



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

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Chairman

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Ranking Member

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March 8, 2019

**SUMMARY OF SUBJECT MATTER**

**TO:** Members, Subcommittee on Highways and Transit  
**FROM:** Staff, Subcommittee on Highways and Transit  
**RE:** Subcommittee Hearing on “Aligning Federal Surface Transportation Policy to Meet 21st Century Needs”

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**PURPOSE**

The Subcommittee on Highways and Transit will meet on Wednesday, March 13, 2019, at 10:00 a.m. in HVC 210, Capitol Visitor Center, to receive testimony on “Aligning Federal Surface Transportation Policy to Meet 21st Century Needs.” The purpose of the hearing is to examine if and how Federal-aid highway and Federal transit programs and policies need to change in order to meet current and future transportation challenges. The Subcommittee will hear from representatives of the American Association of State Highway and Transportation Officials, the National League of Cities, the American Public Transportation Association, the Association of Metropolitan Planning Organizations, the Associated General Contractors of America, the Transportation Learning Center, and the Texas Innovation Alliance.

**BACKGROUND**

**The Federal Role in Surface Transportation Investment**

The Federal government has continued its strong role in surface transportation investment, in partnership with States, since the 1916 Federal Aid Roads Act. The enactment of the landmark *Federal-Aid Highway Act of 1956* (1956 Act) (P.L. 84-627) made significant Federal investment in America’s system of roads and bridges. This Act established formula grant programs to distribute Federal surface transportation funds to States through specific eligible categories. The 1956 Act also established a dedicated funding mechanism through the Highway Trust Fund (HTF). Secure funding, along with a long-term 13-year authorization, gave States the certainty and continuity needed to develop and begin construction on the Interstate System and other surface transportation projects.

Congress has enacted a number of authorization bills in the decades following the passage of the 1956 Act to modify the Federal-aid highway program, create the Federal transit program, provide ongoing funding to States for the construction and maintenance of the Nation's surface transportation network, and extend the highway-related taxes deposited into the HTF. Congress has sustained the pattern of long-term, multi-year authorization bills to continue steady, predictable funding levels to facilitate project planning and construction. Since 1991, major authorization bills include: the *Intermodal Surface Transportation Efficiency Act of 1991* (ISTEA) (P.L. 102-240) enacted in 1991, the *Transportation Equity Act for the 21st Century* (TEA-21) (P.L. 105-178) enacted in 1998, the *Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users* (SAFETEA-LU) (P.L. 109-59) enacted in 2005, and the *Moving Ahead for Progress in the 21st Century Act* (MAP-21) (P.L. 112-141) enacted in 2012.

Most recently, Congress enacted the *Fixing America's Surface Transportation Act* (FAST Act) (P.L. 114-94), on December 4, 2015. The FAST Act provided \$281 billion in funding for highway, transit, and highway safety programs and reauthorized those programs for five years. The FAST Act is set to expire on September 30, 2020. In the 116<sup>th</sup> Congress, a priority for the Subcommittee on Highways and Transit is developing and enacting a bill to reauthorize Federal highway, public transit, and highway safety programs.

### **Highway Trust Fund Solvency**

Federal surface transportation investments are funded through Federal excise taxes levied on motor fuels and on related products such as tires and freight trucks, which are deposited into the HTF. Congress has not adjusted the motor fuel excise taxes since 1993, and the purchasing power of these taxes have fallen over 40 percent in the last 25 years. Improved vehicle fuel efficiency has further eroded Federal revenues. As a result, revenues coming into the HTF have not kept pace with expenditures from authorized programs.

Congress has had to transfer \$144 billion from the General Fund and other funds to keep the HTF solvent since 2008. The Congressional Budget Office (CBO) estimates that over the next 10 years, the HTF will fall \$159 billion short based on continuing currently-authorized highway, transit, and safety program levels. An additional \$5 billion is necessary to ensure that there is a prudent balance in the HTF, which brings the shortfall to \$164 billion. This does not include any higher investment levels to meet growing surface transportation needs. Without a solvent HTF, Congress cannot enact a long-term, multi-year authorization bill.

### **Condition of our Surface Transportation Network**

According to Congressional Budget Office (CBO) data, from 2003 to 2017 Federal spending on infrastructure, including surface transportation programs, decreased by nearly 20 percent, adjusted for inflation.<sup>1</sup> This reduction has resulted in a growing backlog of investment needs. One in three interstate bridges have repair needs, and nearly nine percent of the Nation's bridges are structurally deficient.<sup>2</sup> One out of every five miles of highway pavement is in poor condition nationwide, and more than two out of every five miles of America's urban interstates are congested.<sup>3</sup>

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<sup>1</sup> CBO report, "Public Spending on Transportation and Water Infrastructure, 1956 to 2017" October 2018.

<sup>2</sup> ARTBA Bridge Report, 2018.

<sup>3</sup> ASCE Report Card, 2017.

The American Society of Civil Engineers (ASCE) has identified a more than \$1 trillion gap in current surface transportation funding in order to fix what we have, meet future needs, and restore our global competitiveness. Similarly, according to the U.S. Department of Transportation's (DOT) 2015 *Conditions & Performance Report*, there is an \$836 billion backlog of unmet capital investment needs for highways and bridges. DOT estimates that all levels of government need to invest approximately \$143 billion per year to improve the conditions and performance of our roads and bridges. We need to invest \$37.3 billion per year at all levels of government to improve the conditions and performance of all roads. The cost of bringing the Nation's rail and bus transit systems into a state of good repair is estimated at \$90 billion, and we would need to invest \$26.4 billion per year to accommodate the high-growth scenario of future transit ridership. We currently underinvest by approximately \$9.5 billion per year at all levels of government on transit capital investments.

### **Meeting 21<sup>st</sup> Century Challenges**

The next surface transportation reauthorization bill will only continue to facilitate economic growth, ensure global competitiveness, and create jobs, including family-supporting jobs, if Congress makes the necessary investments in the Nation's surface transportation system. Congress will also need to ensure that Federal surface transportation programs can address current and future challenges. In the coming decades, our transportation system will come under immense pressure and face significant challenges. America's population is expected to grow to approximately 400 million by 2051.<sup>4</sup> Freight volumes will continue to soar as freight tons are expected to increase by 40 percent over the next 30 years.<sup>5</sup> The Transportation Research Board's recent report on the future of the Interstate System concluded that the Interstate System must be preserved and rehabilitated, while also renewed and modernized to adapt to the Nation's changing demographic, economic, climate, and technological landscape.<sup>6</sup> This hearing is the Subcommittee's first step of its process to develop a long-term surface transportation reauthorization bill. The hearing will provide an opportunity for Members to consider potential changes to Federal surface transportation policies and programs in order to address current and future challenges. Witness testimony is likely to touch on the following areas:

- Strengthening the model of a Federal, State, and local partnership,
- Improving roads, bridges, and public transit systems,
- Moving people and goods safely and more efficiently and reducing congestion,
- Harnessing innovation and incorporating technology to improve mobility,
- Ensuring a qualified transportation workforce,
- Building stronger and more resilient infrastructure, and
- Improving project delivery and protecting the environment.

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<sup>4</sup> U.S. Census Bureau, "Projections of the Size and Composition of the U.S. Population: 2014 to 2060," 2015.

<sup>5</sup> U.S. DOT, Bureau of Transportation Statistics, "DOT Releases 30-Year Freight Projections," 2016.

<sup>6</sup> Transportation Research Board, "Renewing the National Commitment to the Interstate Highway System: A Foundation for the Future," 2018.

**WITNESS LIST**

The Honorable Ron Nirenberg  
Mayor  
City of San Antonio  
on behalf of the National League of Cities

Mr. Roger Millar  
Secretary  
Washington State Department of Transportation  
on behalf of the American Association of State Highway and Transportation Officials

Mr. Darran Anderson  
Director of Strategy and Innovation  
Texas Department of Transportation  
on behalf of the Texas Innovation Alliance

Mr. Jack Clark  
Executive Director  
Transportation Learning Center

Ms. Therese W. McMillan  
Executive Director  
Metropolitan Transportation Commission  
on behalf of the Association of Metropolitan Planning Organizations

Mr. Al Stanley  
Vice President  
Stanley Construction Company, Inc.  
on behalf of the Associated General Contractors of America

Mr. Michael Terry  
President and CEO  
IndyGo - Indianapolis Public Transportation Corporation  
on behalf of the American Public Transportation Association