

**STATEMENT OF  
U.S. SECRETARY OF TRANSPORTATION ELAINE L. CHAO  
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION  
March 14, 2018**

Chairman Thune, Ranking Member Nelson, and Members of the Committee, thank you for the opportunity to testify today.

Our nation's infrastructure is the backbone of our world-class economy—the most productive, flexible, and dynamic in the world. It is a key factor in productivity and economic growth.

But as you know, too much of our country's infrastructure is aging and in need of repair. The challenges are everywhere. Traffic congestion and delays cost drivers nearly \$160 billion annually. About one-quarter of our Nation's bridges are in need of improvement. More than 20 percent of our roads are in poor condition.

And the transportation needs of rural America, which account for a disproportionately high percentage of our nation's highway fatalities, have been ignored for too long.

That's why 12 agencies have been working to help develop a comprehensive infrastructure framework, which the President announced as a priority in his 2018 State of the Union address. Transportation is just one component, which is why I am joined here today by 4 fellow Cabinet Secretaries. The Initiative includes, but is not limited to, drinking and wastewater, energy, broadband and veterans' hospitals as well.

The goal of the President's proposal is to stimulate at least \$1.5 trillion in infrastructure investment, and includes a minimum of \$200 billion in direct Federal funding.

The guiding principles are to: 1) use Federal dollars as seed money to incentivize non-Federal infrastructure investment; 2) provide for the needs of rural communities; 3) streamline permitting to speed up project delivery; and, 4) reduce unnecessary and overly burdensome regulations. As a former Labor Secretary, I'm especially pleased that Secretary Acosta is here to discuss ways to help workers access the skills needed to build these new projects.

Some estimates put our country's infrastructure needs at approximately \$4 trillion in investment. We cannot address a challenge of this magnitude with Federal resources alone, or by borrowing. That approach will crowd out the capital markets, hindering economic growth and job creation. So the President's plan allows the private sector to help in the building of our public infrastructure.

Non-profit endowments and pension funds, for example, have demand for conservative investments like public infrastructure, which have collateral that will not walk away. In addition, private sector involvement helps allocate risk. Under a well-structured transaction, if a project is NOT successful, the private sector bears the first loss instead of the taxpayers. The Department recognizes that different regions require different solutions. But private sector investment in public infrastructure is currently allowed in some form in 35 states, and should be encouraged where appropriate.

The Department is also implementing the President's One Federal Decision mandate that was announced on August 15, 2017 to help speed up the delivery of new infrastructure and reduce

costs. Recent reforms in the FAST Act and MAP 21 were helpful. But they are not enough to achieve the President's 2-year time frame.

To accomplish this, the redundancies and inefficiencies stemming from multiple Federal agencies making decisions on a single project must be addressed.

So thank you again for inviting me. I look forward to answering your questions.

#