VIEWS AND ESTIMATES
OF THE
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
FOR FISCAL YEAR 2020

Overview:

Under current law and House rules, standing committees are required to submit to the Committee on the Budget views and estimates. The Congressional Budget Act sets April 15, 2019, as the date for the completion of the concurrent resolution on the budget. To assist the Committee on the Budget with meeting this deadline, we submit the views and estimates of the Committee on Transportation and Infrastructure (Committee).

The Committee believes that America's infrastructure network is essential to the quality of life of our citizens and the productivity of the nation's economy. In the 116th Congress, the Committee continues to focus on improving and strengthening our Nation's infrastructure and communities to meet the challenges of today and tomorrow. Through direct investment, we can build a 21st century infrastructure for America that creates jobs, including family-wage jobs, facilitates economic growth, and ensures global competitiveness.

The detailed views and estimates presented below requests that the fiscal year 2020 budget resolution repeal the rescission in Section 1438 of the FAST Act and reflect the authorized levels in the FAST Act after adjusting for this repeal. In addition, it requests a deficit neutral reserve fund for infrastructure. Our views and estimates also identifies priorities within the Committee's jurisdiction.

The Committee will continue to perform oversight on programs within our jurisdiction as well as focus on reauthorizing numerous key programs. The Committee's bipartisan legislative priorities this year include: an infrastructure investment bill; a long-term surface transportation bill; a Water Resources Development Act (WRDA) bill; measures to improve economic development programs; and, reauthorizing the United States Coast Guard, the Federal Maritime Commission (FMC), the Federal Emergency Management Agency (FEMA), the John F. Kennedy Center for the Performing Arts, the Pipeline and Hazardous Materials Safety Administration's pipeline safety programs, and the Clean Water State Revolving Fund.

Transportation and the Economy:

Our transportation networks provide a strong backbone that creates jobs, including family-wage American jobs, ensures global competitiveness, and spurs economic growth. Providing the country with this support has long been recognized as a federal responsibility that is shared with states and local governments. From the Transcontinental Railroad to the Panama Canal to the Interstate Highway System and more, Congress has played a critical role in ensuring the connectedness of our communities and supporting the infrastructure needs of the American people. Throughout U.S. history, economic growth, prosperity, and opportunity have followed investments in our infrastructure.

Today, the U.S. transportation system is an extensive network of highways, airports, railroads, public transportation systems, waterways, ports, and pipelines that provides a means for

Americans to travel to and from work and to conduct business. The U.S. transportation system not only provides the foundation of our economy by safely and efficiently moving people and goods, it also employs millions of workers and generates a significant share of total economic output. Economic growth and vitality are also dependent upon high quality water and wastewater infrastructure systems, and upon resilient infrastructure designed to protect lives and properties from more frequent and consequential storms and flooding.

In addition to creating jobs and facilitating economic growth, our transportation system has a direct and significant impact on the daily lives of nearly all Americans. To the average American, investment in transportation infrastructure will mean shorter commutes that save time, reduce fuel consumption, and lower pollution; lives saved; safer systems to accommodate the transportation of hazardous materials; and fewer delays for the more than 800 million passengers who travel by air each year.

Policies to address the increasing demands on our infrastructure and to provide for a 21st century infrastructure network must be guided by strong principles that will create and sustain jobs and promote economic growth, such as:

- Making smart investments, consistent with the fundamental federal role, to ensure modern, safe, and efficient transportation infrastructure;
- Recognizing, promoting, and developing integrated transportation systems;
- Preserving affordable access to transportation and water systems;
- Encouraging technological solutions and promoting innovation;
- Providing flexibility to states and local governments; and
- Ensuring the timely and coordinated completion of federal regulatory reviews while protecting natural resources and enhancing public participation.

Federal Surface Transportation Programs:

On December 4, 2015, the President signed into law the *Fixing America's Surface Transportation Act* (FAST Act) (P.L. 114-94), which authorized funding to improve U.S. surface transportation infrastructure, including our roads, bridges, and public transit systems, for fiscal years 2016 – 2020.

Since the FAST Act is set to expire on September 30, 2020, reauthorization of federal surface transportation programs is a major priority for the Committee on Transportation and Infrastructure this Congress. The Committee will formally begin its process for developing a surface transportation reauthorization bill with hearings and roundtables in the months ahead to gather public and private sector input on key policy priorities for the next bill, but we already know that our infrastructure investment needs are massive.

- According to the American Society of Civil Engineers' 2017 Infrastructure Report Card, America's roads receive a D rating, and bridges receive a C+ rating, both unchanged since 2013, and our Nation's transit gets a D-, which is a downgrade from its previous D rating.

- Nationwide, 33 percent of urban roads are in poor condition and driving on roads in need of repair costs motorists $130 billion in extra vehicle operating costs annually – or $599 per average motorist, according to TRIP.

- One in three U.S. bridges have identified repair needs, while nearly ten percent of all bridges are structurally deficient, according to American Road & Transportation Builders Association.

- The cost of bringing the Nation's rail transit and bus systems into a state of good repair is estimated at $90 billion, according to the U.S. Department of Transportation.

- In 2017, 37,133 people died in traffic crashes.

The last two surface transportation reauthorization bills – the Moving Ahead for Progress in the 21st Century Act in 2012 and the FAST Act in 2015 – generally maintained the amount of federal investment in our roads, bridges, and public transit systems. The Committee intends to develop a long-term, bipartisan bill that improves the condition, performance, and safety of the Nation's surface transportation network in a way that creates jobs, including family-wage jobs in the U.S., spurs innovation and integrates technological advances, and improves our economy and global competitiveness.

The Committee also looks forward to working with other Committees of jurisdiction to address the challenges facing the Highway Trust Fund and to ensure that there is revenue in place to support enacting a long-term surface transportation reauthorization bill. The detailed views and estimates presented below requests that the fiscal year 2020 budget resolution repeal the rescission in Section 1438 of the FAST Act and reflect the authorized levels in the FAST Act after adjusting for this repeal. The Committee also requests a deficit neutral reserve fund for infrastructure in the upcoming budget resolution.

Federal Aviation Administration:

On October 5, 2018, the President signed the *FAA Reauthorization Act of 2018* (P.L. 115-254). The law extends the agency's authorities through fiscal year 2023.

One of the top agenda items for the Committee will be to pursue oversight of the FAA's implementation of the new law, including provisions that streamline the FAA's safety certification processes, address key safety and airline consumer protection issues, advance modernization of the National Airspace System, improve the FAA's programs and processes, and promote further safe and efficient integration of unmanned aircraft systems and commercial space transportation. Another agenda item for the Committee will be to advance an infrastructure bill that increases investment in airports of all sizes, throughout the country, to meet growing demands and projected passenger growth.

Coast Guard and Federal Maritime Commission Authorization Acts:

On December 4, 2018, the President signed the *Frank LoBiondo Coast Guard Authorization Act of 2018* into law (P.L. 115-282), reauthorizing appropriations for the Coast Guard and the Federal

Maritime Commission (FMC) for fiscal years 2018 and 2019. Consequently, with authorized funding expiring in 2019, the Committee intends to move legislation to reauthorize the United States Coast Guard, one of the nation's five armed services, for fiscal years 2020 and 2021.

The global maritime environment is diverse and complex, generating both tremendous opportunities for the U.S. economy and challenges to national security and sovereign U.S. interests in the maritime sphere. It remains vital that Congress provide the Coast Guard with the resources, vessels, and technology it needs to ensure that the Service can successfully conduct its critical missions of maritime border protection, migrant and drug interdiction, search and rescue, marine safety, oil spill and emergency response, and fisheries and other maritime law enforcement.

In addition, the Arctic is fast becoming a new maritime border and geopolitical concern for the United States. Yet the icebreaking capabilities of the U.S. remain severely limited and in need of recapitalization to meet Coast Guard mission needs in both the Arctic and Antarctic. Moreover, the Committee remains concerned that the federal government is underestimating the rate of change in the polar regions. Assuming that rates of change will continue to accelerate beyond projected levels, the Committee will assess unmet infrastructure needs in the Arctic and examine strategies to fill gaps in capabilities.

Our maritime border capabilities also must be fortified for the future, which will require greater investment in Coast Guard air, surface, and unmanned assets to support offshore operations. Moreover, the Committee is concerned with the Coast Guard's diminished marine safety competence and will examine options to strengthen Coast Guard capability for this important mission.

Additionally, the Committee intends again to reauthorize the FMC within the context of a larger Coast Guard bill. The Committee will also conduct oversight of the Commission's implementation of amendments made to the Shipping Act within Title VII of P.L. 115-282 to ensure fair and competitive marine transportation serving the U.S. foreign trades.

Water Resources Development Act:

On October 23, 2018, the President signed the *America's Water Infrastructure Act of 2018* (P.L. 115-270), which contained the *Water Resources Development Act (WRDA) of 2018*. The Committee intends to keep WRDA on a two-year cycle and will develop a WRDA bill to address the needs of ports, inland waterways, flood damage reduction, significant environmental restoration, and other programs and activities of the U.S. Army Corps of Engineers (Corps).

Legislation authorizing activities under the Corps' Civil Works program has been authorized by Congress since the 1800s. Later WRDA legislation established the Inland Waterways Trust Fund (IWTF) and the Harbor Maintenance Trust Fund (HMTF) to help pay for the modernization of locks and dams on America's inland navigation system and maintenance of waterways and ports, respectively.

IWTF revenues are derived from a 29-cent per-gallon user fee on diesel fuel used by commercial vessels engaged in inland waterway transportation, plus investment income. The IWTF pays for one-half of the costs associated with the construction, replacement, expansion, and major rehabilitation of federal inland waterways projects, with the other half coming from the Treasury's general fund. Prior to the enactment of a nine-cent diesel fuel increase in 2014 (which brought the tax to the current 29 cents per gallon) the Corps was spending the funds at the same rate that it was collected, and that was insufficient to maintain an efficient construction schedule for existing projects or to begin any significant new investments. In fiscal year 2020, the Congressional Budget Office estimates that the IWTF will collect approximately $118 million in receipts.

The inland waterway infrastructure system is old and in need of repair, replacement, and rehabilitation. Of the 236 lock chambers currently in operation, 139 are more than 50 years old. Investment in the replacement and rehabilitation of these projects is necessary to ensure products and commodities produced in the U.S. remain competitive in the global marketplace. The American Society of Civil Engineers estimates that underinvestment in America's inland waterways cost American businesses $33 billion in 2010. Without significantly increased investment, those costs could rise to $49 billion by 2020.

The HMTF is meant to pay for the federal share of harbor maintenance needs. Funds are collected through a 0.125-percent tax imposed on the value of cargo loaded or unloaded at American ports. Fiscal year 2019 appropriations from the HMTF was approximately $1.5 billion. According to the Congressional Budget Office, the HMTF will collect approximately $1.6 billion in receipts in fiscal year 2019. The Committee requests, at a minimum, that the revenues collected in fiscal year 2019 be allocated to the Corps in fiscal year 2020 to address the operation and maintenance needs of federal commercial harbors, including authorized jetty and breakwater needs. Moreover, the balance in the HMTF continues to grow. By the end of fiscal year 2019, the balance will be approximately $9.5 billion; and by the end of fiscal year 2029, the balance will be $14.4 billion. Full utilization of the funds collected for the HMTF would address U.S. port maintenance requirements.

America's businesses and consumers depend on these ports, as 70 percent of America's imports and 75 percent of its exports go through the U.S. ports. The number of ships calling on U.S. ports is rising, and with the expansion of the Panama Canal, the size of ships will grow. With an expanded Panama Canal, increasingly larger container ships will become the norm, although the number of American container ports that currently receive such ships is limited. The current rate of investment by the trust funds may not be sustainable in the long term if we are to keep inland waterways and ports as a viable part of a multimodal transportation system.

In addition, the Corps is challenged with an enormous backlog of Congressionally-authorized projects and deferred maintenance of its aging water resources infrastructure, increased demands, reduced budgets, and severe weather and water conditions. Ensuring that the Corps has the capability and direction necessary to meet expectations requires a thorough review and understanding of its priorities and its ability to manage its portfolio of assets in the context of recent federal budgets. The Committee intends to conduct technical and budget oversight of the Corps funding, backlog, and future needs. Additionally, the Committee looks forward to working with the Administration on completing the implementation of the Water Resources Reform and Development Act of 2014, WRDA 2016, and WRDA 2018.

Environmental Protection Agency:

The Committee continues to believe that investment in critical Environmental Protection Agency (EPA) programs, like the Clean Water Act State Revolving Fund and the Brownfields program, is important for sustainable long-term economic growth. Both of these programs provide substantial returns on investment, and consistently receive more requests for participation than can be met by appropriated funding levels. Congress should continue to provide funds that support these activities, and should seek to increase the level of appropriated funds for these programs commensurate with state and local needs. The Committee intends to reauthorize federal appropriations for the Clean Water State Revolving Fund, as well as provide communities with federal resources and the appropriate tools to address local water infrastructure affordability concerns.

For the Superfund program administered by the EPA, the Committee is aware of a 2015 Governmental Accountability Office report (GAO-15-812) that documented a general decline in federal appropriations to the Superfund program over the last decade. The Committee recommends funding at a level that matches its capability, so that no cleanup projects fail to advance due to lack of funding, thereby delaying public health and environmental benefits, as well as economic benefits derived from returning sites to productive use. As with other accounts, the EPA should give highest priority to projects that protect human health, water quality, and the environment, while creating the most jobs and economic activities.

Rail Legislation:

The *Fixing America's Surface Transportation Act* (FAST Act) (P.L. 114-94) included the reauthorization of Amtrak, Amtrak's Office of Inspector General, and the Northeast Corridor Commission through fiscal year 2020. The FAST Act also included reforms to provide greater accountability and transparency for Amtrak, improve our rail infrastructure, enhance rail safety, accelerate project delivery, and leverage innovative financing.

The FAST Act reorganized Amtrak's authorization structure into the Northeast Corridor (NEC) and National Network lines of business, to ensure NEC profits are reinvested in the Corridor, while authorizing Amtrak to transfer funding between the two accounts to ensure Amtrak is able to operate a national rail passenger transportation system. The FAST Act also created a State-Supported Route Committee to promote cooperation and planning pertaining to the rail operations and performance of Amtrak and related activities of trains operated by Amtrak on state-supported routes.

The FAST Act also restructured and consolidated rail grant programs administered by the Federal Railroad Administration (FRA) for passenger, freight, and other rail activities. These include: Consolidated Rail Infrastructure and Safety Improvement Grants to improve safety, reliability or efficiency for passenger and freight rail projects; Federal-State Partnership for State of Good Repair Grants to reduce the state of good repair backlog for assets used to provide intercity passenger rail service, particularly on the NEC; and, Restoration and Enhancement Grants to initiate, restore, or enhance intercity passenger rail service.

Additionally, the FAST Act authorized several activities to improve the safety of highway-railway grade crossings and strengthened passenger and commuter rail safety, including use of speed limit action plans and locomotive cab alerters. It improved track and bridge safety by reviewing innovative technologies and creating a process for states to monitor bridge conditions, and it provided commuter railroads with competitive grants and loans funded out of the Highway Trust Fund to spur timely positive train control (PTC) implementation. The FAST Act also applies highway and transit streamlining provisions to rail, speeding up timelines, enhancing coordination among agencies, and ensuring public investment early in the environmental review process. Moreover, it unlocked the underutilized Railroad Rehabilitation and Improvement Financing (RRIF) loan program with programmatic and process reforms and enhanced transparency for RRIF applicants.

In October 2015, Congress enacted the *Positive Train Control Enforcement and Implementation Act of 2015*, as part of the *Surface Transportation Extension Act of 2015* (P.L. 114-73), which extended the deadline for installation of PTC to December 31, 2018. The *Positive Train Control Enforcement and Implementation Act of 2015* required each railroad carrier to report annually to the Department of Transportation (DOT) on its progress toward implementing PTC systems; the FRA requires additional reporting on a quarterly basis. At the end of 2018, the FRA reported that, according to the railroads' self-reported progress, all railroads required to meet the positive train control mandate had either met the December 31, 2018, deadline or had submitted requests for extensions.

Finally, in December 2015, the *Surface Transportation Board Reauthorization Act of 2015* (P.L. 114-110) was signed into law, reauthorizing the Surface Transportation Board (STB) for the first time since the agency's creation in 1995. The Act authorized the STB through fiscal year 2020 and included a series of reforms to improve the STB's efficiency and responsiveness to allow the railroad industry to better serve its customers. It gave the STB authority to investigate issues of national or regional significance on its own initiative; directed the STB to modify its voluntary arbitration process; and made important structural changes, such as establishing the STB as a fully independent agency and expanding STB membership from three to five members.

This year, the Committee will continue to monitor the implementation of the programs, policies, and funding authorized in the *Passenger Rail Investment and Improvement Act of 2008* (P.L. 110-432), the FAST Act, the *Surface Transportation Extension Act of 2015*, and the *Surface Transportation Board Reauthorization Act*.

Pipelines and Hazardous Materials:

The FAST Act also reauthorized the Pipeline and Hazardous Materials Safety Administration's (PHMSA) hazardous materials safety program and included several reforms for the safe transportation of hazardous materials.

The FAST Act authorized grants to assist communities in preparing for and responding to hazardous materials accidents; required railroads to provide information on the identity, quantity, and location of crude oil movements to states and local responders; and improved the process for review of special permits and approvals. In addition, the FAST Act enhanced safety by requiring new tank cars to be equipped with "thermal blankets" and top fittings protection and by requiring that all legacy tank cars to be retrofitted to the new standards. Finally, the FAST Act provided the PHMSA with authority to respond during national emergencies.

Moreover, Congress reauthorized the PHMSA's pipeline safety program in the 114th Congress by enacting the *Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2016* (PIPES Act) (P.L. 114-183). The PIPES Act ensured the agency completed its responsibilities under the *Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011* (P.L. 112-90); provided for a number of assessments of the current safety program; included the establishment of minimum standards for underground natural gas storage systems and liquefied natural gas facilities; provided the PHMSA with emergency order authority to impose emergency restrictions on pipeline operations and safety measures on owners and operators of pipeline facilities to abate imminent hazards; created a working group to develop recommendations on how to create an information sharing system; and required the PHMSA to report on the feasibility of establishing a national integrated pipeline safety regulatory inspection database to improve communication and collaboration. The PIPES Act will expire in September 2019.

This year, the Committee intends to reauthorize the PHMSA's pipeline safety programs, as well as continue to review the PHMSA's implementation of the mandates included in the FAST and PIPES Acts, and the *Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011* (P.L. 112-90), much of which remains to be implemented.

General Services Administration – Federal Real Property and Public Buildings:

The Committee intends to advance legislation related to the General Services Administration (GSA). The GSA continues to face significant asset management challenges because of chronic underfunding of its maintenance and repair budget, difficulties in disposing of surplus property, and an aging inventory. For these reasons, in 2003, the GAO placed real property management on its list of "high risk" government activities, where it remains today.

Considerable amounts of vacant or underperforming assets can translate into significant costs associated with their operation, maintenance, and security, and the Committee believes there are significant opportunities to save taxpayers money through disposal of unneeded government property and improving the leasing process. On December 16, 2016, President Obama signed into law the *Federal Assets Sale and Transfer Act* (FASTA) (P.L. 114-287), which established pilot authority for the President to sell or redevelop vacant and underutilized federal real property and buildings. FASTA also codified the requirements for the Federal Real Property Database to ensure better accuracy and management of real property. On that same day, the President signed into law the *Federal Property Management Reform Act of 2016* (P.L. 114-318) which, among other things, codified the Federal Real Property Council. The Committee plans to continue its oversight to ensure the timely and effective implementation of these laws. In addition, the Committee may move a bill that works to reform the GSA leasing program and enable it to get lower leasing rates.

With respect to the GSA's leasing program, over one-half of the GSA's office space inventory consists of privately leased buildings, and an unusually large number of those leases expire over the next five years. This large turnover of GSA leases is taking place at a time when vacancy rates for commercial office space remain high and market rents low in some markets where the GSA has large lease holdings. The Committee intends to explore ways to help the GSA maximize this market opportunity by accelerating long-term lease replacements and improving utilization rates.

The Federal Buildings Fund (FBF), the primary source of funding for the GSA's capital investment program, is struggling to maintain a balanced portfolio of owned properties through construction or purchase of new federal buildings and the repair of existing buildings. The FBF is supported by rental payments charged to federal agencies occupying space in the GSA's facilities.

The Committee recommends that the Administration carefully review the need for any new space, and base determinations of whether to lease or own on what would provide the greatest return on investment to the taxpayer. The Administration should also address issues related to the high number of old buildings in the federal inventory that drain resources from the FBF and are no longer efficient for modern office space. The Committee will also continue to take steps to ensure that federal agencies decrease office space, improve space utilization, and increase efficiency to lower costs.

Furthermore, the GSA has several statutory authorities that, if used appropriately, could reduce costs and result in ownership opportunities in federal real estate. The Committee will examine how these authorities could be used more effectively to address space underutilization, reuse vacant space, convert long-term leased space into owned space, and provide more efficient space by leveraging concessions from private landlords. The Administration should examine how these authorities could be best used; however, the Administration should work with Congress when using these authorities and there should be authorization and strong congressional oversight of such projects.

Finally, the GSA's repair and alteration program has been underfunded in previous years and has failed to meet projected demand for the modernization of the GSA's aging inventory of retained federal buildings. The Committee continues to believe that the GSA should adhere to criteria in modernization and efficiency priorities that target investment in federal buildings that maximize space utilization and dispose of underutilized assets where appropriate. The Committee will also examine whether opportunities exist to leverage private sector interests in federal real estate, not only in providing new office space but also in modernizing existing inventory.

Federal Emergency Management Agency:

The Federal Emergency Management Agency (FEMA) manages and coordinates the federal response to and recovery from major domestic disasters and emergencies of all types, in accordance with the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended. The agency leads the U.S. in preparing for, preventing, mitigating the effects of, responding to, and recovering from all domestic disasters, whether natural or man-made, including terrorist attacks.

Across the U.S., 2018 was another devastating year for natural disasters. In addition to the tragic wildfire that devoured Paradise, California, and Hurricane Michael's wrath in the Florida panhandle, Anchorage, Alaska, and the surrounding area was subjected to a 7.0 magnitude earthquake, and Category 5 Super Typhoon Yutu slammed into the Commonwealth of the Northern Mariana Islands. Not only was the FEMA responsible for supporting state, local and tribal governments hit by these disasters in 2018, it was also still responsible for ongoing recoveries from a record-breaking 2017–which included three back-to-back hurricanes—Harvey, Irma, and Maria—as well as another year's worth of catastrophic floods, wildfires, and earthquakes that affected hundreds of thousands of Americans. The Committee has been, and will continue to be, actively involved in providing assistance and guidance to Members of Congress whose districts have been impacted by these disasters.

Last year, the Committee advanced the *Disaster Recovery Reform Act* (DRRA), which was signed into law in October 2018 as part of the broader FAA reauthorization package (P.L. 115-254). The DRRA increases the federal focus on disaster mitigation to proactively reduce loss of life and property by lessening the impact of future disasters and to require stronger, more resilient rebuilding after disaster strikes. It makes other critical reforms to FEMA's disaster response and recovery programs that will help communities better prepare for, respond to, recover from, and mitigate against disasters of all kinds.

The Committee will continue to conduct oversight on FEMA's disaster response and recovery activities—especially the 2017 hurricanes—as well as identify any additional necessary reforms to ensure the FEMA is able to effectively support its state, local, tribal, and territorial partners. Additionally, the Committee will also continue its oversight as the FEMA continues to implement the Sandy Recovery Improvement Act authorities enacted in early 2013, as well as its new DRRA authorities. Additional mitigation reforms were also enacted as part of the *Bipartisan Budget Act of 2018* (P.L. 115-123).

Conclusion:

This report was circulated to all Members of the Committee on Transportation and Infrastructure for their review and comment and was approved in a Full Committee meeting on February 27, 2019. While the report reflects a bipartisan effort, the Committee wishes to emphasize that not all Members of the Committee necessarily agree with every aspect of the report. Accordingly, the Committee reserves its flexibility to determine program needs, and recognizes the potential for funding changes as the Committee and Congress work their will through the legislative process.