



Committee on Transportation and Infrastructure  
U.S. House of Representatives  
Washington, DC 20515

Sam Graves  
Chairman

Rick Larsen  
Ranking Member

Jack Ruddy, Staff Director

Katherine W. Dedrick, Democratic Staff Director

September 15, 2023

**SUMMARY OF SUBJECT MATTER**

**TO:** Members, Committee on Transportation and Infrastructure  
**FROM:** Staff, Committee on Transportation and Infrastructure  
**RE:** Full Committee Hearing on “*Oversight of the Department of Transportation’s Policies and Programs*”

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**I. PURPOSE**

The Committee on Transportation and Infrastructure will meet on Wednesday, September 20, 2023, at 10:00 a.m. ET in 2167 of the Rayburn House Office Building to receive testimony at a hearing entitled “*Oversight of the Department of Transportation’s Policies and Programs.*” The hearing will provide an opportunity for Members to discuss all aspects of the United States Department of Transportation (DOT or Department), including the Administration’s actions to date implementing the *Infrastructure Investment and Jobs Act (IIJA)* (P.L. 117-58). The Committee will receive testimony from DOT Secretary Pete Buttigieg.

**II. BACKGROUND**

DOT

Pursuant to the United States House of Representatives Rule X(1)(r), the Committee on Transportation and Infrastructure authorizes programs carried out by DOT modal administrations and offices including:

- Federal Aviation Administration (FAA);
- Federal Highway Administration (FHWA);
- Federal Motor Carrier Safety Administration (FMCSA);
- National Highway Traffic Safety Administration (NHTSA);
- Federal Transit Administration (FTA);
- Federal Railroad Administration (FRA);
- Maritime Administration (MARAD);
- Pipeline and Hazardous Materials Safety Administration (PHMSA);
- Great Lakes Saint Lawrence Seaway Development Corporation (GLS); and
- Office of the Secretary (OST).

On December 15, 2020, President Biden nominated Pete Buttigieg to be the Secretary of Transportation. The Senate Committee on Commerce, Science, and Transportation held a confirmation hearing on the nomination on January 21, 2021. The Senate confirmed Secretary Buttigieg on February 2, 2021, by a vote of 86-13.<sup>1</sup>

### Fiscal Year (FY) 2024 Budget Request

The President's FY 2024 Budget requests \$108.5 billion for DOT, an increase of \$1 billion, or one percent, compared to FY 2023 enacted levels.<sup>2</sup> In addition, DOT will receive \$36.8 billion in advance supplemental funding from *IJJA*, bringing DOT's total FY 2024 budget resources to \$145.3 billion.<sup>3</sup> Of the requested funding, the President's budget proposes \$19.8 billion for FAA, \$60.8 billion for FHWA, \$17 billion for FTA, \$4.8 billion for FRA, \$1.3 billion for NHTSA, \$951 million for FMCSA, \$980 million for MARAD, \$387 million for PHMSA, \$40 million for the GLS, \$2.3 billion for OST, and \$121 million for the Office of the Inspector General (OIG).<sup>4</sup> DOT's budget largely supports contract authority programs funded from the Highway Trust Fund and Airport and Airway Trust Fund, competitive grants, operations, and other modal administration spending.

### **III. IJJA IMPLEMENTATION**

On November 15, 2021, the President signed *IJJA* into law, representing the largest Federal investment in decades in the United States' infrastructure.<sup>5</sup> This legislation authorized and appropriated a combined \$1.2 trillion for infrastructure programs over the five-year period from FY 2022 to FY 2026, to sustain and modernize the Nation's infrastructure, including roads, bridges, transit, railroads, and airports, as well as energy and broadband.<sup>6</sup> Of the total authorized and appropriated in *IJJA*, approximately \$661 billion is administered by DOT.<sup>7</sup>

Since *IJJA*'s enactment, as of August 27, 2023, DOT has indicated it has announced \$184 billion in *IJJA* formula funding and grant awards to states, local governments, transit agencies, airports, ports, and other project sponsors.<sup>8</sup> FHWA has distributed approximately \$125 billion

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<sup>1</sup> See Sen. Roll Call Vote No. 11 (Feb. 2, 2021) (on the Nomination of Peter Paul Montgomery Buttigieg, of Indiana, to be Sec'y of Transp.; confirmed 86 yeas to 13 nays), available at [https://www.senate.gov/legislative/LIS/roll\\_call\\_votes/vote1171/vote\\_117\\_1\\_00011.htm](https://www.senate.gov/legislative/LIS/roll_call_votes/vote1171/vote_117_1_00011.htm).

<sup>2</sup> DOT, BUDGET HIGHLIGHTS 2024, 12, (2023), available at [https://www.transportation.gov/sites/dot.gov/files/2023-03/BudgetHL2024\\_Mar09\\_3pm\\_508.pdf](https://www.transportation.gov/sites/dot.gov/files/2023-03/BudgetHL2024_Mar09_3pm_508.pdf).

<sup>3</sup> *Id.* at 1.

<sup>4</sup> *Id.* at 7-11.

<sup>5</sup> *IJJA*, Pub. L. No. 117-58, (2021), 135 Stat. 429 [hereinafter *IJJA*].

<sup>6</sup> FHWA, *Bipartisan Infrastructure Law*, available at <https://www.fhwa.dot.gov/bipartisan-infrastructure-law/> (last updated Mar. 20, 2023).

<sup>7</sup> See DOT, *IJJA, Authorized Funding FY 2022 to FY 2026*, available at [https://www.transportation.gov/sites/dot.gov/files/2022-01/DOT\\_Infrastructure\\_Investment\\_and\\_Jobs\\_Act\\_Authorization\\_Table\\_%28IJJA%29.pdf](https://www.transportation.gov/sites/dot.gov/files/2022-01/DOT_Infrastructure_Investment_and_Jobs_Act_Authorization_Table_%28IJJA%29.pdf) (Comm. on Transp. and Infrastructure calculation).

<sup>8</sup> See Appendix I – *IJJA Financial Summary as of Aug. 27, 2023*, Email from Staff, OST, DOT, to H. Comm. on Transp. and Infrastructure Staff (Sept. 13, 2023, 10:08 p.m.) (on file with Comm.) [hereinafter – *IJJA Financial Summary as of Aug. 27, 2023*].

under the highway program.<sup>9</sup> Analysis of FHWA data by the American Road & Transportation Builders Association (ARTBA) indicates that States have used these formula dollars to support more than 50,000 projects across the country, through June 30, 2023.<sup>10</sup> Additionally, FTA has distributed approximately \$41 billion in transit funding, FAA has announced nearly \$10 billion in airport funding, and OST has announced approximately \$6.6 billion in grants for various programs.<sup>11</sup> See appendix I for additional information on budgetary resources by modal agency provided by DOT. However, some stakeholders are concerned with the slow rollout pace at which *IJJA* funding goes out to bid once it has been apportioned by DOT to States and other project sponsors. A 2023 outlook survey of its member companies by the Associated General Contractors of America (AGC), found that just five percent of companies responded they have worked on *IJJA*-funded projects to date, while six percent responded they had successfully bid on projects for which work had yet to begin.<sup>12</sup>

DOT is responsible for implementing 103 programs and 157 subprograms under *IJJA*.<sup>13</sup> Some programs have not been implemented or took time to finalize. For example, the Department has not yet implemented provisions related to Vehicle Miles Traveled (VMT), including establishing the alternative funding board that is a precursor to pursuing a National VMT pilot program.<sup>14</sup> Following inquiries from House Committee on Transportation and Infrastructure Chairman Sam Graves and Senate Committee on Environment and Public Works Chairman Tom Carper, DOT committed to filing the charter and publishing a notice in the Federal Register for the Advisory Board by the end of September, finally initiating progress on

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<sup>9</sup> *Id.*

<sup>10</sup> ARTBA, *Highway Dashboard, Tracking Infrastructure Investment & Jobs Act Highway and Bridge Resources*, (last accessed Sept. 13, 2023), available at <https://www.artba.org/economics/highway-dashboard-ijja/>.

<sup>11</sup> See *IJJA Financial Summary as of Aug. 27, 2023*, *supra* note 8; DOT, FTA, *Table 1. FY 2023 FTA Appropriations and Apportionments for Grant Programs (Full Year)*, (Last updated Feb. 6, 2023), available at <https://www.transit.dot.gov/funding/apportionments/table-1-fy-2023-fta-appropriations-and-apportionments-grant-programs-full>; DOT, FTA., *Table 1. FY 2022 FTA Appropriations and Apportionments for Grant Programs (Full Year)*, (Last updated May 4, 2022), available at <https://www.transit.dot.gov/funding/apportionments/table-1-fy-2022-fta-appropriations-and-apportionments-grant-programs-full>; DOT, *FY 2022 Mega Grant Awards*, (last updated Jan. 30, 2023), available at <https://www.transportation.gov/sites/dot.gov/files/2023-01/MEGA%20FY%202023%20Combined%20Fact%20Sheet.pdf>; DOT, *RAISE 2022 Award Fact Sheets*, (last updated Sept. 20, 2022), available at [https://www.transportation.gov/sites/dot.gov/files/2022-09/RAISE%202022%20Award%20Fact%20Sheets\\_1.pdf](https://www.transportation.gov/sites/dot.gov/files/2022-09/RAISE%202022%20Award%20Fact%20Sheets_1.pdf); DOT, *RAISE 2023 Award Fact Sheets*, (last updated June 30, 2023), available at [https://www.transportation.gov/sites/dot.gov/files/2023-06/RAISE%202023%20Fact%20Sheets\\_2.pdf](https://www.transportation.gov/sites/dot.gov/files/2023-06/RAISE%202023%20Fact%20Sheets_2.pdf); Press Release, DOT, *Biden-Harris Administration Funds Innovative Projects to Create Safer, More Equitable, Transportation Systems*, (Mar. 21, 2023), available at <https://www.transportation.gov/briefing-room/biden-harris-administration-funds-innovative-projects-create-safer-more-equitable>; DOT, *SS4A 2022 Awards*, (last updated Apr. 19, 2023), available at <https://www.transportation.gov/grants/ss4a/2022-awards>; DOT, FHWA, *Culvert AOP Program Grant Recipients*, (last updated Aug. 16, 2023), available at <https://www.fhwa.dot.gov/engineering/hydraulics/culverthyd/aquatic/2022recipients.cfm>.

<sup>12</sup> AGC, SAGE, HIGH HOPES FOR PUBLIC FUNDING AMID WORKFORCE AND SUPPLY CHAIN CHALLENGES: THE 2023 CONSTRUCTION HIRING AND BUSINESS OUTLOOK, (2023), available at [https://www.agc.org/sites/default/files/users/user22633/2023\\_Construction\\_Hiring\\_and\\_Business\\_Outlook\\_Report\\_Final.pdf](https://www.agc.org/sites/default/files/users/user22633/2023_Construction_Hiring_and_Business_Outlook_Report_Final.pdf).

<sup>13</sup> DOT, *Bipartisan Infrastructure Law Dashboard*, available at <https://www.transportation.gov/mission/budget/bipartisan-infrastructure-law-dashboard>.

<sup>14</sup> *IJJA*, *supra* note 5, § 13002 (g)(1).

this requirement.<sup>15</sup> Further, the Administration released initial implementation guidance related to the *Build America, Buy America Act (BABAA)* on April 18, 2022, and on February 9, 2023, the Office of Management and Budget (OMB) issued proposed guidance.<sup>16</sup> In the interim, FHWA issued Questions and Answers related to *BABAA* on February 1, 2023, and on February 7, 2023, FTA held a webinar on the applicability of the *BABAA* construction materials provision.<sup>17</sup> However, the stakeholder community stated that it needed additional clarity and final guidance in order to ensure proper compliance with these provisions.<sup>18</sup> On August 23, 2023, 15 months after releasing its initial guidance, final guidance related to *BABAA* was issued.<sup>19</sup>

Inflation reached a 41-year record high of 9.1 percent in June 2022.<sup>20</sup> As of July 2023, the 12-month inflation rate had fallen to 3.2 percent.<sup>21</sup> Additionally, in July 2023, producer prices — representing prices paid by businesses producing goods — increased 0.8 percent year-over-year.<sup>22</sup> However, the prior month, Federal Reserve Chairman Jerome Powell remarked on moderated inflation rates and stated, “inflation pressures continue to run high.”<sup>23</sup> This marks the 29th consecutive month that the rate remains above the two percent the Federal Reserve targets for a stable economy.<sup>24</sup> While there has been a decrease in inflation compared to June 2022, inflation continues to be “stubbornly high” compared to the Federal Reserve’s target.<sup>25</sup>

Within the construction industry, inflation can result in higher costs of construction materials and other resources necessary for project completion including higher costs of fuel,

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<sup>15</sup> Letter from the Hon. Shalini P. Bhatt, Administrator, FHWA, to the Hon. Sam Graves, Chairman, H. Comm. on Transp. and Infrastructure (Sept. 5, 2023) (on file with Comm.).

<sup>16</sup> See M-22-11, MEMORANDUM FROM SHALANDA D. YOUNG, DIR., OFF. OF MGMT. AND BUDGET TO HEADS OF EXEC. DEPTS. AND AGENCIES, (Apr. 18, 2022), available at <https://www.whitehouse.gov/wp-content/uploads/2022/04/M-22-11.pdf>; Guidance for Grants and Agreements, 88 Fed. Reg. 8,374, (Feb. 9, 2023), available at <https://www.govinfo.gov/content/pkg/FR-2023-02-09/pdf/2023-02617.pdf>.

<sup>17</sup> FHWA, *FHWA’s Buy America Q and A for Federal-aid Program*, available at [https://www.fhwa.dot.gov/construction/contracts/buyam\\_qa.cfm](https://www.fhwa.dot.gov/construction/contracts/buyam_qa.cfm) (last updated Mar. 20, 2023); FTA, *Buy America Update, Construction materials Waiver for Certain Contracts and Solicitations, FTA Internal Webinar*, YOUTUBE, (Feb. 7, 2023), available at <https://www.youtube.com/watch?v=61UYE680by4>.

<sup>18</sup> *Reviewing the Implementation of the Infrastructure Investment and Jobs Act Before the Subcomm. on Highways and Transit. of the H. Comm. on Transp. and Infrastructure*, 118th Cong. (Mar. 28, 2023).

<sup>19</sup> *Guidance for Grants and Agreements*, 88 Fed. Reg. 162, 57750 (Aug. 23, 2023).

<sup>20</sup> See Press Release, UNITED STATES BUREAU OF LABOR STAT., *Consumer Prices Up 9.1 Percent Over the Year ended June 2022, Largest Increase in 40 Years*, (July 18, 2022), available at <https://www.bls.gov/opub/ted/2022/consumer-prices-up-9-1-percent-over-the-year-ended-june-2022-largest-increase-in-40-years.htm>; Press Release, UNITED STATES BUREAU OF LABOR STAT., *Consumer Price Index Historical Tables for U.S. City Average*, (last updated July 2023), available at [https://www.bls.gov/regions/mid-atlantic/data/consumerpriceindexhistorical\\_us\\_table.htm](https://www.bls.gov/regions/mid-atlantic/data/consumerpriceindexhistorical_us_table.htm).

<sup>21</sup> Press Release, UNITED STATES BUREAU OF LABOR STAT., *Consumer Price Index – July 2023*, (Aug. 10, 2023), available at <https://www.bls.gov/news.release/cpi.htm>.

<sup>22</sup> Press Release, UNITED STATES BUREAU OF LABOR STAT., *Producer Price Indexes – July 2023*, (Aug. 11, 2023), available at <https://www.bls.gov/news.release/ppi.nr0.htm>.

<sup>23</sup> Jeff Cox, *Powell Expects More Fed Rate Hikes Ahead as Inflation Fight ‘Has a Long Way to Go,’* CNBC, (June 21, 2023), available at <https://www.cnbc.com/2023/06/21/powell-expects-more-fed-rate-hikes-ahead-as-inflation-fight-has-a-long-way-to-go.html>.

<sup>24</sup> *12-Month Percentage Change, Consumer Price Index, selected categories*, U.S. BUREAU OF LABOR STAT., available at <https://www.bls.gov/charts/consumer-price-index/consumer-price-index-by-category-line-chart.htm>;

<sup>25</sup> Kevin L. Kleisen, *Stubborn Inflation, Economic Resilience Major Themes in U.S. Outlook*, Federal Reserve Bank of St. Louis (June 27, 2023) available at <https://www.stlouisfed.org/publications/regional-economist/2023/june/stubborn-inflation-economic-resilience-us-outlook>.

equipment, technology, labor, and transportation.<sup>26</sup> In early 2022, the Eno Center for Transportation warned that if inflation for highway costs averaged higher than seven percent through 2027, the increased funding provided for highways under *IJJA* could be eliminated entirely.<sup>27</sup> During a March 2023 Subcommittee on Highways and Transit hearing, the witness from the American Association of State Highway and Transportation Officials (AASHTO) also raised concerns about the ability of states to capitalize on *IJJA* funding due to inflation, and noted that in Texas the moving average had increased to 34.7 percent whereas the *IJJA* funds only represented “a six percent increase in Texas State DOT’s overall funding.”<sup>28</sup> AASHTO previously indicated in June 2022 that “[t]he cost of those projects is going up by 20 percent, by 30 percent, and just wiping out that increase from the Federal [G]overnment that they were so excited about earlier in the year.”<sup>29</sup> At the same hearing, testimony from ARTBA acknowledged the cost of construction inputs showed significant increases but noted variance in the extent of the problem by state, region, and project type including that “we have seen a significant number of states in which project bids continue to come in below the initial engineer’s estimates.”<sup>30</sup> Further, ARTBA noted that “any discussion about materials prices and inflation needs to also recognize that, without the infrastructure law, we would very likely be looking at a market contraction.”<sup>31</sup> As the most recent Consumer Price Index (CPI) for August 2023 found that the all item index increased 3.7 percent, with the highest increase in the cost of gasoline, concerns remain that *IJJA*’s purchasing power will be affected.<sup>32</sup>

#### **IV. Supply Chain challenges**

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<sup>26</sup> See e.g., Evan McDowell, *How Does Inflation Affect the Construction Industry?*, AUSTIN NICHOLS TECHNICAL SEARCH, (May 1, 2023), available at <https://www.austintec.com/how-inflation-affect-construction-industry/#:~:text=Additionally%2C%20raw%20materials%20such%20as,companies%20who%20order%20from%20them;THE%20CONSTRUCTOR,How%20Does%20Inflation%20Affect%20Construction%20Industry?>, available at <https://theconstructor.org/construction/inflation-affect-construction-industry/565090/>.

<sup>27</sup> See Jeff Davis, *How Much Could Inflation Erode IJJA Buying Power?*, ENO CTR. FOR TRANSP., (Apr. 27, 2022), available at <https://www.enotrans.org/article/how-much-could-inflation-erode-ijja-buying-power/>; Julie Strupp, *Inflation Could Sap Infrastructure Act’s Buying Power This Year*, CONSTRUCTION DRIVE, (Jan. 3, 2023), available at <https://www.constructiondrive.com/news/inflation-saps-infrastructure-act-ijja-buying-power/639518/>.

<sup>28</sup> *Reviewing the Implementation of the Infrastructure Investment and Jobs Act Before the Subcomm. on Highways and Transit. of the H. Comm. on Transp. and Infrastructure*, 118th Cong. (Mar. 28, 2023) (statement of Marc D. Williams, Member of the Board of Directors, AASHTO).

<sup>29</sup> David A. Lieb & Michael Casey, *Inflation Taking a Bite Out of New Infrastructure Projects*, ASSOCIATED PRESS, (June 19, 2022), available at <https://apnews.com/article/inflation-us-infrastructure-projects-e89dcd5f3e623e532353f087265f9a63>.

<sup>30</sup> *Reviewing the Implementation of the Infrastructure Investment and Jobs Act Before the Subcomm. on Highways and Transit. of the H. Comm. on Transp. and Infrastructure*, 118th Cong. (Mar. 28, 2023) (statement of Paula Hammond, 2023 Chair, ARTBA).

<sup>31</sup> *Id.*

<sup>32</sup> See Press Release, UNITED STATES BUREAU OF LABOR STAT., *Consumer Price Index -August 2023*, (Sept. 13, 2023), available at <https://www.bls.gov/news.release/pdf/cpi.pdf>; Jenni Bergal, *Inflation is Cutting Into States’ Big Infrastructure Windfall*, THE PEW CHARITABLE TRUSTS, (Nov. 30, 2022), available at <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2022/11/30/inflation-is-cutting-intostates-big-infrastructure-windfall>; David A. Lieb & Michael Casey, *Inflation Taking a Bite Out of New Infrastructure Projects*, ASSOCIATED PRESS, (June 19, 2022), available at <https://apnews.com/article/inflation-usinfrastructure-projects-e89dcd5f3e623e532353f087265f9a63>; Jeff Davis, *How Much Could Inflation Erode IJJA Buying Power?*, ENO CTR. FOR TRANSP., (Apr. 27, 2022), available at <https://www.enotrans.org/article/how-much-could-inflation-erode-ijja-buying-power/>.

The supply chain is a network comprised of the entire process of making and selling commercial goods, from the supply of materials, manufacture of the goods, through their transportation, distribution, and sale.<sup>33</sup> Moving goods is critical to the success of this endeavor.<sup>34</sup> A well-managed supply chain results in the efficient use of resources, reduced costs, a faster production cycle, and satisfied consumers.<sup>35</sup>

COVID-19 exposed fragilities in transportation networks, with a disruption in one part of the supply chain having a ripple effect across all parts of the supply chain, from manufacturers to suppliers and distributors.<sup>36</sup> Weaknesses in the global supply chain were exacerbated by supply and demand imbalances, restrictions and regulations, and workforce and infrastructure challenges.<sup>37</sup>

Due to the COVID-19 pandemic, factories in Asia closed, and shipping companies cut schedules anticipating reduced demand for consumer goods.<sup>38</sup> However, the rapid growth of e-commerce during the pandemic led to a surge in consumer demand that inundated the system, particularly for freight shipped from Asia into West Coast ports and transported through the rest of the country via truck and rail.<sup>39</sup> The lack of available space onboard vessels, trains, and trucks; in distribution warehouses; and at ports, impacted industries, frustrated consumers across the country, and increased prices for some goods and commodities.<sup>40</sup>

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<sup>33</sup> See Jason Fenando, *Supply Chain Management (SCM): How It Works and Why It Is Important*, INVESTOPEDIA, (July 7, 2022), available at <https://www.investopedia.com/terms/s/scm.asp>.

<sup>34</sup> *The Transportation Supply Chain*, SUPPLY CHAIN DRIVE, (Jan. 17, 2021), available at <https://www.supplychaindrive.com/spons/the-transportation-supply-chain/433934/>.

<sup>35</sup> See Sean Harapko, *How COVID-19 Impacted Supply Chains and What Comes Next*, EY, (Jan. 6, 2023), available at [https://www.ey.com/en\\_us/supply-chain/how-covid-19-impacted-supply-chains-and-what-comes-next#:~:text=The%20pandemic%20continues%20to,new%20challenges%20for%20supply%20chains](https://www.ey.com/en_us/supply-chain/how-covid-19-impacted-supply-chains-and-what-comes-next#:~:text=The%20pandemic%20continues%20to,new%20challenges%20for%20supply%20chains) [hereinafter *How COVID-19 Impacted Supply Chains*]; Jack Grimshaw, *What is Supply Chain? A Definitive Guide*, SUPPLY CHAIN DIGITAL, (May 17, 2020), available at <https://supplychaindigital.com/supply-chain-2/what-supply-chain-definitive-guide>.

<sup>36</sup> See *How COVID-19 Impacted Supply Chains*, *supra* note 27; Peter S. Goodman, *How the Supply Chain Broke, and Why it Won't Be Fixed Anytime Soon*, N.Y. TIMES, (Oct. 21, 2021), available at <https://www.nytimes.com/2021/10/22/business/shortages-supply-chain.html> [hereinafter *How the Supply Chain Broke*].

<sup>37</sup> See *How COVID-19 Impacted Supply Chains*, *supra* note 27; Chui-Wei Yap, William Boston, & Alistair MacDonald, *Global Supply-Chain Problems Escalate, Threatening Economic Recovery*, WALL ST. J., (Oct. 8, 2021), available at <https://www.wsj.com/articles/supply-chain-issues-car-chip-shortage-covid-manufacturing-global-economy-11633713877>.

<sup>38</sup> See Simina Mistreanu, *China's Factories Are Reeling from Forced Coronavirus Closures*, FORBES, (Feb. 23, 2020), available at <https://www.forbes.com/sites/siminamistreanu/2020/02/23/chinas-factories-are-reeling-from-forced-coronavirus-closures/?sh=21d514eb73f2>; see also *COVID-19 Cuts Global Maritime Trade, Transforms Industry*, UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT, (Nov. 12, 2020), available at <https://unctad.org/news/covid-19-cuts-global-maritime-trade-transforms-industry>.

<sup>39</sup> Jessica Young, *US E-Commerce Grows 32.4% in 2020*, DIGITAL COMMERCE 360, (Feb. 18, 2022), available at <https://www.digitalcommerce360.com/article/us-ecommerce-sales/>.

<sup>40</sup> *How the Supply Chain Broke*, *supra* note 36.

Supply chain challenges persisted throughout this year, as industries face tight labor markets, high fueling cost, and machine part shortages.<sup>41</sup> In light of ongoing concerns related to supply chain challenges, the Committee passed several pieces of legislation aimed at strengthening the supply chain's resiliency. Given ongoing concerns, the Committee will continue to monitor these issues and propose solutions to ensure the flow of goods throughout the Nation.

On February 21, 2021, Executive Order (EO) 14017, "America's Supply Chain" was issued, directing Federal agencies to conduct a 100-day review of and report on the supply chain vulnerabilities associated with key imports.<sup>42</sup> On the same day, the Administration announced additional plans to build long-term resilience in supply chains based on findings from the reports ordered by EO 14017.<sup>43</sup> Additionally, on June 8, 2021, the White House announced the establishment of a Supply Chain Disruption Task Force (Task Force), led by the Secretaries of Commerce, Transportation, and Agriculture. The Freight Logistics Optimization Works (FLOW) initiative was announced on March 15, 2022, which includes a pilot effort to "develop a proof-of-concept information exchange and operationalize it to support industry decision-making."<sup>44</sup> Participants include private companies, warehousing and logistics firms, ports, and others.<sup>45</sup>

However, DOT has not implemented all Congressionally mandated policies designed to address supply chain challenges. For example, *IIJA* directed DOT to establish the Office of Multimodal Freight Infrastructure and Policy, it has not yet formally established the office or designated a leader.<sup>46</sup> The Department has developed a draft mission, organizational design, and resourcing plan and provided a bipartisan briefing on that status of the office to Committee staff in June 2023.<sup>47</sup> Although historic backlogs are no longer the Nation's top supply chain concern, challenges remain within the network and addressing these issues will allow America to maintain economic competitiveness.<sup>48</sup> The Office of Multimodal Freight Infrastructure and Policy will likely play a significant role in coordinating the Federal response to future supply chain challenges, as well as engage industry and States in addressing these issues.<sup>49</sup>

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<sup>41</sup> Lisa Baertlein, *US Supply Chain Woes Shift and Persist in 2023*, REUTERS, (May 17, 2023), available at <https://www.reuters.com/business/retail-consumer/reuters-events-us-supply-chain-woes-shift-persist-2023-2023-05-17/>.

<sup>42</sup> Exec. Order No. 14,017, 86 Fed. Reg. 11,849 (Feb. 24, 2021), available at <https://www.govinfo.gov/content/pkg/FR-2021-03-01/pdf/2021-04280.pdf>.

<sup>43</sup> Press Release, THE WHITE HOUSE, *The Biden-Harris Plan to Revitalize American Manufacturing and Secure Critical Supply Chains in 2022* (Feb. 24, 2022) available at <https://www.whitehouse.gov/briefing-room/statements-releases/2022/02/24/the-biden-harris-plan-to-revitalize-american-manufacturing-and-secure-critical-supply-chains-in-2022/>.

<sup>44</sup> *Agency Information Collection Activities; New Information Collection: Freight Logistics Optimization Works (FLOW) Initiative*, 87 Fed. Reg. 42,796 (July 18, 2022), available at <https://www.govinfo.gov/content/pkg/FR-2022-07-18/pdf/2022-15247.pdf>.

<sup>45</sup> *Id.*

<sup>46</sup> *IIJA*, *supra* note 5.

<sup>47</sup> Briefing by Office of the Sec'y of Transp. staff for H. Transp. and Infrastructure Comm. staff, (June 28, 2023).

<sup>48</sup> Letter from Agriculture Transp. Coalition, et al., to the Hon. Pete Buttigieg, Sec'y, DOT, (Aug. 30, 2023) (on file with Comm.).

<sup>49</sup> *Id.*

V. **WITNESS**

The Honorable Pete Buttigieg  
Secretary  
United States Department of Transportation