

STATEMENT OF
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BEFORE THE
COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION
U.S. SENATE

HEARING ON

Implementation of the FAST Act

June 8, 2016

Chairman Thune, Ranking Member Nelson, and Members of the Committee, thank you for inviting me to testify today on our progress in implementing the Fixing America's Surface Transportation (FAST) Act.

Thank you for heeding our nation's call and our Department's call by passing a long-term, bipartisan surface transportation bill that increases funding, provides much needed reforms, and removes the cloud of uncertainty hanging over our surface transportation system for the better part of a decade. While it is not everything we need, the FAST Act is a down-payment for building a 21st Century transportation system.

I also want to applaud this Committee for including, for the first time, intercity passenger rail programs in a comprehensive, multimodal surface transportation authorization bill. The FAST Act includes provisions to significantly improve the transparency of Amtrak funding and the delivery of its services, as well as authorizes three new competitive grant programs to improve the safety, efficiency, and reliability of passenger and freight rail systems. The Act also provides important safety provisions such as dedicated funding for implementing positive train control, a requirement for States to establish highway-rail grade crossing action plans, and a

mandate to provide recording devices on passenger trains. We are pleased to see the inclusion of a rail title and have been hard at work implementing provisions not only in this title, but also throughout the FAST Act.

The FAST Act calls for the Department to implement a significant number of programs, rulemakings, guidance, notices and other measures, and we have made every effort to do so in a timely, open, and transparent way.

Since passage of the Act, we have engaged stakeholders and the public through roundtables, panels, on-line forums, and meetings on targeted topics, including the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program, project delivery, accessibility, planning, freight, and bicycle/pedestrian infrastructure. We also acted quickly to issue over fifty guidance documents, hundreds of questions and answers, and over fifty fact sheets that provide critical information regarding implementation of FAST programs and provisions. We have made progress toward initiating several FAST-related rulemakings, and we are also continuing our efforts related to Moving Ahead for Progress in the 21st Century (MAP-21) Act rulemakings.

We are committed to distributing as much available funding as possible to States and other grantees to maximize the impact of FAST nationwide. For example, in January, the Federal Highway Administration (FHWA) apportioned approximately \$40 billion to States. At the same time, we have worked tirelessly to issue funding opportunities for new grant programs established under the FAST Act.

In March, we began competition for the Nationally Significant Freight and Highway Projects grants, which we refer to as FASTLANE (Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies), which will fund high-

impact projects that address key challenges affecting the movement of people and freight. This year's FASTLANE competition will provide \$759 million in grants.

We also announced the availability of \$377.5 million over the next five years for grants to support solution-oriented transportation research at colleges and universities under the University Transportation Center (UTC) Program. We plan to announce these awards early this fall. These are just a few examples of FAST Act funding opportunities we are dedicated to providing this year.

Mr. Chairman, when the FAST Act was enacted last December, we identified five key program areas on which to focus our efforts – safety, project delivery, freight, innovative finance, and research. Today, I will provide an update of the progress we have made in these areas and more.

SAFETY

As you know, safety has and continues to be our top priority. We have taken a number of steps to implement FAST Act provisions in this area as quickly as possible. In January, we solicited nominations for the Federal Motor Carrier Safety Administration's (FMCSA) Motor Carrier Safety Assistance Program working group to analyze the formula for the program, which provides critically needed support to State agencies engaged in commercial motor vehicle safety related activities. The first meeting of the working group was held in April. Per the FAST Act, we also commissioned the National Academies to conduct a correlation study of the Compliance, Safety, Accountability (CSA) program, which is underway now.

In March, we issued a rule¹ that raises maximum fines against non-compliant auto manufacturers from \$35 million to \$105 million. In April, the National Highway Traffic Safety Administration (NHTSA) issued a report² on actions taken to increase public awareness of the dangers of drug-impaired driving. In May, we issued a rule³ to implement and provide funding under State highway safety grant programs, including the newly authorized 24-7 Sobriety Program Grants and the Non-Motorized Safety Grants.

In the upcoming months NHTSA will also be seeking public comment, as required, on a new authority to prohibit rental car companies from knowingly renting vehicles that are subject to safety recalls. This provision gives NHTSA an important tool to protect the safety of U.S. motorists, as rental agencies operate some of the largest fleets in the country. In the fall, we will administer a pilot program with State DMVs to require notification to owners about open safety recalls at the time of vehicle registration.

PROJECT DELIVERY

The Department has been a leader in reducing the bureaucratic red tape that can stall and delay critical transportation projects from moving forward. The FAST Act adopted a number of Administration proposals to further speed the review and permitting processes while still protecting environmental and historic treasures. Building on prior work carried out with our Federal and State partners to improve the environmental review process, we have implemented several project delivery FAST provisions to date.

¹ Notice of Increase in Civil Penalty for Violations of National Traffic and Motor Vehicle Safety Act, 81 Fed. Reg. 15413 (March 22, 2016)

² Report to Congress entitled “Increasing Public Awareness of the Dangers of Drug-Impaired Driving”

³ Uniform Procedures for State Highway Safety Grant Programs, 81 Fed. Reg. 32554 (May 23, 2016) (amending 23 C.F.R. Part 1300)

For example, we published an environmental checklist to help project sponsors identify potential project approval requirements; issued a memo on improving habitats for pollinators; and coordinated with other Federal agencies on aligning Federal reviews of potential historic sites.

This week, we will be soliciting public comment on the potential application of the FHWA and Federal Transit Administration (FTA) procedures for implementing the National Environmental Policy Act (NEPA) to railroad projects. Last week, we issued a notice providing the public an opportunity to review the Federal Railroad Administration's (FRA) survey of categorical exclusions used in railroad transportation projects and new categories of activities that may be appropriate for future categorical exclusions.

We also have a number of guidance and rulemaking documents underway to implement provisions that eliminate duplication of environmental reviews, align Federal environmental reviews across the Department, and improve State and Federal agency engagement in environmental reviews.

FREIGHT

The FAST Act freight programs and related provisions provide an important opportunity to begin to address the many challenges outlined in our "Beyond Traffic" study, including inefficiencies in our nation's freight system and the need for a stronger multimodal transportation system. As the study indicates, more than 10 million trucks moved more than 10 billion tons of freight across America's highways in 2014. It is estimated that by 2040 freight volume will grow to 29 billion tons—an increase of 45 percent. The freight formula program and freight and highway discretionary program in the Act will, for the first time, provide a dedicated source of Federal funding for freight projects, including multimodal projects.

In February, FHWA issued implementing guidance for the National Highway Freight Program, which provides much needed formula funds to States to improve efficient movement of freight on the National Highway Freight Network. As I mentioned earlier, we also began the competition for FASTLANE grants. We have received 212 applications totaling nearly \$9.8 billion for grants under this new program. This huge wave of interest in the first year of this program – with States and localities requesting over 13 times more funding than available – underscores the continuing need for infrastructure investment across the nation.

This week we established an interim National Multimodal Freight Network and in the coming months we plan to issue several additional essential planning tools that will help inform multimodal freight transportation planning across the country, including State Freight Plan guidance and a final National Freight Strategic Plan.

INNOVATIVE FINANCE BUREAU

Building on the Administration’s successful Build America Investment Initiative, the FAST Act establishes a “National Surface Transportation and Innovative Finance Bureau” to align, coordinate, and consolidate aspects of the Department’s existing surface transportation innovative finance programs. This new office will serve as a single point of contact and coordination for States, municipalities, and project sponsors looking to use Federal transportation expertise, apply for Federal transportation credit programs (including TIFIA and the Railroad Rehabilitation and Improvement Financing (RRIF)), and explore ways to access private capital in public-private partnerships. We are working diligently to develop a clear and comprehensive plan to stand up this new office soon. We have, and will continue, to provide you with updates on our progress.

In March, we announced the availability of \$1.435 billion in capital over five years for the TIFIA program. In the next few months we plan to issue updated guidance for the RRIF program that incorporates changes provided under the FAST Act, including revised application processing procedures and an application dashboard.

RESEARCH AND INNOVATION DEPLOYMENT

At the Department we continue to transform government for the 21st Century by conducting transportation research, harnessing innovation, and embracing technology that will improve people's lives. Many of the FAST Act research program funding and provisions provide opportunities for us to carry out this vision.

As I mentioned earlier, in March we began the competition for UTC grants which allows students and faculty to work together toward innovative solutions to the challenges that face our transportation system, such as those outlined in our "Beyond Traffic" study. We have received 212 applications for the 35 grants available and are reviewing those applications now.

We also began competition for \$60 million in grants for the Advanced Transportation and Congestion Management Technologies Deployment Program, to fund cutting-edge transportation improvement technologies that will improve safety, efficiency, system performance, and infrastructure return on investment. These awards may be used for projects that use real-time traveler information, traffic data collection and dissemination, vehicle-to-infrastructure communication and an array of other dynamic systems and intelligent transportation system technologies.

Within the Department we are working quickly to develop annual modal research plans, per the FAST Act, to provide a comprehensive research outlook for the upcoming year. We are

also developing a 5-year transportation research and development strategic plan to guide future Federal transportation research and development activities.

OTHER AREAS

Beyond our key program areas, we have made great strides in implementing other FAST Act provisions of interest to this Committee.

In February, we convened the Gulf Coast Working Group to identify an option and the steps needed to restore passenger rail service along the Gulf Coast region. A report from this working group will be provided later this fall.

We worked expeditiously to select members for the Port Performance Freight Statistics Working Group while ensuring the necessary balance of interests across the many and varied actors in freight transportation. This working group will convene next month.

We will soon be issuing a notice seeking input for the pilot program that allows military personnel trained as commercial drivers between the ages of 18 and 21 to operate in interstate commerce. We will closely monitor the safety performance of drivers in the pilot program through a working group comprised of representatives from the armed forces, State driver licensing agencies, safety advocates, and industry stakeholders.

CONCLUSION

Thank you for the opportunity to appear before you today to update you on our progress so far. We are proud of the work we have accomplished in a short period of time, and we anticipate continuing our aggressive schedule to execute the reforms you put in to place. I look forward to answering your questions.