrounded by roads and off-ramps and so on, as you articulated, that were not at the same time improved by government. And we need to look at that.

In terms of other rail projects, I am a realist, and when they bring those projects, we will look at them.

Ms. Chu. Thank you.

Chairman Neal. I thank the gentlelady.

I am reminded that Mr. Trumka and Mr. Donohue, they have a meeting coming up in the near future, and if the committee could proceed on that basis, it would be noted.

The gentleman from Kansas, Mr. Estes, is recognized to inquire.

Mr. Estes. Thank you, Mr. Chairman.

And thank you to our witnesses for joining us today.

You know, the Tax Cuts and Jobs Act has gotten our economy growing at historic levels. I think we all agree that infrastructure is the key to our future in order to support our economy, our education, our national security, and, in general, our quality of life. That is why I am glad we are here today to be able to talk about how we can continue to grow the economy and rebuild the country, instead of focusing

on hearings and investigations that may not help us move forward.

As a representative from Kansas, I am proud to know that our country continues to benefit from the leadership of President Eisenhower for our massive highway system and as we meet today looking at ways that we can work together to provide that same leadership for the next generation of Americans.

You know, in the 63 years since President Eisenhower established the interstate highway system, we have made a lot of progress connecting our country throughout roads and infrastructure that wasn't even imagined six decades ago. However, as the country and economies evolved, we must do more to cut the government red tape and streamline the processes to build new infrastructure at a faster and more cost-effective rate.

As I mentioned, I believe infrastructure is the key to our economic growth. A perfect example of this, the problem that we have in our country, is in the North Junction in Wichita, right in my district, where Interstate 235, Interstate 135, Kansas Highway 254, and Kansas Highway 96 meet. Currently, there are 96,000 vehicles that travel across that annually, including 9,400 trucks, and use that on a daily basis. By 2050, the Kansas Department of Transportation expects that to nearly double to over 160,000 vehicles per day.

A concept has been produced, but we need to actually start construction. We need to move forward with that project. And Wichita, being the air capital of the world, a major manufacturer of goods, as well as producer of agriculture products in the area, we need to make sure that projects like the North Junction work to help, not only to our city but also the country.

It is also important that we emphasize and recognize that infrastructure doesn't just include roads and bridges. It includes things like water treatment plants,

airports, waterways, and broadband, you know, which are vital to so many areas across, not just my State but also our country.

As we look for these new solutions, we need to make sure that traditional sources of revenue for infrastructure, like the gas tax, should be treated as user fees, meaning that the money collected to the gas tax and set aside for the Highway Trust Fund should be used as it is intended and focused on improving roads and other transportation needs.

We know that the highway transportation funds' needs have surpassed the receipts since 2008, leading us to have to use some general funds to help maintain that process. So we need to make sure that as we address this, go forward, that we have got a leaky bucket, we need to make sure that we focus on how do we improve the surface transportation, make sure money is used there.

I want to make sure I have got a little time for questions. One of the things I mentioned about the Highway Trust Fund, and, Mr. Scribner, maybe you can address this, is that while I believe the trust fund should be used as a user fee, I mean, currently we talked about before 20 percent of it is being siphoned off for nonhighway projects.

Do you believe this money should be used for highway transportation as it was originally intended?

Mr. Scribner. Yes. I think the -- and we have seen it occur over time beginning in the 1970s, but the gradual mission creep in the Highway Trust Fund to fund all sorts of things, some which have nothing to do with transportation. You know, we have seen transportation museums get funding in the past. But I think, yes, that money should be repurposed and focus on core highway assets, because it is the users of those assets that are paying where that revenue is coming from.

Mr. Estes. One of the other things we talked about is how do we identify projects of national importance. I mean, do you have some thoughts on how we would do that?

Mr. Scribner. Well, I think the focus should be on moving freight, and that is why I said in my testimony that I don't think mass transit anywhere should be considered a nationally significant project. That isn't to say that the New York City subway system or, you know, transit systems especially in the six legacy transit cities aren't important. They are, but those are local issues, and I think it is important to refocus the Federal issues on issues that are truly national.

Mr. Estes. All right. Thank you. I am about out of time.

Mr. Chairman, I will yield back.

Chairman Neal. I thank the gentleman.

With that, let me recognize the gentleman from Virginia, Mr. Beyer, to inquire.

Mr. Beyer. Mr. Chairman, thank you very much for doing this, and it is fun to be part of this first one in 8 years.

I want to state just two statements. First of all, I really want to push back on Mr. Scribner's testimony about the way he characterized spending on mass transit. I think he said mass transit is 28 percent of that Federal highway spending, 5 times what the commuter mode would share, 11 times what it would be with noncommuter and freight.

But what is neglected is how many roads and highways are replaced by mass transit. For example, Virginia Railway Express, which runs from Fredericksburg to Washington, D.C., places one full lane on I-95. I think it does the same on I-66 coming in from Manassas. And that if you somehow, when we have just one Metro

line down, the entire city stops, because you just can't move the trucks or the commuters or anybody else without mass transit.

And, in fact, if you were to take all the money we put into Metro and try to put it into roads and bridges, there is nowhere to put it. I mean, you would be -- it just doesn't happen, which also recognizes that cities like Washington, New York, major cities all across the country that enjoy transit, are also not discrete economic units.

I mean, what would New York City be without the subway? But those aren't just people that live in New York City. That is the economic engine for the region, the country, the world. And so I think we need to look at this in a really integrated fashion.

The second thing I would like to just expand on is my friend Tom Reed from New York talked about should we consider general revenue measures, and there seemed to be unanimity that we shouldn't decouple user fees from user benefits.

So I would like to argue that we need to think much larger; that we live, again, not in discrete economic units; that some old man who lives in Old Town Alexandria who only walks his dog is nevertheless benefiting from all the freight that comes in by air and by trucks, by the ability of that whole transportation system, including broadband and sewers and water systems; that this national infrastructure that we are talking about is not just about getting people to work. It is about making our entire society or our entire economy work.

So I hope that we don't cling to this fake linkage between user benefit and user fee, because we really need to think decoupling. And we need to, because 25 cents sounds pretty good, but that is \$340 billion, and we are talking \$2 trillion just to get up to a B measure.

Let me actually move to a question, though, in the time I have left. Nearly every time it rains in Old Town we have combined sewer overflow. And we had 11 million gallons last year. We had 61 inches of rain, which is an all-time high since we began measuring it.

So, Mr. DiLoreto, I think there are 800 cities nationwide with this problem, including Washington, D.C., which is dumping into the same Potomac River. Shouldn't CSO, combined sewer overflow, be something we also focus on as we look at infrastructure renewal?

Mr. DiLoreto. Well, absolutely. And, in fact, it is included in our numbers as combined sewers that we have to. And most major cities in the United States, back in the day, that is how you treated it. Dilution was a solution to pollution, you know, and so we combined them all. We have since determined that is not the way we ought to be discharging our influence.

So absolutely it is a part of it. It is a part of showing where we have a gap in terms of wastewater and water. We only have a third of the revenue that we are going to need to meet our wastewater and water infrastructure needs by 2025.

Mr. Beyer. Thank you.

Mr. DiLoreto, since you are our resident senior engineer, climate change, we have many hearings up here about more and more extreme weather events, greater existing toll on infrastructure. I won't go through all of the hurricanes and floods and droughts, but does your ASCE work anticipate ever more extreme climate and how we have to prepare for these unpredictable moments in our infrastructure planning?

Mr. DiLoreto. Absolutely. And our organization is responsible for a number of standard publications that engineers use in designing structures, and we continually are updating those. So work we did on storm water 15, 20 years ago

where our tables showed this was the expectation, those tables look totally different today based on new models that we are undertaking. Our solution to infrastructure funding includes sustainability and reliability. That is one of the pillars of the three points.

Mr. Beyer. Thank you.

And, Mr. Trumka, you talk so eloquently about the working men and women of America. To be productive and successful, they not only have to get to work but also have stable, reliable homes that are a reasonable distance from work. And every major metropolitan area has a shortfall of affordable and available homes. I think it is 150,000 housing units just in Metro Washington, D.C.

Wouldn't you agree that affordable housing should also be something we are thinking about as we are thinking about renewing our infrastructure?

Mr. Trumka. I would say yes. In the labor movement we have a fund, a \$6 billion fund where we are trying to do housing, particularly in rural areas and low-income areas. But if you can't bring people in or if you can bring people in closer, there is less congestion, less traffic. If you can get them in really close, then you have even more benefit from it. So it is an expanded definition of infrastructure.

Mr. Beyer. Thank you very much.

Mr. Chairman, I yield back.

Chairman Neal. So we are -- as, you know, we are going to have votes on the House Floor, so if we could proceed to make sure we get as many questions in so we will not inconvenience the witnesses, that would be helpful.

The gentleman from Pennsylvania, Mr. Evans, is recognized to inquire.

Mr. Evans. Thank you, Mr. Chairman. And, again, I thank you for your leadership for having this hearing.

I want to piggyback on something Mr. Trumka raised. I just want to start out with the report.

Mr. Trumka. I am having trouble hearing.

Mr. Evans. In 2006, the Building Educational Success Together report, it was found that high poverty in minority --

Mr. Trumka. Could you push your mike? Thank you.

Mr. Evans. In 2006, there was a report that found that high poverty and minority-serving schools were unable to adequately invest in school facilities. It was also found that schools predominantly serving White students nearly spent 50 percent more on capital construction and that those serving minority students spent triply less in terms of that. That came out in the report.

During this hearing, we have heard a lot about roads and bridges. While those are vital concerns across our country, I think that, first and foremost, we need to address the crumbling infrastructure regarding our public schools.

So I want to raise that and piggyback directly to Mr. Trumka and then to Mr. Donohue, because he is president of the Chamber, exactly what is happening in terms of our schools. And we are not talking about our school facilities, so let's start out with Mr. Trumka.

Mr. Trumka. Two things are happening. Since the recession, the States have spent less and less on our schools. The system, the physical plant of a lot of our schools, particularly in low-income and poor areas, is crumbling. And it is debilitating to the educational system.

When a child is sitting in a room and has to wear a coat and a hat and scarf and gloves, they are not paying attention to learning; they are paying attention to staying warm. And so doing the physical plant, raising the wages of teachers to

attract the best and the brightest, is what we need to do. And our system is failing right now.

There is a bill right now in front of the House. It is H.R. 865, the Rebuild America's School Act of 2019, which would pump significant amounts of money into our public school system and into the physical plant, so that a kid in rural Mississippi or rural Pennsylvania or downtown Philadelphia can go to a school and have an environment that is conducive to learning, not conducive to just surviving.

Mr. Evans. Mr. Donohue, I would like for you to speak to the issue, because one of my colleagues raised the question about if you want to be China, when I heard my colleague say from Wisconsin, talked about the infrastructure. From a Chamber perspective, you want to speak to that issue -- this issue?

Mr. Donohue. I have three things to say. First of all, we need to compete with China. We are trying to do it on the trade issue. We need to do it on the national security issue and the intelligence issue, and that is going to come out of a lot of committees of the Congress of the United States.

The second thing is everybody wants to improve our schools. I am just talking about facilities right now. And that is a local responsibility and a national responsibility where local cannot adequately handle that, and I think that is something that should be considered by the Congress of the United States.

I am not sure that I want to put that in the infrastructure in my third point, because at the rate we are discussing infrastructure, we are going to have, you know, half of the Federal budget of the United States being considered under the infrastructure need, and we all know we can't do that, besides which, I think if you deal with the committees on both the appropriation and the substance side, you get a lot more expertise. And I hope the chairman makes sure that the points that have

been raised here gets to the right people.

Mr. Evans. Real quick. As you know, and you and I have been around for a little while. Even Richard Nixon talked about building school buildings in a debate with John F. Kennedy. So it is rather interesting, here we are in 2019, in the 21st century, in terms of trying to be competitive, we are still kind of being kind of hesitant. If you go back to that debate, you will see specifically that even Nixon spoke about school facilities.

So I only have 23 seconds for the chairman. Do you want to give any response to that?

Mr. Donohue. Other than saying that Nixon lost --

Mr. Evans. Okay.

Mr. Donohue. -- to Kennedy?

Listen, what we need to do is face up to the reality that a lot of schools have to be fixed, and we have to do it the right way. There is a debate from where we do that, but I think you should keep right on pushing.

Mr. Evans. Thank you, Mr. Chairman.

Chairman Neal. I thank the gentleman.

With that, let me recognize the gentleman from Texas, Mr. Arrington, to inquire.

Mr. Arrington. Thank you, Mr. Chairman.

I thank the witnesses. I think we have a witness that has a comment.

Mr. Donohue. Excuse me, Mr. Chairman, you know, we have to go to the White House, and I would like to be excused.

Chairman Neal. So you mean you would give up time with the chairman of the Ways and Means Committee to go to the White House?

Mr. Donohue. No. I fully understand, but the allocation of resources will be much more significant here for a longer period of time than will be the debate that will take place in the White House. And by the way, just to let you know, it is the new committee that are dealing with jobs and the related issues to that that are a great concern to your committee.

Mr. Trumka. If I get the same choice, I would opt to stay with this committee, by the way.

Chairman Neal. Could you take questions from Mr. Arrington? And then we will go over --

Mr. Donohue. Yeah.

Mr. Arrington. Mr. Donohue, I know you have got to run so I will jump right in it. First, let me just ask that you plead to this President, who I know has a heart for the forgotten man, not just in the Rust Belt in the manufacturing sector of our economy, but also our farmers and ranchers in the ag sector.

And I represent 29 rural counties in west Texas, and I would like for you to just remind everybody involved in infrastructure that if we don't have sustainable communities, we won't have vibrant ag and energy. If we don't have vibrant ag and energy, we will not have the energy dominance and independence that is of national security import, neither will we have food security, which is of equal national security import.

So my responsibility representing rural America is to ensure that they are a priority, because as you know, they don't have the tax base. They don't have the people. As somebody once said, there are more plow, sows, and cows than people in rural America. But the product is precious, and we need to make sure we have a system that can efficiently move that product to feed and clothe the American

people and also to export markets.

Talk about, do you believe that is important, and are we talking at the table with the players to ensure that that will be a priority, whatever direction, and whatever amount of moneys we decide to spend on this?

Mr. Donohue. I have been very involved in the food issues for a long time, very involved in the transportation issues, which are fundamental to the delivery of agricultural products for export and for consumption and will continue to do so.

Mr. Arrington. Thank you, Mr. Donohue. Please, make your way to the White House if you need to. You won't offend me.

Mr. Donohue. Thank you.

Mr. Arrington. I have got a little under 3 minutes left. Let me connect west Texas to the rest of the country by saying we are at the base of the Ports-to-Plains Transportation Corridor, that is from the largest inland port of Laredo, Texas, up through my district, Lubbock, Texas, and Mac Thornberry's district, Amarillo, all the way to the Canadian border representing 2,300 miles of transportation infrastructure. It is only 5 percent of the Nation's roads, yet it carries over 55 percent of the vehicle miles traveled. Again, the backbone, the heartland, and distributing that important product efficiently and safely.

Do any of the other panelists have a comment about making sure that corridors like the one I described in Middle America and the product that it is carrying to market should be prioritized, and how we prioritize it?

Mr. Spear. I just would point to Texas in how this committee really looks at an infrastructure bill, but also trade policy. And Texas is a really good example of that. Trucks move 76 percent of the NAFTA surface freight. I have been to Laredo, 14,000 trucks crossing that border every day. And the amount of pressure that that

puts on our infrastructure to serve the other States that neighbor Texas and beyond is quite significant.

So when you are looking at trade policy, infrastructure policy, they really are very much interconnected. And how all the modes feed off of that is really critical. So we have grown over the last few years to the point where our Nation's economy depends on policies that, quite frankly, cross several issues within this committee's jurisdiction. So I would really encourage you to look creatively at that when you look at both issues.

Mr. Arrington. That was very eloquent and succinct and -- but let me shift now to a different issue for Mr. Scribner. Obviously, we have got to be smarter. You have mentioned that in your testimony about how we spend. And my question is, how would you prioritize what is national important priority? How would you go about that?

Because we can't fix everything. We can't modernize every component of the infrastructure system. So how do we determine what is a national priority, and then how do we distinguish between the Federal, State, and local so we make the dollar go the furthest? Not to mention all the other improvements we could make on the regulatory front. Please.

Mr. Scribner. Yeah. Thank you for that question. I think the interstate highway system should be the priority in all of this, and I think we should -- within that we should prioritize based on freight movements. I think freight is really -- that is where you have the Federal nexus or at least the strongest Federal nexus and where I believe the focus should be.

I would point out that Texas last year became the only net donor State under the Highway Trust Fund since the bailouts began in 2008. So, you know, we don't

have the dynamic that we had pre-bailout, but right now we have Texas sending more money to Washington than they are receiving out of the Federal programs, and that should obviously be examined.

Mr. Arrington. Sorry for exceeding my time, Mr. Chairman. I yield back.

Chairman Neal. I thank the gentleman.

With that, we will have Mr. Schneider inquire, and then the chair will recess and we will come back immediately after the third vote.

Mr. Schneider. Thank you. And I want to again thank the chairman and the ranking member for having this critically important hearing, and the witnesses for staying and sharing your perspectives.

Mr. Spear, you touched on these issues that infrastructure is big, it is complex, and it is interconnected with literally everything we do in this country economically.

In my district, the suburbs of north Chicago, infrastructure is a top-of-mind everyday issue. For roads, a recent report estimated that people in Chicago spend 130 hours a year in congestion in traffic, unproductive time that is a loss to the economy. On rail, metro has 840 bridges, 400 of which are more than 100 years old. It is not a current modern infrastructure.

On freight, Chicago is the intersection of the country and we see that on rails, roads. It is a real congestion point. And in the communities of my district, every time it rains, we face flooding. Impact of the flood waters from the skies can overwhelm our sewer systems, but then river flooding coming from the north can overwhelm communities a second time in just a couple of days. It is a major problem.

So infrastructure is crucial, not just to our future but also to our present, and

it is projected, as others have said, that \$3 is returned for every dollar invested in infrastructure. I can make the argument in some aspects it is even greater than that.

But as my colleague from Texas mentioned, we can't do everything all at once. If we try to do it all at once, it is a recipe for failure, but if we set priorities and develop a smart strategy, then we can begin to do. And as a Nation, I don't think there is any challenge we can't overcome.

We need to strategically prioritize our investments and close the gap to build what Mr. Trumka said was the modern forward-looking infrastructure that is designed to be transformative, to be resilient, and to be flexible for the future.

We need to address the population growth and distribution changes within our Nation and our local communities. We have to be prepared to address climate change, the impacts of more frequent, more intense storms, and anticipating new technologies and where communities are moving.

So in the context of priorities, I guess, Mr. DiLoreto, I will start with you as a fellow engineer, but I will ask for the whole panel. What are the most urgent things we should be focusing on? Mr. Scribner, you said traffic, but I am asking, what are the things we have to address now because if we fail to address them, the costs are going to be catastrophic down the road? What are priorities that would give us the highest return to put a dollar in today to get more dollars back more quickly so we can invest in new projects? And what would be the most transformative?

Mr. DiLoreto. Let me answer your question in this way. One of the things we have not done in our report is advocate for a particular infrastructure category being more important than the other. And the reason I tell you that is because all 16 of them are connected.

So, for example, we could have the best highway system in our country, and

when those trucks get to the ports, they are stuck. They can't go anywhere. We could fix our dams, but the levees don't work.

So what we do is we need a plan, but we need a plan unfortunately for all 16 categories because they are so interconnected with one another. You could do a great electric -- a great wastewater system, but they are the highest users of electricity. And if the electric grid goes down, that sewage is sitting there at the treatment plant waiting to go somewhere.

Mr. Schneider. So I know we have to walk and chew gum at the same time, but, again, if we try to do it all at once, we get nowhere. We have to take steps.

Mr. DiLoreto. Right. But I think it needs category.

Mr. Schneider. Mr. Spear.

Mr. Spear. Yeah. In my testimony, I wanted to point to page 5, which really, I think, captures from a roads and bridges perspective, just 17 percent of the national highway system miles represents 87 percent of total truck congestion costs nationwide. So there you have 17 percent. There is your priority focal point.

And in the FAST Act that came out, does have a national freight program. Our proposal as a Build America Fund really builds upon that as well by having a national priorities program, so a certain percentage would go to that 17 percent and the remaining amounts would go to local priority programs. We are not dismissing the importance of rural and the connectivity that is really critical.

So really looking at the priorities, you can look at congestion and really narrow down where you have got to focus your dollars.

Mr. Schneider. Thank you.

Mr. Scribner.

Mr. Scribner. Yeah, I agree with what Mr. Spear said in terms of targeting

resources. Several reports have come out identifying specific, say, widening projects that need to be undertaken due to population growth and truck congestion. And looking into things like truck-only lanes in certain very congested truck corridors. But absolutely, there are ways we can target this.

Mr. Schneider. Great. Thank you.

And with my last seconds, I would just like to make one pitch to Mr. DiLoreto, although it is not in your bailiwick as civil engineers. Rural broadband is critical to our rural communities. Infrastructure by definition is enabling. It enables our communities. It is what has enabled our economy to be the global leader in the world. Rural broadband has to be a part of that for our rural communities.

And I yield back.

Chairman Neal. So we ask the witnesses to just stay here. We will be right back, I think probably 10 or 15 minutes.

[Recess.]

RPTR DEAN

EDTR ZAMORA

[2:32 p.m.]

Chairman Neal. The committee will come back to order. And I want to thank the witnesses for their indulgence.

And we would recognize Mr. Panetta to inquire.

Mr. Panetta. Thank you. Mr. Chairman, Ranking Member Brady, gentlemen, thank you for sticking it out. I appreciate that. And thanks for all your preparation for this type of hearing as well.

My name is Jimmy Panetta. I come from the central coast of California. It is also known as the salad bowl of the world, as you will often hear me say. Why? Because of all the agriculture that is there.

Now, obviously because of the agriculture, that means basically in order for it continue to be the number one industry, we need infrastructure. We need roads, because the main source in that area to get their product out is trucking, obviously. But it is also a main source of how employees get to the fields, get from home and back.

And as a gang prosecutor, it was kind of interesting as I was for about 6 years before I took this job, what you saw these kids who had these families, they got into the gangs because they were looking for that familial structure that they had growing up, but their parents were too busy either at work or stuck on the roads in traffic and weren't at home. And so you saw these kids going into gangs.

But also, when it comes to agriculture, the key thing is water, as you understand well. And we get it from above and we get it from below. It doesn't

come in from the Sierras. Basically, either it rains and we keep it in our reservoirs or we stick a straw in the ground and take it out of the aquifers.

Now, the aquifers, which have been pretty strong, actually got us through the last couple of droughts that were there in California, but the problem is that we sucked a lot out and therefore it sucked a lot of sea water in. And a way to combat that is with some recycling plants that we are creating and basically taking a lot of the ag water, a lot of wastewater, filtering it, cleaning it, and then putting it back in the ground as well.

Now also with the reservoirs, what they are trying to do and what they realized based on the Oroville Dam and the spillway and the catastrophe that happened up there, they realize they have to replace both spillways as well. So obviously these types of water projects, as I will call them, are very important to my area on the central coast.

And my question to you, Mr. DiLoreto, would be, you know, these types of projects, obviously like I said, they are important, but how can we move faster on these types of projects, continuing to make them safer as well?

Mr. DiLoreto. Right. Well, you know, I think we have talked about it a little bit today with respect to how we do permit them, and certainly doing a comprehensive assessment as opposed to individual agency helps do that. Again, I was involved in one where we actually had that opportunity, and it went much faster, while letting everybody have an opportunity to comment on the issues that they are concerned about. And so that certainly can slow down --

The other thing that we have found on some of these projects that have Federal funding is that the funding comes over a period of a number of years, and it doesn't just come at once, and that creates an uncertainty for the agencies that are

doing those projects. Are they going to get funding in the next cycle of the budget?

Mr. Panetta. Sure.

Mr. DiLoreto. And so as you think about this, we are going to fund these as a project and we are going to build them as a project, and you know they will happen.

Mr. Panetta. Yeah. And I guess there is also another project we are working on, speaking of water, it is called the Pajaro River there and it floods quite often, unfortunately. And we are working with the Army Corps of Engineers, slowly but surely, we are working with them. And we are going to be dealing with the funding process and dealing with the budget cost ratio, the BCR. And unfortunately, they don't take into account the value of the fields that are in the area, as well as the fact that there is a lot of low-income housing in that area.

You feel that there is any way to up that BCR in any way for those types of --

Mr. DiLoreto. Congressman, I am probably not the best to answer that, but have certainly something that -- the conversation you have as an elected official with them is critical to help them see there is a bigger picture than just one way to approach it.

Mr. Panetta. Exactly. Thank you. I appreciate that.

In projects like this, though, is the appropriations -- is there any other Federal funding methods, avenues, for these types of projects that you can think of?

Mr. DiLoreto. I think if I am correct, and I wasn't here, you recently passed some projects, some funding for dam safety, which certainly it helps levees, as well in my case, drinking water agencies, and those are certain -- those are a piece of the puzzle as a partnership between local, State, and Federal Government. That is important. And we count on the Federal Government to be a partner with the rest of those. So those are the key ones that we have been working on with your staff

members as well.

Mr. Panetta. Great. We will continue to work on them. Thank you very much.

I yield back. Thank you, Mr. Chairman.

Chairman Neal. I thank the gentleman.

With that, let me recognize the gentleman from Ohio, Dr. Wenstrup, to inquire.

Mr. Wenstrup. Thank you, Mr. Chairman. Thank you all for still being here. I know it is been a long day.

Mr. Spear, you were talking about the time spent in traffic. And as a doctor, I have got to tell you, it was an interesting statistic that doctors are now spending 55 hours a year just logging in; not engaged with patient care, just logging in. It is a similar type of frustration, I guess we might say. In one case, we are here to solve something and in another case we caused it, but that is another story all together that comes across this committee.

Mr. Scribner, you were talking about something that grabbed my attention when you were -- we are all talking about public-private partnerships, what are the possibilities of things that we can do there, and you mentioned something about bonds. Could you go into some detail of that and where it may be taking place and how it is working?

Mr. Scribner. Yeah, thank you for that question. We do have either completed or under development about 10 express lane projects. And I think this is something where you could look at for public-private partnerships to sort of trial these out, and we are seeing this across the country. But if you are looking at converting your existing high-occupancy vehicle lanes into high-occupancy toll lanes,

leveraging this private financing is one way to do that and it is proving successful across the country in small doses so far, but we hope it expands.

Mr. Wenstrup. You know, I am from southern Ohio. We have I-75 going across from Ohio to Kentucky, and so there is a debate that is been going on seemingly my entire adult life about whether, well, can we do to with tolls. People don't want tolls. And you go back and forth. And, you know, as I came to Congress and got to know this area, I said, oh, it says EZ Pass lane. Well, if you want to sit in the traffic, you can. And if you don't, you can pay for it. And it seems to me that that might be the answer we need for our bridge. I would think the trucking industry would say, fine, we will pay for the EZ Pass and we are going to go right through.

And so those are the types of ideas that I like to hear more about and see and try to share with people because, you know, this seems to me like a good mix.

And, Mr. DiLoreto, you may want to comment on that as I see you sort of acknowledging these opportunities that exist. I mean, I would tell you, when I was a student at Chicago going from Cincinnati to Chicago, if I didn't want to pay that, at that time, \$1 for the skyway, I went around it. But we do have opportunities where we can build things and people are willing to pay for it.

Mr. DiLoreto. Well, just to respond to your comment, Congressman. I come from a city that is actually looking at the very thing you are talking about, tolling the existing interstate as a way to try to pay for it. And they raised their gas tax as well, they did both. I also will tell you that there is a lot of unpopularity amongst the people that live there regarding that notion. They can get the sense we need to pay for it, they don't get the sense that it is them that maybe perhaps needs to pay for it. So it is going to be one of the -- I think one of the demonstration projects, this one, and Seattle is looking at one too.

Mr. Wenstrup. And I guess the other thing that I see, you know, I have companies like Proctor & Gamble and General Electric in my district. And there are a few things they want. They want to stay where they are. They want a thriving community. And certainly good economy helps that, but they also need the infrastructure. And so they are looking at ways to say how can we engage in some way because this helps our business to have more efficiency, et cetera, et cetera, lowering costs.

So has there been any opportunities such as that where businesses directly get involved with enhanced infrastructure because it serves their purpose? I mean, I-75, that is from Michigan to Florida. You know, I think it is like 4 percent of the GDP goes over that bridge every day.

Mr. DiLoreto. Well, I know certainly in the State that I live in, we have a charge called the system development charge that you buy into the system, it is paid and also for the future. And businesses pay that, and they pay it understanding that we are building highways for them, we are increasing the water line, we are redoing the sewer line. So we have had those partnerships, and sometimes they have actually built facilities that we then take so that they can use them. It doesn't happen, you know, a lot and all the time, but there is that recognition.

Mr. Wenstrup. Thank you.

Mr. Spear.

Mr. Spear. I just want to delineate a little bit between new construction and tolling existing roads, because I think that is a really important distinction. Nothing gets our back up in our industry, trucking really opposes tolling, especially on existing roads that we have already paid for.

Building new infrastructure that is tolled, it is tolerable within our industry. It

is something that we would work with this committee to understand. Certainly in T&I we have shared this opinion. What we don't want is being forced, you know, into one or the other. We still need access to the nontolled roads.

And what tolling on existing infrastructure also does and why a lot of thought needs to be put into this is that if your business is located at those intersections of that interstate, you toll that, you are going to push a lot of that traffic away. It is going to cost jobs, it is going to put people out of work, and that is real. And you are also putting a lot of 80,000-pound vehicles away from the roads they should be on, into two-lane situations where, you know, a lot more passenger vehicles are located, a lot more kids are going to school. You do not want that truck traffic deviating into towns on two-lane highways.

So policy matters. And when we are talking about toll lane, new infrastructure versus existing, I really think it is important that you make that distinction.

Mr. Wenstrup. And the bridge I am talking about, they are talking about a new bridge because the other one is falling down.

Thank you. I yield back.

Mr. Evans. [Presiding.] Mrs. Murphy.

Mrs. Murphy. Thank you, Mr. Chairman. And thank you to the witnesses.

You know, I am proud to represent Florida on this committee, but I can tell you, if my kids brought home a report card that looked like the one Florida received from the American Society of Civil Engineers, they would be grounded with no iPad privileges. So, you know, it is really unfortunate that that is the state of transportation and infrastructure in Florida, given the fact that in my Orlando area district, I hear about infrastructure challenges all the time from my constituents.

And we all living in that area face it firsthand.

I can't tell you how many hours people spend stuck on I-4. And in part, we are a victim of our own success. The Orlando area is booming. New residents contribute so much to our economy and our social fabric, but they put additional pressure on our infrastructure systems. And plus, Orlando gets more visitors than any other city in the country, over 70 million visitors a year.

Simply put, our infrastructure just hasn't kept pace with our growth. And the same thing is happening all across the country. And that is why I hope to be part of a bipartisan effort by this committee and other committees to try to pass a smart, fiscally responsible bill that is equal to the problem at hand. I think there is a real opportunity to get something meaningful done.

Mr. DiLoreto, there was recently a piece in the Orlando Sentinel noting that central Florida is home to many lower income workers desperate for public transportation, folks who struggle to afford rent and groceries and monthly car expenses.

The article observes, though, that despite this high demand, the use of the regions public bus and rail systems is relatively low because there just simply hasn't been enough investment in these systems to make them practical and a convenient option for many working families.

Unlike Mr. Scribner, would you agree that robust Federal funding for local public transit should be part of any infrastructure package that Congress crafts?

Mr. DiLoreto. Well, absolutely. We believe it is part of an overall package. There is a \$90 billion transit maintenance backlog. And in certainly all of those communities, that is the way many people get to work, in some cases, the only way you are going to be able to get to work. So it is part of a multimodal system that gets

you to and from your job. In many cases, we can't build more roads because we are physically limited by the land we have there.

Mrs. Murphy. And on another issue, Mr. DiLoreto, I am concerned about Florida's water-related infrastructure. We have serious challenges protecting water quality from things like harmful algae blooms. It is bad for the environment, for human health, for tourism, for recreational and commercial fishing, and for the broader economy. And quite frankly, it threatens Florida's fundamental way of life.

The Corps of Engineers invests considerable resources and projects throughout the State that can reduce some of these algae blooms, but these projects take a long time and they compete for funding with other national priorities. If Congress were, as a part of a comprehensive infrastructure package, be able to provide additional investments into this, would this improve the Corps of Engineers ability to execute more quickly on some of these projects? And I think we have heard other colleagues of mine express some frustration with the speed with which the Corps executes on its projects.

Mr. DiLoreto. Right. Well, clearly additional investment is one of our first solutions to solving this D plus grade that our Nation report card got. And certainly, if the Corps of Engineers had additional funding, they would be able to attack additional projects that they simply can't get to now. They are probably concentrating on existing projects and they are not able to get to these.

Mrs. Murphy. Thank you.

And, Mr. Spear, as you know, the Federal Government invests in surface transportation projects through funding in the form of a formula and competitive grants, through financing in the form of loans and loan guarantees, and through favorable tax treatment for things like muni bonds and private activity bonds. You

heard me mention my issues traveling on I-4, which is currently being upgraded through a public-private partnership supported by a Federal loan program.

As Congress looks to improve our highways to promote commerce and improve quality of life, should we prioritize funding, financing, or tax?

Mr. Spear. I think it is a mix of all three. And I think it really depends on, you know, the project that you are looking at and, you know, the location that it is at, whether it is urban versus rural or agrarian versus, you know, sea. So there is a whole host of elements that I think feed into how you want to construct that type of project and how it is paid for. So I think it is a mix.

I listened very carefully to Chairman DeFazio and how he looks at, you know, P3s, for instance. It really -- it is code for tolling in many instances. It is not in the instance that you are talking about at I-4, but in a lot of places that is tolling and it really requires throughput, and he mentioned that. It is only profitable if you have a high volume of vehicles going through it. And that is actually only profitable on less than 1 percent of the roads and bridges in the United States.

So for roads and bridges, P3s really aren't the best vehicle. It might be for fixed assets like airports and ports. I don't want to dismiss that, But from our perspective, the best way to do it is through a user fee. And then within that user fee, to really prioritize the 17 percent that I said where the congestion is you know where your targets are around the country. We know where the top 100 bottlenecks are, one of them being in your State, of course. And you can prioritize that from national priorities in alleviating heavy congestion that reflects in the prices we pay for projects. But you also can put prioritization in there for local priorities as well.

Mrs. Murphy. Great. Thank you.

And I yield back.

Mr. Evans. Mr. Holding.

Mr. Holding. Thank you. I thank the chairman for holding this hearing today. And I look forward to working with my friends across the aisle, ensure we have effective and efficient funding for our Nation's infrastructure needs.

One of the major concerns for me is around the solvency in the direction of the Highway Trust Fund. Since fiscal year 2008, revenues flowing into the Highway Trust Fund have been insufficient. And we have had to transfer -- to address this overspending, Congress had to transfer \$73.3 billion over a 7-year period into the fund to cover the shortfall.

In 2015, Congress finally passed long-term reauthorization, and with that transferred an additional \$71 billion into the Highway Trust Fund to cover the expected shortfall through 2020. And while this bill provided stability and investment, it really didn't address the underlying solvency issues the Highway Trust Fund in perpetuity.

So I have been listening to the testimony today and I am pleased that there seems to be agreement that we need to do something to address the solvency and that we need to be creative in order to do this. Everything is on the table, so to speak. And while there has been a number of ideas presented to address revenue, including a gas tax, including the VMT, tolls and user fees, among others, I think it is also important that we have a discussion about spending.

Simply addressing revenue needs without looking at the whole picture and ensuring funds are being allocated to appropriate projects that meet the purpose of the Highway Trust Fund would not actually be a creative solution but, rather, Congress continuing its own shortsighted tax and spend policies.

So, Mr. Scribner, to you, in your testimony, you expressed the importance of

spending smarter and ensuring that allocated funds are actually used for projects of national importance. I really appreciate that part of your testimony. And one area of the Highway Trust Fund that you single out in particular is the mass transit account, which was not originally part of the fund and was added in the 1980s.

Mass transit is currently subsidized by drivers as it receives more than its fair share of the fuel taxes that it pays into the Highway Trust Fund. And further, as you note in your testimony, in total, around 25 percent of the fuel tax funding is spent on nonhighway related projects.

So, Mr. Scribner, could you expand a bit more on the impact of this diversion of funds has on the Highway Trust Fund? And do you feel that this type of spending is an appropriate or efficient use of the fuel tax?

Mr. Scribner. Thank you for that question. So, no, I don't think that this is an appropriate use of the fuel tax. You know, the mass transit account, as you said, was created in the 1980s, and this was a way to secure votes from representatives of big cities who were more concerned about their ailing mass transit systems back then than expanding the highway system, for instance. So it was a bit of a horse trade there and that has stuck with us ever since.

I don't think we are getting the value out of it. When we see light rail projects going up in the Sun Belt, you have to ask yourself, is this the best use of Federal funding? Street car projects across the country, technology that is slower than buses and costs several times more than that; that is not a wise use of Federal funding. So I do think, you know, this mission creep has gotten really bad in recent years.

And the best thing to do would be for Congress to refocus the program on what it was initially intended to do, and that was to support these highway corridors.

And I would go even further and say we should be really looking at these high-freight corridors to meet that nationally significant test.

Mr. Holding. Thank you. I concur in your opinion.

Further in your opinion, are there other areas of the Highway Trust Fund spending that we could address in order to rein in perhaps this mission creep and protect the solvency of the fund?

Mr. Scribner. I think there should be some examination of how we could better incentivize -- And when I say we, I mean the Federal Government -- better incentivize locals and States who are receiving these capital grants, somehow incentivize them to maintain what they already have. Because if you let your projects decay due to a lack of maintenance, you are not only increasing the cost of eventual reconstruction of those projects and maintenance of them, you are providing an incentive to not repair them at all, because eventually if things go bad enough, you are going to be seeking reconstruction grants, which then reopen the door for capital funding. So I think we need to address some of these core incentives as well.

Mr. Holding. Thank you very much. I yield back, Mr. Chairman.

Mr. Evans. I thank the gentleman.

Mr. Gomez.

Mr. Gomez. Thank you, Mr. Chair.

So I actually served in the California legislature before coming to Congress, and I was there from 2013 to 2017, July of 2017. I actually was the chair of appropriations and also was the co-chair of the infrastructure -- the Conference Committee on Infrastructure. So I have already been in this debate once before when it comes to how do we fix our crumbling roads.

One of the things that I realized, it is the same kind of concerns people have, it is the same arguments that they are making at the State level in California.

Tax -- the gas tax hadn't been increased since 1993 in California, same as the Federal gas tax. I am curious about what happened. It is a rhetorical question, but in 1994, that really kind of put off elected officials from taking responsibility for maintenance of the highways, roads, bridges, infrastructure in general. Something did happen.

One of the things we are going to have to do is address everybody's concerns one by one. You know, the States that say why should I care about transit when I don't have transit. Why should I, you know, care about waterways if I don't have that many waterways. We have to really kind of address people's concerns. If not, any excuse that people have, they are going to find a reason why not to vote for an infrastructure package. It is a difficult thing to do.

I actually voted on it 2 days after my primary to come to Congress on a bill that has everything that you guys are talking about; you know, increasing the gas tax, a road repair fee, you know, making sure that electric vehicles were paying something as well. So everything you are talking about we dealt with.

The idea that the money at the State level was not being used for roads and infrastructure that it should be. Oftentimes when you look at it, it is in some extent. I think the American people have a broader sense of roads and infrastructure, they think about it as transportation. Because when you are like taking the bus, oftentimes you walk down the road, you take the bus, the bus drops you off somewhere. You might jump on now to an electric bike or a scooter to get to your next destination.

It is no longer just I jump in my car, get out of my driveway, drop off the kids at school, and then get to work and back. It is more complicated than that, and that

is where I think I want people to focus. In California we did it, in L.A. We also increased revenue.

One of the things I want to ask is should any infrastructure package include credit for localities that have taken steps to support infrastructure locally, incentivizing localities and municipalities who have done so?

California, we did it already. L.A. County, we passed Measure M on the same night that Donald Trump took office. What should be included in the infrastructure package that says, you know what, these people are doing the right thing. We should continue to reward them for that, but also how do you get others States and municipalities to do the same thing? Just an open question.

Mr. Spear. You have got to maintain balance between Federal, State and level roles. You certainly want to leverage more local participation, private investment. And I think the Federal policy level holds a lot of leverage when you are controlling certain percentages of funding that match. They are certainly incentivized at the local level to do more, they get more at the Federal level, so you can have, you know, much bigger impact in terms of the type of project that you are trying to fund.

So I am not one to suggest that you want to hand all authority to the State and local level, because you are going to be very dismissive of probably more than half of the States in the U.S. that are very reliant on the Federal role. So I think you have got to maintain a bit of a balance there. Devolution certainly is not going to be beneficial from an interstate commerce point of view. You are essentially going to limit more than half the State's ability to raise that kind of revenue on their own. Certainly at the local level, that is even a bigger problem. And you are not going to have the connectivity for ag States, for instance, to move their product from central

U.S. to West Coast ports. So it is connectivity through balance between Federal, State, and local role.

Mr. Gomez. You mention incentives, local incentives.

Mr. Scribner. I think you are on to something there, Representative. I think we should be finding ways to reward the States who not only, you know, maintain their infrastructure to a state of good repair, but also things like cost efficiency, rewarding these States that are trying and finding solutions. Because right now, I think we often have the priorities backwards at the Federal level.

Mr. Gomez. Well, I am out of time. I look forward to continue this conversation. You never solve -- you know, answer all the questions in one hearing, but I do appreciate the dialogue. Thank you so much.

Mr. Evans. Mr. Boyle.

Mr. Boyle. Thank you. I want to thank especially the witnesses.

As noted philosopher Yogi Berra once said, it is déjà vu all over again.

Because such as the experience Mr. Gomez had in California, similarly in Pennsylvania where I was in the State legislature before coming here 5 years ago, we faced a similar situation; hadn't raised -- hasn't had a major transportation bill since the early 1990s, successive governors had tried and failed to get something passed. And then in the 2013 time period, after a couple decades of not being able to get it done, you had the head of the Pennsylvania Chamber of Commerce and the head of the State AFL-CIO coming in side by side to lobby different members of the legislature, both Democrats and Republicans, to come together, do the right thing, and finally solve this problem.

Because while this is -- while the state of our infrastructure, as the American Council of Engineers has shown quite well, while the state of the national

infrastructure is approximately a D plus, unfortunately in my State of Pennsylvania, that is replicated. So much so that when 60 Minutes several years ago did a piece to show the state of America's crumbling infrastructure, the State they came to exhibit A was Pennsylvania. And one of the places they visited was a crumbling part of I-95 in what is now in my district in the city of Philadelphia.

So I was glad that with the Chamber of Commerce and with labor lobbying side by side that we were able to bite the bullet, have a bill pass that was meaningful, became Act 89. Yes, it included revenue increases which were quite controversial. They made many legislators in both parties nervous. Well, lo' and behold, the very next election, not one legislator who voted for those revenue increases was defeated, not one.

So, Mr. Speaker -- or Mr. Chairman, this is what we need to do at the national level. I take an all-of-the-above approach. I am rather agnostic on the different options that we have available on the menu to fund our priorities. And, yes, our priorities with respect to roads, bridges, rail, but also as it relates to water, sewer, our airports, our electrical grid, so many more broadly defined ways that we need to address as part of infrastructure.

But let me cite specifically the gas tax. In real terms, not nominal dollars, but in real dollars, the gas tax is approximately 40 percent lower today than it was a quarter century ago. Why in the early 1990s this wasn't indexed to inflation, I have know idea, because much -- while not all, much of the problem would have been solved had that simple measure taken place. So we need to finally do this.

I am optimistic that this is, more than I think any other policy issue, an area where Republican President Donald Trump and the Democratic-controlled House can work together to identify those solutions. But let's be clear, in order to tackle the \$1

trillion plus need that is out there, and I know you have cited a bigger figure, in order to tackle this, it will take real revenue, not a small amount of revenue with crazy projections on how much the private sector can step up.

So with the limited time that I have left, I would invite, specifically Mr. DiLoreto, to comment. Especially while I focused on the gas tax, if you could address specifically that as a major source, at least within the next 5 to 10 years of the funding that we need.

Mr. DiLoreto. Right. Well, I think as you heard my colleagues on the panel say, the gas tax is one that exists today, we can put it in place, and we can move forward, while we try to look at all these other methods that we might want to use. Fact is your infrastructure doesn't care how you fund it and they don't care who pays for it. It is going to fall apart, and that is what it is doing right now; it is just going to plain fall apart.

The other thing we found is -- the comment both you made and Congressman Gomez made -- 33 States are looking at increasing their gas tax. These are Republican-led States and Democratic-led States. Honestly and respectfully, it has been our United States partner, Congress, that has failed to participate with us as we have tried to do this, and that is kind of why we are here today.

Mr. Evans. I thank the gentleman. I yield to someone who now, you have the honor of being the closer, Mr. Horsford.

Mr. Horsford. Thank you very much, Mr. Chairman, and to the ranking member. This is a very important hearing. And the way that the chairman structured the hearing to have, from the very beginning, representation from the chair and the ranking member from the Transportation and Infrastructure Committee, representatives from the business and labor community, really speaks to

this opportunity to work together to solve a really important need for our entire country.

I am from Nevada, and since 2010, Nevada's population has grown by nearly 300,000 new residents, an 11 percent increase, and that is on top of the growth that we experienced in the nineties, making Nevada the sixth fastest growing State in the country. And as our State grows, so too does our need to expand transportation and infrastructure needs. While our roads and bridges need desperate attention, we also need to consider our communities broader infrastructure challenges, everything from energy projects, to modernizing our schools, to airport infrastructure.

And has been stated, you know, the American Society of Civil Engineers gave Nevada a D rating on a dam system. 154 of Nevada's dams are considered to have a, quote, high hazard, meaning that the failure of the dam could cause loss of life or significant property damage. We have storm water infrastructure needs. Nevada will see projected funding shortfalls during the next 10 years for flood mitigation projects. And 17 of our school districts throughout Nevada require modernization of our facilities.

That said, Nevada has over 32,000 miles of roadways that require attention. More than 500 bridges are over 50 years old and would require approximately \$133 million for repair. Roads and bridges that are deficient, congested, or unsafe cost Nevada's motorists a total of \$3.2 billion annually.

Now, to address congestion in the region, our State, when I was in the State senate like my colleagues who served previously in their legislatures, we enacted the beginning of what is now Interstate 11. And we are working hard to bring that project to its full development, and this really would help to connect Mexico to Canada through Nevada and Nevada's fourth district. So we all agree that we must

act and we must act now.

So, Mr. Spear, it is good to see you again. Thank you for the time that you have spent with us. Quickly, what are some short-term and long-term solutions that we can implement to ensure strong investments in our Nation's infrastructure?

Mr. Spear. Well, I think Chairman DeFazio and Ranking Member Graves testified this morning, and as they craft programmatic elements of this bill, to really give serious thought to prioritization. From the roads and the highways and bridges perspective, we know every year what the top 100 bottlenecks are in the country, we know where they are, we track them every year with Federal highway, through GPS data. American Transportation Research Institute is responsible for that data, and it is invaluable because it allows you to look at that immediately and see where the congestion, where the choke holds are.

If we are sitting in traffic and losing \$74.5 billion a year as just the trucking industry, we are only 4 percent of the vehicles on the road, but we are moving 71 percent of the domestic freight, think of what we are paying for food, for beverages, for clothes. Anything that we buy is reflected in that congestion. It transcends down to consumers. So you are having a dramatic impact on the economy, what everyday consumers pay for everyday things, by alleviating congestion in those top 100 bottlenecks. That would be an immediate priority that I would recommend the committee focus on.

Mr. Horsford. Thank you.

Mr. DiLoreto, as has been mentioned, several States, including my home State, have enacted plans using municipal bonding to fund capital intensive projects, such as highways and schools. And there is a model to get these things done. When I served in the State senate, we brought the business community, labor together to

fund these needed projects.

So what are your general thoughts on using bonds as a potential funding method?

Mr. DiLoreto. Well, as I said, as a former city engineer and public works director for capitalization, they were one of our biggest sources. We would go out there, we would sell those bonds, and they were the cheapest source of funding that we could get, which translated into the cheapest sort of funding that our ratepayers would then pay for those projects. It is critical that they remain a tool that we are able to use.

Mr. Horsford. Thank you so much, Mr. Chairman. I yield back.

Chairman Neal. [Presiding.] I thank the gentleman.

Sometimes when we gather as a committee, we don't always see eye to eye, and that is certainly to be expected. Political disagreements are a natural part of the process here, particularly in this room. But today, I think we have all agreed that tackling the crumbling infrastructure of our Nation is a worthwhile goal. So I look forward to working with our colleagues to find real workable solutions that will help our communities prosper and ensure America's long-term economic security.

I want to, in particular, thank our witnesses for your patience today. You did a superb job. We are looking now at almost more than 4.5 half hours of witness testimony and taking the questions as we went back and forth. But I sense in the room today no hostility to the points that were being made.

So, again, members are advised that they have 2 weeks to submit written questions. We would ask you to answer those promptly, if you could. And those questions and your answers will be made part of the formal hearing record.

And with that, the committee stands adjourned. And I thank the witnesses

again and the members.

[Whereupon, at 3:11 p.m., the committee was adjourned.]

Responses to Questions for the Record from Rep. Gwen Moore Follow:

[Thomas Donohue Response](#)

[Gregory E. Diloreto Response](#)

[Richard Trumpka Response](#)

[Chris Spear Response](#)

Submissions for the Record follow:

[American Association of Port Authorities, Letter](#)

[Airports Council International, Letter](#)

[A Call to Invest in Our Neighborhoods \(ACTION\), Letter](#)

[Paul P. Skoutelas, American Public Transportation Association, Letter](#)

[John Godfrey, American Public Power Association, Letter](#)

[Beyond the Runway Coalition, Letter](#)

[Chairman Peter DeFazio, Transportation and Infrastructure Committee, Submission for the Record](#)

[Enterprise Community Partners, Letter](#)

[Government Finance Officers, Joint Letter](#)

[American Association of Port Authorities, Submission for the Record](#)

[Rep. Dan Kildee, Statement for the Record](#)

[Rep. Gwen Moore, Joint Letter](#)

[Rep Gwen Moore, Submission for the Record](#)

[Douglas S. Kantor, NACS and SIGMA, Letter](#)

[Phillip E. Russo, NAFA Fleet Management Association, Letter](#)

[Dee P. Wisor, National Association of Bond Lawyers, Letter](#)

[National Association of Water Companies, Letter](#)

[National Multifamily Housing Council, National Apartment Association, Letter](#)

[David H. Fialkov, National Association of Truckstop Operators, Letter](#)

[Marc Egan, National Education Association, Letter](#)

[Novogradac, Letter](#)

[Jeffery D. DeBoer, Real Estate Roundtable, Letter](#)

[Rebuild Rural Coalition, Letter](#)

[Rebuild Rural Coalition, Joint Letter](#)

[Rep. Rosa DeLauro, Submission for the Record](#)

[Rodrigo Masses, Puerto Rico Manufacturers Association, Letter](#)

[Michael Binder, Center for Fiscal Equality, Letter](#)