



U.S. SENATE COMMITTEE ON
COMMERCE, SCIENCE, & TRANSPORTATION

Senator Maria Cantwell

**U.S. Senate Committee on Commerce, Science, and Transportation
Hearing: Department of Transportation Fiscal Year 2023 Budget Priorities
Witness: Secretary Pete Buttigieg**

May 3, 2022

Opening Statement

VIDEO

CANTWELL: The Senate Committee on Commerce, Science and Transportation will come to order.

Today we will hear from Secretary of Transportation Pete Buttigieg to discuss DOT'S budget priorities for fiscal year 2023. And DOT's budget requests \$142 billion in fiscal year 2023.

For context, this represents a 60% increase from the Trump Administration's last DOT budget request of \$89 billion. This significant increase is thanks to Members of Congress in a bipartisan fashion and President Biden for making historic investments on our nation's infrastructure to create jobs, prepare our nation's to remain competitive in a 21st century.

The President's infrastructure package aims to solve freight transportation challenges we are seeing today. Our freight infrastructure was operating above capacity before the pandemic but it was not able to handle a 44% increase in e-commerce sales in two years.

Every part of our supply chain is strained due to capacity issues. Since the middle of 2021, the number of container ships waiting for a dock at US ports and more than doubled peaking at 150 in early February.

Highway congestion has increased truck operating costs by \$74 billion. So freight services issues have increased the cost of moving a single rail car by as much as \$3,000, potentially increasing the cost of moving agricultural products, for example, from South Tacoma, to the Port of Tacoma by 40%.

To address these congestions, we must improve capacity especially with freight shipments expected to increase 50% by 2050. I know the Ranking Member, this is a big priority for him as it has been a priority for me in the State of Washington. The President's infrastructure project helps us by doing the very things we need to do to invest.

A historic \$2.25 billion over five years for the Port Infrastructure [Development] Program, which is a tripling of funding for this program this year. We have seen the benefits of this program through the modernization of terminal five at the Port of Seattle, which is helping us deal with increased volume of goods.

\$350 billion in roads and bridges over the next five years, a 50% increase from the FAST Act of 2015.

And DOT has already allocated money to our states that are helping us improve infrastructure.

\$8 billion and freight rail over five years through the CRISI program, a program that we authored in the Surface Transportation bill passed out of this Committee focusing on a grant program to help eliminate some of these most congested bottlenecks in our communities, and very much appreciate our colleagues support on that.

A \$5 billion increase over five years in the new programs for Mega projects that have national economic significance, projects like this in my state the I-5 bridge over the Columbia River which joins Washington and Oregon, but is a critical part of the I-5 critical network all the way from the Canadian border down to Mexico.

The Department is also charged with helping minimize the impacts that our transportation infrastructure has on our environment. That means more than a century of building roads and bridges and infrastructures have resulted in devastating impacts to salmon in our state and other fish passage and many other states. So that is why the National Culvert Removal and Restoration Program providing grants to states, local governments, and tribes to help remove these culverts and replace and improve fish passage as a key priority. And so I look forward to hearing from the Secretary on this and many other issues.

The Department also needs to continue to focus on safety, both in air transportation safety and in our roads. The tragic increase in motor vehicle [fatalities] has shown we have a long way to go.

In my state, the State of Washington, there 634 highway related fatalities in 2021, which has the most increase since 2005. So I look forward to asking the Secretary about this.

The budget request does help us improve safety and focusing on expanding the FAA's technical capacity with the National Air Grant Fellowship Program, an important step that Senator Blunt and I sponsored and was then included in our Air Transportation Safety Program. This is a great program and building the capacity of technical aviation assistance to every branch of government and including here on Capitol Hill. And so look forward and thank you for having that included in the budget.

Safety must be a top priority in aviation, and it must be a top priority in aviation manufacturing. So we look forward to continuing to focus on that with the Secretary as well.

So these are many issues that we have to discuss. We will be releasing soon our aviation report as it relates to the COVID package and the results of that package.

I know that many of my colleagues today will also ask about refund issues because part of that report will also show that refund issues and how the Department of Transportation could be helping consumers be guaranteed a right to those refunds.

Question and Answer

VIDEO

CANTWELL: Thank you, Mr. Secretary. And thank you for that fine point on how infrastructure investment helps drive down the cost of moving goods and services. I tell you, my state feels this at every corner of our state and so we certainly appreciate it.

If I could, I've got several issues, if I could just run through them as quickly as possible.

The Port Infrastructure [Development] Program (PIDP) that you mentioned, we want to get those funds – will you commit to working with me to ensure that the recipients are able to execute their own funding as soon as possible to help speed up the port infrastructure congestion issue?

BUTTIGIEG: Sorry, I didn't catch the question.

CANTWELL: So the question is – I've heard from stakeholders, there's still confusion about how the Maritime Administration will administer the new authority. So I'm asking you, will you commit to work with me and others to ensure recipients can execute their own funding as soon as possible to help speed up the projects?

BUTTIGIEG: Yes, absolutely. The window for 2022 applications is open now and we want to see these dollars deployed as promptly and effectively as possible.

CANTWELL: You know, I mentioned this issue of people holding up some of your nominees, particularly NHTSA. Since safety is such an issue and fatalities, as I mentioned in my opening statement, can you describe the impacts these delays are having on the department?

BUTTIGIEG: It would certainly be helpful to have our nominees confirmed. People throughout the department are doing a terrific job, but there's no substitute for having a confirmed operating administration head.

And then of course, that allows for a deputy to fully rise to their responsibilities as well. That's important in NHTSA for safety, I would add, for the CFO of a department that's been asked to handle such an influx of funding, our General Counsel and many other positions, which we are very eager to see confirmations and for the benefit of safety, supply chains, fiscal responsibility, and everything that we're responsible for managing.

CANTWELL: And I mentioned, thank you for the air grant support in the budget, will you continue to oversee the FAA and make sure that they are adhering to the law that we passed on aviation safety and implementing those rules into law?

BUTTIGIEG: Yes, we recognize the importance of promptly and effectively implementing that law. My understanding is about 30% of the new requirements or prescriptions have been addressed so far. And we'll continue working to ensure that FAA meets its obligations and responsibilities.

CANTWELL: Well, I think everybody's concerned with the change in FAA administration that we do have consistency and continuity here, and continue to make progress that the FAA is the final word here on safety. And they have to continue to make the improvements that we've outlined by Congress.

One of the issues I know my colleagues are going to bring up, my colleagues, Senator Markey and Blumenthal, and we appreciate their leadership is, you know, on these new rules to address policy gaps in significant delays in flights, and how that was defined and whether consumers deserve to have refunds.

What is the DOT going to do to help us set a standard so that our consumers, you know, we're going to say that the PSP and the supply chain support, by all of us collectively, had positive results. But we also want to make sure that our consumers who felt the impact of the pandemic also get their response from the airlines in a timely fashion.

So DOT has not set a standard for how long a delay must be in order to be significant. Are you going to be doing that?

BUTTIGIEG: So, we agree. In addition to supporting a robust aviation sector, we need to make sure that airlines are held accountable for doing right by consumers and make sure the traveling public is treated fairly.

Part of how we responded to that is by enforcing an airline's obligation to provide refunds when there are cancellations or significant changes to flights. We fined one airline \$4.5 million for extreme delays in providing refunds. And we're investigating and actively working on a rulemaking that would address protections for consumers unable to travel due to restrictions or concerns related to serious communicable disease.

That rulemaking should be ready to go to [Office of Information and Regulatory Affairs] (ORIA) within days, and welcome the chance to work with you on other ways to make sure that consumers have a positive experience and are treated fairly by airlines.

CANTWELL: Thank you. I appreciate it. I know we're going quickly through all these but if I could get you on two other issues. On the budget request for an additional \$1.5 billion for Mega projects and RAISE. Can you explain what the additional funding support projects look like and why this is so important?

BUTTIGIEG: Well, these are flagship programs that are going to allow us to support projects around the country, everything from projects in the Mega program, too large or complex to fund through traditional streams. to RAISE – much will go to smaller rural projects. Again, we view it as important both for passengers and for goods movement in the U.S.

CANTWELL: Thank you. And then on the culverts, I have to take exception to my colleague, you know, we agree on many things, NEPA was something that Scoop Jackson was the author of, the National Environmental Protection Act. And, you know, when I look at my state and look at the transportation infrastructure that's literally ruined, you know, stream passage and the things that we're now having to pay so much for because of the impacts.

I look at these issues and say we have to be able to do both. That's what this transportation package said too, we have to be able to do both. We have to do smart transportation infrastructure, and continue to help make sure that those things are productive.

I love the greening of our ports. Particularly because it's going to help us. We have air attainment quality problems throughout the United States and this is going to help, so we've secured money for that.

I just want to know, will you work with NOAA to maximize the potential of this program? We're waiting for NOAA and DOT to get together and push forward on this.

BUTTIGIEG: Yes, we're committed to working with NOAA, Fish and Wildlife Service, and everybody in the interagency who has expertise on this so that we can get those \$200 million for this year out the door and we hope to have that Notice of Funding Opportunity out this summer.

CANTWELL: Great.