

VIEWS AND ESTIMATES
OF THE
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
FOR FISCAL YEAR 2016

Overview:

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

The Committee believes that properly targeted investment in transportation and infrastructure is necessary to ensure the safe and efficient movement of people and goods, increase economic growth, and maintain our global economic competitiveness.

The detailed views and estimates presented below requests a deficit-neutral reserve fund for surface transportation and an allocation for contract authority that reflects baseline levels plus inflation in the budget resolution. A reserve fund and adjusted allocation are critical for the success of the surface transportation reauthorization bill. In addition, the Committee requests flexibility as it seeks to reauthorize the programs of the Federal Aviation Administration. This views and estimates also identifies priorities within the Committee's jurisdiction.

This year, the Committee will continue to perform oversight on programs within our jurisdiction as well as focus on authorizing numerous key programs. The Committee's legislative priorities this year include reauthorizing surface and air transportation programs, Amtrak, the United States Coast Guard, the Federal Emergency Management Agency (FEMA), and the pipeline and hazardous materials programs at the Department of Transportation.

Transportation and the Economy:

Infrastructure provides a strong physical platform that facilitates economic growth, ensures global competitiveness, and supports national security. Providing the Nation with this platform 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 the Federal air traffic control system, Congress has played a critical role in ensuring the connectedness of the Nation and to supporting the needs of the American people. Throughout our Nation's history, economic growth, prosperity, and opportunity have followed investments in the Nation's infrastructure.

Today, the Nation's transportation system is an extensive network of highways, airports, railroads, public transit systems, waterways, ports, and pipelines that provide a means for taxpayers to travel to and from work and to conduct business. The United States transportation system not only provides the backbone of our economy by 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 storms and flooding.

In addition to facilitating economic growth and global competitiveness, our transportation system has a direct and significant impact on the daily lives of nearly all Americans. To the average American, properly targeted investment in transportation infrastructure will mean shorter commutes that save time, reduce fuel consumption, and decrease pollution; lives saved; safer systems to accommodate the transportation of hazardous materials; and fewer delays for the more than 700 million passengers who travel by air each year.

Status of Authorizations:

The 113th Congress approved and the President signed into law a number of important pieces of legislation from this Committee. On June 10, 2014, the President signed the Water Resources Reform and Development Act of 2014 (WRRDA) (P.L. 113-121). The new law addresses many of the needs of ports, inland waterways, flood protection, environmental protection, and other programs of the Corps. This year, the Committee intends to provide the technical and budget oversight of Corps funding, backlog, and future needs.

On December 18, 2014, the President signed the Howard Coble Coast Guard and Maritime Transportation Act of 2014 (P.L. 113-281) into law. The measure authorizes funding for the Coast Guard for fiscal year 2015. The bill also institutes reforms for the U.S. Coast Guard, reduces regulatory requirements on small business, and upholds the Coast Guard's ability to carry out its important and diverse missions. The authorization act enhances operations while reducing costs by reforming and improving Coast Guard administration and eliminating obsolete authorities.

The Committee intends to act early in 2015 on legislation to authorize appropriations for the Coast Guard for fiscal years 2016 and 2017 at levels sufficient to maintain currently planned levels of operations, including mission activities in the Arctic region, and continue the acquisition of new assets at a rate that will limit the costs associated with maintaining legacy assets long identified as at or past the end of their useful life.

On August 8, 2014, the President signed the Highway and Transportation Funding Act of 2014 (P.L. 113-159) into law. The HTF Act provided a transfer from the General Fund of the U.S. Treasury and the Leaking Underground Storage Tank Trust Fund to the Highway Trust Fund and extended federal surface transportation programs through May 31, 2015.

Reauthorization of the Federal Aviation Administration:

On February 14, 2012, the President signed the FAA Modernization and Reform Act of 2012 (FMRA) (P.L. 112-95) into law. This act was approved after nearly five years and 23 short-term operating extensions. FMRA authorized \$63.4 billion over four years to reform FAA programs, continue operating the air traffic control (ATC) system, fund airport infrastructure

improvements, and strengthen aviation safety and consumer protections. Additionally, FMRA expedites the deployment of the Next Generation Air Transportation System (“NextGen”), a crucial modernization program to shift from our antiquated radar-based ATC system to a GPS-based system that will improve air traffic efficiency and safety, reduce aircraft fuel burn, and reduce costs for airlines, other operators, and the flying public.

The current FAA authorization is set to expire on September 30, 2015. The Committee intends to develop an FAA reauthorization bill that improves aviation safety and addresses such issues as airport infrastructure, regulatory reform, NextGen implementation, unmanned aircraft systems (UAS) and the aviation industry’s global competitiveness. In addition to roundtables, listening sessions, and meetings with public and private sector stakeholders, the Committee has held several hearings on FAA reauthorization. On November 18, 2014, the Committee formally launched the next reauthorization process with a hearing entitled, “FAA Reauthorization: Issues in Modernizing and Operating the Nation’s Airspace”. This hearing served to inform the Committee on the challenges faced in operating and modernizing the ATC system, which is the largest budget item for the FAA.

As part of the reauthorization effort, the Committee will consider options to improve the stability of Federal aviation programs, to expedite the safe integration of unmanned aircraft, and to accelerate NextGen implementation and consider what reforms, if any, should be included in the next reauthorization.

Reauthorization of Federal Surface Transportation Programs:

The Moving Ahead for Progress in the 21st Century Act (MAP-21; P.L. 112-141) was enacted on July 6, 2012. MAP-21, which was the first multi-year highway authorization enacted since 2005, funds federal surface transportation programs at more than \$105 billion for FY 2013 and FY 2014.

MAP-21 made significant programmatic and policy reforms to federal surface transportation programs. Among those reforms, MAP-21 consolidated or eliminated nearly 70 U.S. Department of Transportation programs, which afforded state and local partners greater flexibility with the use of their federal funding. MAP-21 reformed the project approval and delivery process for highway and public transportation projects, which allows projects to begin construction faster, maximizing the public investment and benefit. MAP-21 also emphasized performance management by incorporating performance measures into the highway, transit, and highway safety programs, which focus federal funding on national transportation goals, increase accountability and transparency, and improve transportation planning and project selection.

MAP-21 was scheduled to expire on September 30, 2014. However, Congress enacted the Highway and Transportation Funding Act of 2014 (HTF Act; P.L. 113–159) on August 8, 2014. The HTF Act provided a transfer from the General Fund of the U.S. Treasury and the Leaking Underground Storage Tank Trust Fund to the Highway Trust Fund and extended federal surface transportation programs through May 31, 2015. Reauthorization of federal surface transportation programs remains a top priority for the Committee on Transportation and Infrastructure this year. The Committee formally began its process for developing a surface transportation reauthorization bill last Congress by holding hearings and roundtables to gather public and

private sector input on key policy priorities for the bill. The Committee is developing a long-term, bipartisan, policy-focused bill that gives certainty to non-federal partners so they can improve the condition, performance, and safety of the surface transportation network. The key themes of the reauthorization effort include: reform the federal government and empower state and local governments; preserve Congressional authority; encourage innovation; and fiscal responsibility.

The Committee looks forward to working with the other Committees of jurisdiction to address the challenges facing the Highway Trust Fund and to ensure that the framework is in place to enact a bill. The Committee requests a deficit-neutral reserve fund for transportation in the upcoming budget resolution. In addition, the Committee also requests an allocation for contract authority that reflects baseline levels plus inflation.

Passenger Rail Reform Legislation:

The Passenger Rail Investment and Improvement Act of 2008 (PRIIA) (P.L. 110-432) reauthorized the National Railroad Passenger Corporation, better known as Amtrak, and strengthened the U.S. passenger rail network by tasking Amtrak, the U.S. Department of Transportation, Federal Railroad Administration, States, and other stakeholders with improving service, operations, and facilities. PRIIA was a five-year reauthorization bill from FY 2009 through FY 2013, and the Committee continues to work to enact a reauthorization bill in the 114th Congress.

PRIIA focused on intercity passenger rail, including Amtrak's long-distance routes and the Northeast Corridor (NEC), state-supported corridors throughout the Nation, and the development of high-speed rail corridors. To address the challenges facing Amtrak and to promote more efficient and improved intercity passenger rail service, PRIIA authorized stable and predictable funding for long-term investments and improvements to intercity passenger rail service and set forth strict guidelines for improvements to Amtrak's long distance and corridor routes to reduce Federal funding for Amtrak's operations. Since PRIIA was enacted, Amtrak's operating grants have declined over 50 percent (from \$420 million in FY 2010 to \$189 million in FY 2014).

The Committee intends to review Amtrak's performance since PRIIA.

Pipelines and Hazardous Materials:

The Pipeline and Hazardous Materials Safety Administration (PHMSA) is charged with the safe and secure movement of almost one million daily shipments of hazardous materials by all modes of transportation. The agency also oversees the Nation's 2.5 million miles of gas and hazardous liquid pipelines, which account for 63 percent of the energy commodities consumed in the United States.

Congress strengthened the pipeline safety program in the 113th Congress enacting the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (Pipeline Safety Act) (P.L. 112-90), which reauthorized federal pipeline safety programs through FY 2015. The Pipeline Safety Act provides for enhanced safety in pipeline transportation and provides for enhanced reliability in

the transportation of the Nation's energy products by pipeline. The Committee plans to review the progress made since the 2011 Act.

The Hazardous Materials Transportation Act was enacted in 1975 and amended in 1990, 1994, 2005, and 2012. The 2012 amendments are part of MAP-21. These Acts provide the Secretary of Transportation with the authority to determine what materials are to be considered "hazardous" and subject to regulation. The Secretary also has the authority to issue regulations governing the transportation of hazardous materials. The Committee plans to review PHMSA's implementation of the mandates included in MAP-21.

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 (P.L. 100-707), as amended. The Agency leads the nation in preparing for, preventing, mitigating the effects of, responding to, and recovering from all domestic disasters, whether natural or man-made, including terrorist attacks.

FEMA supports state and local partners, citizens, and first responders by coordinating the core federal response capabilities needed to save and sustain lives and protect property in communities overwhelmed by the impact of a disaster. In 2014, FEMA supported 45 major disaster declarations, six emergency declarations, and 33 fire management assistance declarations. These included the response to the Oso, Washington mudslide, when the State experienced double the normal amount of rainfall in a month. FEMA continues to implement new Sandy Recovery Improvement Act authorities, which were signed into law in 2013, as well as work extensively with tribes to develop a policy on tribal disaster requests.

In the 114th Congress, the Committee intends to bring together key interest groups to look at the trends in disasters and disaster assistance—how disaster costs, assistance, and programs have changed over time—and what opportunities exist to reduce future losses and increase efficiencies. In addition, the Committee plans to introduce legislation that will reauthorize FEMA and provide FEMA with the tools it needs to streamline its mitigation, disaster response, and recovery efforts to act quickly and effectively in the face of disaster.

General Services Administration – Federal Real Property and Public Buildings:

The proper management of Federal assets will continue to be a major focus of the Committee's oversight activities during the 114th Congress. The General Services Administration (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 Government Accountability Office (GAO) placed real property management on its list of "high risk" government activities, where it remains today. GAO conducts biennial reviews on high-risk areas within the federal government to bring focus to specific areas needing added attention and oversight. Areas are identified as "high" risk due to

their greater vulnerabilities to fraud, waste, abuse, and mismanagement, or a need for broad-based transformation to address major economy, efficiency, or effectiveness challenges.

The high-risk activities of federal real property are significant. Considerable amounts of vacant or underperforming assets can translate into significant costs associated with their operation, maintenance, and security.

In the 114th Congress, the Committee intends to advance reform legislation that will save taxpayer dollars on federal real estate. Specifically, the Committee intends to address a number of issues concerning GSA's Public Buildings Service as well as real property issues across federal agencies. These issues include leasing reforms, facility security, the improvement of building utilization rates, the continued viability of the Federal Buildings Fund (FBF), GSA's courthouse construction program, redeveloping or selling vacant or underutilized space, and reigning in the dispersal of independent authorities.

The Committee believes a unique opportunity exists for GSA to save significant taxpayer dollars through its leasing program. Over one-half of 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 most markets where GSA has large lease holdings. The Committee intends to explore ways to help GSA maximize this market opportunity by accelerating long-term lease replacements and improving utilization rates.

The FBF, the primary source of funding for 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 GSA 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 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 continue to take steps to ensure agencies decrease office space, improve space utilization, and lower costs. GSA also has a number of statutory authorities that, if used appropriately, could reduce costs and waste in federal real estate through public-private partnerships. 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 leveraging private dollars. 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, GSA's repair and alteration program in previous years has failed to meet projected demand for the modernization of GSA's aging inventory of federal buildings that are retained. The Committee continues to believe that GSA should adhere to criteria in modernization priorities that target investment in federal buildings that maximize space utilization and dispose of underutilized assets where appropriate.

Wastewater Infrastructure Financing:

Since 1972, the federal government has provided nearly \$100 billion in financing assistance to states and local governments for wastewater infrastructure, which has dramatically increased the number of Americans enjoying better water quality, and improved the health of the environment and the economic health of communities and the Nation. Yet, according to the Environmental Protection Agency's most recent national survey of wastewater infrastructure funding needs to address water quality issues, states report a need of approximately \$300 billion in wastewater treatment, pipe replacement and repair, and stormwater management projects over the next 20 years. This need is especially pressing in many cities and communities which are facing a critical juncture in the age and reliability of their water infrastructure, with pipes and sewage treatment facilities reaching the end of their useful lives or exceeding their design or treatment capacity, and in need of repair, replacement, or upgrading.

The Committee intends to conduct oversight of wastewater treatment and water pollution control funding issues, including levels and sources of funding, management of grant and loan programs, and an assessment of infrastructure needs.

Maritime Infrastructure:

MAP-21 reduced the cargo preference requirement for U.S.-flag vessels transporting foreign food aid shipments from 75 percent to 50 percent of the total estimated tonnage to be transported. The Committee intends to conduct oversight on ways to reinvigorate the U.S. maritime industry and sustain and enforce existing cargo preference requirements, and to investigate policy options to restore the economic competitiveness of the U.S.-flag fleet in the U.S.-foreign trades.

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 12, 2015. 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.