

STATEMENT OF THE HONORABLE WILBUR L. ROSS  
SECRETARY OF COMMERCE

BEFORE THE

COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION  
UNITED STATES SENATE

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HEARING ON

THE ADMINISTRATION'S INFRASTRUCTURE INITIATIVE – BUILDING A STRONGER  
AMERICA

Chairman Thune, Ranking Member Nelson, and Members of the Committee. Thank you for the opportunity to testify today on the Administration's infrastructure initiative. Specifically, I look forward to describing the Commerce-led Transformative Projects Plan envisioned in the proposed legislation.

As President Trump has long made clear, our Nation's infrastructure is crumbling, and we desperately need new and upgraded roads, bridges, highways, railways, and waterways across the country. If the United States is to continue creating jobs, developing a 21<sup>st</sup> century work force, and growing a strong economy, we must build new infrastructure with "American heart, American hands, and American grit."

First and foremost, the President's legislative principles for rebuilding infrastructure, delivered to Congress on February 11, 2018, will involve continued elimination of regulatory barriers, streamlined permitting processes, and establishment of a "one agency one decision" concept for infrastructure permit applications. These vital efforts will reduce the cost of infrastructure projects by removing unnecessary and unacceptable burdens on businesses and governmental organizations seeking to start and complete critical projects. They will also eliminate redundancy where state and local governments can more efficiently authorize infrastructure projects.

It is time for the Administration and Congress to expedite the current permitting process from the all too common eight- to ten-year timeline to a more reasonable two years or less. A two-year permitting process will spur additional infrastructure projects because investors will have more certainty on when they will receive federal approval of proposed projects and free up capital otherwise wasted on byzantine amounts of red tape.

The increased access to development created by deregulation, in addition to targeted federal funding, will be leveraged to stimulate significant private sector and state and local investment generating \$1.5 trillion in total new spending on infrastructure. And that total does not even include the significant federal tax revenue that will result from the increased labor force demanded by such new construction projects, and cost savings from drastically fewer legal and compliance obligations related to permit review processes—more jobs, more economic growth, and a stronger America!

Regulatory reform is already a key priority for the Administration and the Department. Over the past year, Commerce's Regulatory Reform Task Force, created pursuant to Executive Order 13777 on Enforcing the Regulatory Reform Agenda, identified over 50 deregulatory actions that are expected to remove unnecessary regulatory burdens on American businesses and unleash economic activity. During fiscal year 2017, the Department did not implement a single new regulatory action that imposed significant costs on business—instead eliminating, delaying, or modifying all that were planned by the previous Administration.

Further, the Department has already taken on a leadership role in the Administration's efforts to remove regulatory burdens that prevent or delay infrastructure projects. Notably, last fall, as part of the Department's report under EO 13783 on Promoting Energy Independence and Economic Growth, the National Marine Fisheries Services committed to implementing an average national 25% improvement in processing time for infrastructure project informal consultations under the Endangered Species Act. The Department is currently exploring ways to reduce processing times. In the interim, NMFS has taken a number of administrative steps, including reducing unnecessary review steps in the consultation process, increasing tracking, and workforce management to improve timeliness. Through these efforts, the Department is already exceeding that 25% goal.

Each of the Department of Commerce's activities—trade, broadband, regulatory reform, and economic development, to name a few—aims to improve a key aspect of the Administration's goals of new and better infrastructure. The culmination of these efforts will increase investment access and opportunity, and will enable more Americans to perform jobs that are essential to infrastructure development.

The Administration's infrastructure initiative will leverage \$200 billion in federal funds to spur on at least \$1.5 trillion in infrastructure investment. To accomplish this, the federal government will partner with state, local, tribal, and private sector stakeholders. As you know, of the \$200 billion in federal funds proposed in the initiative, \$100 billion will create an Incentives Program to leverage additional dedicated funds from states, localities, and the private sector; infrastructure financing programs will see an expansion of \$20 billion, of which \$14 billion will go towards existing credit programs such as those falling under the Transportation Infrastructure Finance and Innovation Act, Railroad Rehabilitation and Improvement Financing, Water Infrastructure Finance and Innovation Act, rural utility lending programs, and expansion of private activity bonds; and \$50 billion will go towards a new Rural Infrastructure Program to rebuild and modernize infrastructure in rural America. Unlike the previous Administration, President Trump has not forgotten about rural America.

While Commerce is prepared to lend unwavering support for all of these initiatives using its broad statutory authorities and expertise, I will leave discussion of those components to my esteemed colleagues from the President's Cabinet.

Today, rather, I will focus on the \$20 billion that would be committed to a Transformative Projects Program led by the Department of Commerce. Under this program, I would chair a committee that provides federal aid for bold and innovative projects – *transformative projects* –

that have the potential to dramatically improve America's infrastructure. These are the types of projects that may not attract private sector investment without federal incentives, because of their unique characteristics, but they could have a substantial positive impact on states, cities, and localities—*significant bang for the buck*.

The purposes of the program include:

- Significantly improving performance, from the perspective of availability, safety, reliability, frequency, and service speed;
- Substantially reducing user costs for services;
- Introducing new types of services; and
- Improving services based on other related metrics.

We need to fuel novel and groundbreaking creativity that brings American infrastructure into the 21<sup>st</sup> century. When it comes to transformative projects, Commerce is prepared with many ideas. We look forward to working with Congress, and other agencies, to facilitate needed ventures such as commercial spaceports, rapidly deploying 5G wireless technologies, improving satellite technologies to deliver broadband, research and development into using block chain technology to enable more efficient supply chain management, using augmented reality to help improve city congestion, 3-D printing of construction materials, new dredging technologies to facilitate water port construction and streamlined supply chains, even hyperloops. My staff will be prepared to implement this program in a manner that reflects the innovations of private industry and opportunities to beneficially impact many states.

An example of a transformative project that is currently within Commerce's purview is the National Oceanic and Atmospheric Administration's (NOAA) Precision Navigation project. Precision Navigation is a one-stop solution for safe navigation decision support that includes charts; high-resolution bathymetry; safety contours; tides and water levels; currents; water temperature and salinity; winds; wave heights; weather; and regulatory restrictions. Mariners are provided a single data source for all navigational products, rather than going to disparate sources to determine the best route when navigating congested waterways. NOAA and its partners' success with Precision Navigation in the Port of Long Beach has led to a four-foot increase in the draft allowance. For every extra foot of draft, tanker ships can load 40,000 more barrels of crude oil, which equates to roughly \$2 million of extra product per tanker. I hope to expand this innovative product, through innovative public-private partnerships, to other busy ports and waterways in the United States.

Finally, Commerce is also developing an infrastructure track for its SelectUSA Summit this summer at which we will promote public-private infrastructure partnerships and foreign direct investment specifically related to rural infrastructure projects. The Department is also developing proposals for modern measures to enable rural broadband and is assessing what level of broadband rural areas need to participate in advanced manufacturing, telemedicine, and the evolving digital economy.

Commerce is already putting resources to use towards infrastructure and economic development. Notably, the Department is heavily involved in the multiple disaster relief efforts. The

Department is appropriately allocating \$1 billion of relief funding, a significant portion of which is directed towards repairing, replacing, or deploying new infrastructure in areas impacted by the several devastating events over the past year. To this end, Commerce already boasts a robust policy portfolio supporting infrastructure, including economic development grants, broadband technical assistance, charting and surveying of waterways, and grants to promote opportunities for minority businesses.

The Department stands ready to work with Congress to develop a comprehensive legislative proposal that will address the dire infrastructure needs of this great country, and we have the tools, experience, and pro-business expertise to see this critical function of government succeed for the betterment of Americans.

As the President and my esteemed colleagues in the Administration are making clear: infrastructure is the backbone of our country. There can be no America First strategy without a dedicated effort to improve and rebuild our dying infrastructure. It is essential to jobs, economic growth, and national security. It is time to build a stronger America.

Thank you for inviting me to testify before you today. I will be happy to answer any questions members of the committee may have.