Hearing on Examining the Economic Impact of Federal Infrastructure Investment

HEARING

BEFORE THE

SUBCOMMITTEE ON SELECT REVENUE MEASURES

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COMMITTEE ON WAYS AND MEANS

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COMMITTEE ON WAYS AND MEANS

Subcommittee on Select Revenue Measures Hearing on Examining the Economic Impact of Federal Infrastructure Investment Tuesday, February 15, 2022 Witness List

Dr. Shawn Wilson, Secretary, Louisiana Department of Transportation and Development

Victoria Sheehan, Commissioner, New Hampshire Department of Transportation

Joung Lee, Deputy Director and Chief Policy Officer, American Association of State Highway and Transportation Officials

Mona Hanna-Attisha, MD, MPH, FAAP, Michigan State University

Mark McClymonds, President, McClymonds Supply & Transit Co., Inc.



ADVISORY FROM THE COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE ON SELECT REVENUE MEASURES

FOR IMMEDIATE RELEASE February 8, 2022 No. SRM-4 CONTACT: (202) 225-3625

Chair Thompson Announces Select Revenue Measures Subcommittee Hearing on Examining the Economic Impact of Federal Infrastructure Investment

House Ways and Means Select Revenue Measures Subcommittee Chair Mike Thompson announced today that the Subcommittee will hold a hearing on "Examining the Economic Impact of Federal Infrastructure Investment" on Tuesday, February 15th at 2:00 p.m EST.

This hearing will take place remotely via Cisco WebEx video conferencing. Members of the public may view the hearing via live webcast available at <u>https://waysandmeans.house.gov/</u>. The webcast will not be available until the hearing starts.

In view of the limited time available to hear witnesses, oral testimony at this hearing will be from invited witnesses only. However, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit written comments for the hearing record can do so here: <u>WMdem.submission@mail.house.gov</u>.

Please ATTACH your submission as a PDF file, in compliance with the formatting requirements listed below, by the close of business on Tuesday, March 1, 2022.

FORMATTING REQUIREMENTS:

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but reserves the right

to format it according to guidelines. Any submission provided to the Committee by a witness, any materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

All submissions and supplementary materials must be submitted in a single document via email, provided in Word format and must not exceed a total of 10 pages. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record. All submissions must include a list of all clients, persons and/or organizations on whose behalf the witness appears. The name, company, address, telephone, and fax numbers of each witness must be included in the body of the email. Please exclude any personal identifiable information in the attached submission.

Failure to follow the formatting requirements may result in the exclusion of a submission. All submissions for the record are final.

ACCOMMODATIONS:

The Committee seeks to make its events accessible to persons with disabilities. If you require special accommodations, please call (202) 225-3625 in advance of the event (four business days' notice is requested). Questions regarding special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Note: All Committee advisories are available [here].

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Chairman <u>Thompson.</u> I am banging the virtual gavel, so the subcommittee will come to order. I want to thank everyone for joining us today on what I think is a very important topic.

Before we start, I would like to just give a shout-out to our colleague Mike Kelly, who is the new Ranking Member on this Subcommittee, and this will be his debut. So we are expecting big things from you, Mr. Kelly. Please don't let us down.

And thank you, all, again, for being here. We are holding this hearing virtually in compliance with the regulations for remote committee proceedings pursuant to House resolution 8. Since this is our first hearing this year, I want to remind members of our virtual hearing procedures before we begin.

First, consistent with regulations, the members must keep microphones muted to limit background noise. Members are responsible for unmuting themselves when they seek recognition or when recognized for their 5 minutes.

Second, members and witnesses must have their cameras on when they are present for the hearing. If you need to step away from the proceedings, please turn your camera -- turn off your camera and audio rather than logging out.

Third, we have several members who are waving on to the Subcommittee for today's hearing. When it becomes time, I will recognize Subcommittee members on a bipartisan basis in order of seniority, followed by off-Subcommittee members in order of seniority for questioning of the witnesses.

Finally, in the event that I have technical difficulties or need to step away, Representative Sanchez will take over as chair until I return.

With that, I will now turn to the topic of today's hearing. One of the reasons I am so

proud to serve on this Subcommittee is our ability to tackle issues that truly affect all Americans in their day-to-day lives. Infrastructure investment, our topic at hand, is one of those issues.

The state of our infrastructure has a constant and direct impact on the safety and the well-being of American citizens. Congress finally took action to strengthen this vital part of our society when we passed the bipartisan infrastructure law. And despite the largely partisan vote in the House, I believe that the value of infrastructure improvements is evident to every single member and their constituents.

First, it is clear that infrastructure investments will make our Nation stronger and our community safer. In my home State of California, there were over 1,500 bridges and over 14,000 miles of highway in poor condition. Over the past decade, commute times have increased by nearly 15 percent. And on average, each California driver pays roughly \$800 a year in costs due to driving on roads in need of repair.

The picture looks even worse for Californians who take public transportation. They face an extra 66 percent of commuting time, and an estimated 16 percent of our State's public transit vehicles are past their useful lives. These issues are by no means unique to California. They are pervasive across all of our districts.

Fortunately, thanks to this Congress' attention to infrastructure investment, we are posed to make major investments and improvements. For example, under the new law, California expects to receive about \$23.5 billion for highway programs, over \$4 billion for bridge replacements and repairs, and that is just over the next 5 years.

This infrastructure investment will create more opportunities for our constituents in part because Congress recognize that infrastructure consists of more than just roads and bridges. Opportunity can travel via our Federal highways and also on our information super highway. Broadband internet is necessary for Americans to do their jobs, to participate equally in school learning or the healthcare system, and to stay connected. Broadband access is one of the major topics of conversation in my town hall meetings. It is simply an indispensable part of the way our families, workers, businesses, and local governments now engage with the world.

Again, thanks to this Congress' efforts, our States will receive billions of dollars for broadband infrastructure and expanded coverage. These resources must also be as inclusive as possible. The infrastructure law creates an affordability connectivity benefit which will help low-income families afford internet access, a benefit that will reach about 27 percent of Californians who could otherwise miss out on the opportunities broadband coverage provides.

Third, the value of our infrastructure investments is also grounded in economic opportunity. Analysis of the new law consistently indicate that these improvements will create hundreds of thousands of middle-class jobs and training opportunities. This is an investment in economic growth and financial security that American households need to recover fully from the pandemic crisis.

The infrastructure law's investments also significantly address the grave climate and disaster resilience challenges that we face. I believe that this Congress needs to do as much as possible to support the green energy economy and to protect our constituents from the effects of climate change.

The infrastructure law takes a historic step by focusing resources on electric vehicle infrastructure and on climate resiliency. It invests \$7.5 billion to build out the first-ever national network of EV chargers in the United States, including at least \$380 million in my home State. It also provides funding to improve protection against natural disasters and to invest in weatherization that will reduce energy costs for families. As this subcommittee knows, I care deeply about wildfire mitigation and disaster relief. I have seen firsthand the toll that natural disasters can take on the mental, physical, and economic well-being of my district's residents. The infrastructure law focuses on resiliency funding, including \$85 million to protect Californians against wildfires. It represents a much needed and long overdue investment in our constituents and their futures.

As implementation of the new law moves forward, I believe it is extremely important for our subcommittee members to examine the impacts of these investments on our districts. That is why I brought together our panel of witnesses today to share expertise. The legislation's goals enjoy strong bipartisan support across our country. I very much look forward to discussing with our witnesses just how these goals are becoming a reality.

And, now, I would like to welcome to the Subcommittee again our colleague and now as Ranking Member, Mr. Kelly. I recognize you, Mr. Kelly, for the purposes of an opening statement. [The statement of Mr. Thompson follows:]

Mr. <u>Kelly.</u> Thank you, Chairman. And it is good to be with you all. With Devin [Nunes] leaving and everybody kind of ratcheting up and now Adrian [Smith] no longer Ranking Member on this committee, I really appreciate the opportunity to work with you because we have done a lot of things together already, but we're not going to agree on everything.

Now, the topic of this hearing is the Economic Impact of Federal Infrastructure Investment. So with the jobless recovery, an inflation fueled by inefficient spending, most families don't really feel like things are getting better. Housing is getting more expensive, groceries are getting more expensive, transportation is getting more expensive, gasoline, both regular gas and diesel, is getting more expensive.

It was 5 degrees in Butler, Pennsylvania, this morning when I got up, and a lot of the people in the district I represent, they heat their home. Their energy source is propane. That is up over 52 percent. That is just unworkable in anybody's world. Americans need real infrastructure investment not trillions of dollars in more reckless spending.

Now, just 2 weeks ago a bridge collapsed in Pittsburgh not too far from my district sending several people to the hospital. Five cars and a port authority bus were on the bridge at the time. Now, this is the kind of real infrastructure investment that we need.

Now, too often what Democrats offer as infrastructure is just a redistribution of taxpayer money for various social or climate priorities instead of on highways, roads, rivers, bridges, and runways. This approach ignores glaring short-term needs and fails to address the long-term investments that will increase our economic prosperity.

The Biden administration's command-and-control approach only makes matters worse. For instance, the American Association of State Highway and Transportation Officials has commented that the administration's fix-it-first policy prevents States from using Federal highway dollars to improve local infrastructure in a way that works best for each unique scenario.

Now, AASHTO is not considered a conservative group or a pro-business group. It is a bipartisan group of transportation officials closest to the local action; by that, I mean they are the closest to the people, the very people that we all represent. And this is not what the people were told was happening when the infrastructure legislation was being debated.

White House folks are trying to rewrite once again what the people wanted and needed, which is more money for roads and bridges not money for EV subsidies and charging stations. I am told by liberal friends, if you want to reduce highways and build more bike lanes then do it. But in my towns and cities that I represent, our local officials should decide if they simply want more roads and bridges that don't collapse during rush hour.

Project proposals are often sent to the bottom of the pile if they add new general purpose travel lanes serving single-occupancy vehicles, and that means if you like to ride around in your own car or your own truck, you are a problem because you are getting more than other people. We should pack them all together and make them use public transportation.

And any project requiring a new right-of-away is ineligible for fast track under the National Environmental Policy Act. The administration wants special interest climate restrictions attached to infrastructure spending which will limit the effectiveness and timeliness of investments. The result will be aggravated congestion, avoidable CO2 emissions, bottleneck supply chains, and disappointed American drivers once again stuck in traffic.

Now, we are going to hear from a friend of mine, Mark McClymonds, interesting guy,

and I will get a chance to introduce him after a while. But this is a guy who is actually boots on the ground. This is a guy who wakes up way before the sun comes up and works way beyond the time that it goes down for one reason and one reason only: he operates a very successful business that he bought from his father and has continued to build.

All he is looking for is improved infrastructure. Now, the nice thing about him is that he not only uses the infrastructure, he helps build it. Now, it seems that whatever the intended goal, Democrats make sure that taxpayer dollars are spent as inefficiently as possible. We are going to spend \$1.2 trillion of taxpayer dollars to get \$120 billion in hard infrastructure investments. That is \$0.12 of every dollar.

Now, since I spent my life in an automobile industry, I can tell you that I don't think a 10 percent return on investment is worthy of a pat on the back. Republicans and Democrats do have a shared interest in making real infrastructure investments to help American families, small businesses, and communities. I know we all feel that way. Somehow we get off the path of where it is we are trying to go, and our views get blurred, for whatever reason, and I don't know why it is.

Now, our Republican colleagues worked hard on this bill in the Transportation and Infrastructure Committee. Their approach would cut red tape and ensure that any taxpayer dollars spent on infrastructure will go to things towards Americans care about, that is like roads and bridges and runways and railways and rivers and all the different things -- and broadband -- that we really do need to work on. And don't forget the waste and the port projects, please.

Unfortunately, this administration's wasteful spending had real economic consequences. Their failed policies in the past year have led to the highest inflation in over 40 years with no end in sight. And according to Moody's, American families are paying at least \$250 more every month just to keep up with higher prices. Guys, they are not getting ahead; they are getting further behind.

The burden of inflation falls disproportionately on low- to moderate-income households, and that is the most regressive tax. Of course, the response to this crisis is to call for even more government spending as well as higher taxes on Main Street, crushing mandates, and more bureaucratic control. American families cannot afford any more of these failed policies.

I hope our colleagues will take this opportunity to abandon some of these wasteful spending plans, set aside tax hikes, and work across the aisle to help American families and small businesses that have been struggling throughout this pandemic. We can and should use the trillions -- I am saying trillions, not billions or millions -- trillions of dollars we have already spent in a more efficient way.

We have just passed over \$30 trillion in debt, and our unfunded policies carry upward of \$130 trillion. Gang, this so far out of sight, we can't begin to imagine what it is going to do to our economy in the future. We can't afford to keep doing things that hurt the average American family every single day, and it affects their take-home pay. And believe me, I know that, because on the 6th and 21st of every month I sign checks. Mike, you did it in your business. Just tell me, if there is a better way for us to spend our money, just be realistic about it.

So I am looking forward to this today. I think we have got a great panel. I think we have got a great group of people on board with us. And I think, you know, at the end of the day, let's stop doing what we think is good for Democrats and Republicans, and let's just start doing things that are good for our fellow Americans.

Thanks so much, and I yield back.

The statement of Mr. Kelly follows:

Chairman <u>Thompson.</u> Thank you, Mr. Kelly. Please note the generosity extended to the gentleman's first meeting as Ranking Member.

Without objection, all members' opening statements will be made part of the record.

And I want to thank at this time our witnesses for taking the time to appear before us today and for sharing their expertise on this very important issue.

I am going to introduce the witnesses. We will first hear from Dr. Shawn Wilson. He is the secretary of Louisiana Department of Transportation and has been a tireless advocate for issues affecting the transportation and development of the State. He was elected the first African-American president of the American Association of State Highway and Transportation Officials in 2021.

Next, we will hear from Commissioner Victoria Sheehan, who is the commissioner of the New Hampshire Department of Transportation, where she oversees the Agency with the dedication to providing safe and efficient transportation systems. She brings transportation engineering and management expertise to her role as commissioner. She is also a member of AASHTO's and executive committee and serves as the chair of the strategic management committee, transportation policy forum, and knowledge management committees.

Then we will hear from Joung Lee, who is the deputy director and chief policy officer of AASHTO's. He leads the organization's transportation policy work and is a key liaison between AASHTO and Congress, the U.S. Department of Transportation, and other organizations. He previously worked at the Federal Highway Administration and began his tenure at AASHTO in 2007.

I will now turn to our colleague, Mr. Kildee, to offer introduction of the next witness. Mr. Kildee. Thank you, Mr. Chairman. And I really appreciate you holding this hearing and allowing me to participate. I am honored to introduce Dr. Mona Hanna-Attisha to testify today at our hearing on the historic investments that this Congress has made in America's infrastructure, in our economic competitiveness.

And many of you have gotten to know Dr. Mona. She has testified before Congress on several occasions, and as I said, we call her Dr. Mona. She is a Michigan State University pediatrician who runs a children's medical clinic in my hometown of Flint. I may have on occasion mentioned my hometown of Flint.

She is the hero who exposed the water crisis in Flint. When State officials were telling Flint residents that the water was fine, Dr. Mona exposed through her analysis of children's blood lead levels that there was something deeply wrong.

She also leads the Flint Lead Exposure Registry to help Flint and communities across the country work to minimize the impact of lead exposure on people's health. In fact, this week I reintroduced my Flint Registry Reauthorization Act, bipartisan legislation to fund the registry for the next decade and to continue its critical work.

I especially want to thank my colleagues, Representative Moore, Representative Sewell, Representative Larson for their past support of this really important legislation.

Dr. Mona truly embodies the spirit of the people of Flint. She is persistent. She is unwavering in her convictions. She is an incredible advocate for children. And so I am really glad to have her here to talk about the impact that these investments, particularly in our water infrastructure, will have on communities.

So thank you, Mr. Chairman, and I yield back.

Chairman Thompson. Thank you, Mr. Kildee.

And welcome, Dr. Mona.

Next, I will yield to our Ranking Member, Mr. Kelly, to introduce the next witness. Mr. <u>Kelly.</u> Thanks, Chairman. Listen, Mark McClymonds and I go back a long way. I think if you look at people -- and the great American Dream, right, is always to start off, start small, start your own company, try to build it and do an awful lot in your community. Mark's dad started this business that Mark bought from him, by the way, it wasn't left to him, he bought it from him. He started driving a truck at 18.

Now, Mark purchased the company from his dad, George McClymonds, who has passed, and incorporated it under the name of McClymonds Supply & Transit Company. Now, think about this, this kid started -- I still call him kid. I mean, I think he is a couple years younger than me. I am trying to stay young here, but -- so he buys this business from his dad. They had seven trucks. Seven trucks. Today they have over 400 trucks. And maybe when he gets a chance to talk, he can give you a little bit of an idea of what those trucks cost to buy.

Now, through the years the company has acquired two river terminals on the Ohio River and two rail terminals to expand its logistics capabilities. This company's base, customer base has grown exponentially over the years.

Now, Mark has done a lot in his community. He does a lot in the area we live in. And the key of having Mark on today, when you talk about infrastructure, he is the guy that not only uses infrastructure every single day, who runs the business and has to make payroll a couple times a month and have great benefits for his people, but he is the guy who builds roads. He is the guy that actually does the work that we are talking about when it comes to infrastructure.

And I am really proud to have him on board today. He is truly the red, white, and blue of what makes this country so great, and that is Americans doing everything they can not only to better themselves but to better their families and the communities they work in.

I could not be more happy than to have Mark on the panel today, and this is a guy

who is the boots on the ground. He is not a theorist. He is not a guy that says, well, I think this would work. He is the guy that has been through the ups and downs, had his nose bloodied, has been knocked down, got back up off the mat and got it rolling again. So I am so happy to have Mark here, and I think you are going to really enjoy his testimony.

Chairman Thompson. Thank you, Mr. Kelly.

And welcome, Mr. McClymonds.

To the witnesses, each of your statements will be made part of the record in its entirety. I would ask today that you summarize your testimony in 5 minutes or less. And to help you manage that time, please keep an eye on the clock that has been pinned to your screen. If you go over your time, I will notify you with a tap of something on my computer. And I appreciate your understanding of the time constraints.

We will start now. I would like to call on Dr. Wilson. Dr. Wilson, you are recognized for 5 minutes.

STATEMENT OF DR. SHAWN WILSON, SECRETARY, LOUISIANA DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

Mr. <u>Wilson.</u> Thank you, Chairman Thompson and Ranking Member Kelly and members of the Subcommittee, and thank you all for the opportunity to discuss the major economic impacts related to the Infrastructure Investment and Jobs Act, also known as IIJA.

As the chairman said, my name is Shawn Wilson, and I serve as the president of the American Association of State Highway Transportation Officials. I am honored to be the first African American in that position. Thank you for that acknowledgment. I am also proud to be secretary of the Louisiana Department of Transportation and Development.

I want to extend my gratitude to you and your colleagues in Congress and those

specifically on the Ways and Means Committee for your leadership on the development of the IIJA. Stable and long-term policy and funding provided through a robust multiyear Federal surface transportation bill remains a crucial element to our work every single day, not just here in Louisiana but at other DOTs.

Second, I would like to share two emphasis areas that I am leading as AASHTO president: The first is pathways to equity, and then the second is partnering to deliver. From a global pandemic to the effects of climate change, even a more robust national discussion on diversity, equity, and inclusion, State DOTs have stepped up and will continue to respond to these challenges and cultivate new partnerships in those processes.

State DOTs have long recognized that a well-functioning and safe transportation system is the foundation of our economy. This 5-year surface transportation reauthorization underpins in IIJA that will provide economic benefits to the Nation's businesses, workers, and families. It also allows State DOTs to continue to focus on issues such as safety, and this is personal for me in Louisiana knowing that the number of people killed on our roadways are wholly unacceptable and that safety remains a priority for every DOT across this country.

On equity, the development of transportation systems has historically prioritized highways not just by agencies but by legislative bodies as well. These decisions often significantly impact at low-income communities, minority neighborhoods, non-drivers, and people in inaccessible locations, and people, of course, with disabilities.

For Louisiana, the IIJA provides us with an opportunity to make much-needed improvements in communities impacted by the unfair and unjust decision-making that took place in the past and those that are consistent with the State's asset management plan.

The Claiborne Corridor and I-49 Connecter South, for example, are two projects that will benefit, I believe, from the dedicated and discretionary grant funding in the legislation,

funding that will allow us to consider thoughtful and sustainable improvements to infrastructure in affected areas.

Turning to workforce, our workforce is an urgent and critical issue for State DOTs. We are not immune to the workforces challenges being felt all across the country, and we will need to adjust to the culture and the new workforces to recruit and retain employees.

You know, IIJA provided an increase in funding to State DOTs, and we are grateful for that. The ability to effectively utilize these resources depends upon having necessary workforces in place. Restructuring, providing increased diversity and inclusion, and greater employee buy-in and collaboration and organizational culture change may be required for us to be successful.

In the world of resilience, the number and cost of natural disasters in the United States continues to increase at record-setting rates. In Louisiana, IIJA will provide us an opportunity to address those issues and to continue to develop a more resilient transportation system that will improve our ability to protect against, to respond to, and to recover from or mitigate natural and manmade disasters.

And then specifically with regards to bridge investment, IIJA includes the largest such program since the construction of the interstate. This funding will greatly accelerate the progress States have made in reducing the number of bridges that are in poor condition. As part of IIJA here in Louisiana, we will continue a longstanding investment in bridges by allocating over the \$1 billion over the next 5 years to rural and urban bridges alike that are in need of rehabilitation and replacement.

So as I close, I will tell you that AASHTO and State DOT members are fully devoted to supporting Congress and implementing the IIJA in order to ensure a full economic recovery and growth and enhance the quality of life through robust investments in infrastructure and transportation programs and projects. Thank you again for the opportunity to testify before you today, and I look forward to responding to your questions and expounding on what is in my written testimony. Mr. Chairman.

[The statement of Mr. Wilson follows:]

Chairman <u>Thompson.</u> Thank you, Dr. Wilson. Commissioner Sheehan, you are recognized for 5 minutes.

STATEMENT OF VICTORIA SHEEHAN, COMMISSIONER, NEW HAMPSHIRE DEPARTMENT OF TRANSPORTATION

Ms. <u>Sheehan.</u> Chairman Thompson, Ranking Member Kelly, and members of the subcommittee, thank you for the opportunity to discuss how we can build the foundation for our Nation's future through infrastructure investment. My name is Victoria Sheehan, and I am proud to serve as commissioner of the New Hampshire Department of Transportation. I am also the immediate past president of AASHTO.

First, I would like to echo Secretary Wilson's gratitude for your dedication and tireless leadership on development and delivery of the IIJA. We in New Hampshire look forward to putting \$1.5 billion in highway and transit formula dollars to work over the next 5 years. And like Louisiana and the other States, and we intend to compete for additional resources from the discretionary grant programs.

Secondly, like Secretary Wilson, when I was AASHTO president from 2000 until 2021, I too had emphasis areas that reflect key priorities of this Subcommittee. My emphasis areas were the value of transportation and workforce development. During my term, AASHTO was able to strengthen its efforts to help people better understand the value of transportation and how it impacts quality of life.

On workforce development we revamped AASHTO's leadership development and training programs and provided updated tools and guidance that help State DOTs capture the institutional knowledge of experienced technicians, engineers, and organizational leaders.

This afternoon I would like to touch on a few areas of importance to AASHTO and New Hampshire. While the IIJA funding is important, in the transportation sector Federal dollars play a relatively small role compared to the total investment made in the United States.

According to the Congressional Budget Office, only 22.3 percent of total transportation funding for capital, operations, and maintenance activities comes from the Federal government. The remainder represents State and local government spending.

States have answered the call to action and increased transportation investment with more than two-thirds of all States having successfully enacted transportation revenue packages over the past decade, including here in the Granite State. In addition, States continue to support a role for Federal financing tools given their ability to leverage scarce dollars that allow needed projects to benefit communities sooner.

States also fully support building local government capacity to meet their priority transportation investment needs. In fact, viewing State investment in local and off-system projects only through the Federal funding lens fails to recognize the full scope of State investments made on local transportation assets.

According to Federal Highway, States collectively invested \$26.7 billion of State funds for local roads and streets in 2019. While road capacity expansion has largely correlated with population growth, it is important to note that most of this has not occurred on State-owned facilities. The vast majority of the increase in highway capacity occurred on locally owned facilities, frequently on low-volume roads.

For many years, State DOTs have been making the case that investment is needed to maintain and preserve our existing infrastructure. Instead of a worst first approach, investment is needed to keep infrastructure in good condition while also addressing the backlog of deferred investment.

Over the last 8 years, New Hampshire has made preserving and maintaining our existing system a priority, especially our bridge infrastructure. While much needed, focusing on preservation rehab and replacement of existing infrastructure has limited our capacity to deliver other types of projects that are important to communities.

With the dedicated bridge funds provided in the IIJA, we can now increase our investment in bridges but also take flexible formula dollars that were previously committed to bridge work and use them for other types of projects.

State DOTs strive to serve as stewards of an integrated multimodal transportation system that achieves economic, environmental, and social goals. Achieving these goals depends on meaningful collaboration with all relevant stakeholders, and we are always looking to add tools that create engagement opportunities and enable greater levels of participation. Specifically, State DOTs are committed to enhancing the decision-making processes, focused on advancing racial justice and incorporating equity, diversity, and inclusion in all aspects of transportation.

Lastly, as you heard from Secretary Wilson, State DOTs are managing broadband deployment on their properties to enhance mobility and increase safety on the Nation's roadways, as well as providing improved access to digital resources especially for rural communities across the United States. New Hampshire now plans to leverage Federal funds to expedite the delivery of high-speed internet to underserved rural and urban communities throughout the State. AASHTO and its State DOT members appreciate the subcommittee's interest and oversight on the implementation of the IIJA. Thank you again for the honor and opportunity to testify today. I look forward to your questions.

[The statement of Ms. Sheehan follows:]

Chairman <u>Thompson</u>. Thank you, Commissioner Sheehan.

Now I will recognize Mr. Lee for 5 minutes. Mr. Lee, you may proceed.

STATEMENT OF JOUNG LEE, DEPUTY DIRECTOR AND CHIEF POLICY OFFICER, AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS

Mr. Lee. Chairman Thompson, Ranking Member Kelly, and members of the subcommittee, thank you for the opportunity to further discuss critical economic benefit of the Infrastructure Investment and Jobs Act. My name is Joung Lee, and I serve as deputy director and chief policy officer for AASHTO.

We are grateful for this committee's leadership on getting the IIJA across the finish line. It is not lost on me that the IIJA was enacted almost 2 years after the January 2020 Ways and Means hearing entitled, "Paving the Way for Funding and Financing Infrastructure Investment" in which I last had the great honor to testify before this body.

In order to immediately deliver on the public benefits of the IIJA, AASHTO is currently working on an implementation plan to convey optimal program design recommendations for our Federal partners: One, Federal executive agencies should implement the law as soon as practicable; two, where a range of possible legislative interpretations exist, Federal partners should provide flexibility that best meets unique needs of each State; and, three, AASHTO's ongoing input will be critical in the development of Federal regulations, guidance, and policies.

State DOTs are thankful that the IIJA at its core includes a 5-year reauthorization of Federal highway, safety, transit, and passenger rail programs with \$567 billion in total

transportation funding.

This Federal investment complements ongoing State DOT investments in all modes of transportation. In 2019, State DOTs invested \$20.8 billion, and public transportation almost doubled the Federal investment. Also that year, 25 State agencies provided \$750 million in funding support to Amtrak and almost half of its riders nationwide. For civil aviation, States helped to support 4 million jobs and generated \$850 billion in total economic activity in 2020.

State DOTs are also on the cutting edge of transportation technology and innovation, addressing emerging issues including connected and automated vehicles, electric vehicle charging infrastructure, unmanned aerial systems and shared mobility.

Given the public's high expectations of the IIJA, we are concerned that many of its programs cannot be put to use until the full fiscal year 2022 appropriations package is enacted. Without it, States, local governments, and public transit agencies will not be able to access the IIJA's 20 percent funding increase for highway formula and 30-plus percent increase for public transit formula programs along with new transportation initiatives in the law.

Given the tremendous bipartisan effort that Congress put into the IIJA, we ask for your help in putting not some but all of the IIJA to work as soon as possible. Even with IIJA enactment, we as a nation continue to struggle with the solvency of the Federal highway trust fund. With \$272 billion transferred from the general fund to keep it solvent since 2008, we recognize the urgent need for a permanent revenue solution to stabilize our transportation investment for the long term.

According to the Congressional Budget Office, dedicated revenues, including the Federal gas tax, will only be able to support about half of ongoing spending and the trust fund will face a \$215 billion cumulative cash shortfall through 2031. AASHTO strongly supports the new national motor vehicle per-mile user fee pilot program in the IIJA. State DOTs are at the forefront of this research, and their best practices must inform this national effort.

State DOTs also express our appreciation to this committee for doubling the private activity bond volume cap for qualified highway and surface freight facilities to \$30 billion. A critical part of the IIJA are discretionary grant programs which have increased substantially and which support some of the most important congressional priorities.

Key issues to address include building up the institutional capacity and resources necessary for eligible recipients to successfully apply for and deliver projects especially at the local level, as well as for Federal agencies to efficiently evaluate applications and oversee funded projects.

Also there is great difficulty in planning multiyear State and local capital programs due to the low probability of successfully obtaining discretionary grants. State DOTs are eager to share their institutional expertise and resources especially with smaller local partners to make sure their common priorities are addressed.

To close, State DOTs remain fully committed to strategically managing its assets under the IIJA. Concerted efforts by every State DOT over the past decade have resulted in the number of bridges in poor condition decreasing by 18 percent and the amount of interstate pavement in good condition increasing by 10 percent.

Thank you again for the honor and opportunity to testify today, and I am looking forward to answering any questions.

[The statement of Mr. Lee follows:]

Chairman Thompson. Thank you, Mr. Lee.

Now I will recognize Dr. Mona. Dr. Mona, you are recognized for 5 minutes.

STATEMENT OF MONA HANNA-ATTISHA, MD, MPH, FAAP, MICHIGAN STATE UNIVERSITY

Dr. <u>Hanna-Attisha.</u> Thank you. Thank you, Chairman Thompson, Ranking Member Kelly, and all the members of the subcommittee for this opportunity. A special thank you to my good friend, Congressman Kildee.

As Congressman Kildee said, over the years I have had the great privilege of testifying before different congressional committees, and I am usually sharing the Flint story and sharing what we can do better to protect our Nation's kids, like strengthening regulations, investing in public health, and fixing infrastructure that makes people sick.

However, today, more than anything, I am here to say, thank you. The bipartisan Infrastructure Investment and Jobs Act is a really big deal. It respects science, learns from history, advances equity, and truly protects our children. The return on investments will be rewarded not only with profound economic savings but also with generations of children who are healthier, stronger, and smarter. That is pretty priceless.

But we are not here to talk about kids, but it is hard for me because I am a pediatrician, but we're here to talk about roads and bridges and pipes. And I just happen to have a pipe with me, a little show and tell. So this is a lead pipe that was excavated from the Flint home of Oscar and Elizabeth Brown. In the 1950s, the Browns moved from Mississippi to Flint as part of the great migration north, and the Browns were hoping to build a foundation of prosperity and opportunity and equality.

Mr. Brown worked at the Buick plant, and they lived in Flint raising and nurturing generations of their children. And for decades, they drank water from this pipe, and they

assumed, like so many of us do, that when you turn on your tap that your water is safe to drink.

And the Browns were still in Flint in 2014 when a State-appointed emergency manager changed our water source. And the water that began to flow through this pipe was super corrosive, and it dissolved the lead. And the lead came out of these pipes and into our drinking water and into the bodies of unsuspecting residents.

And the entire Brown family, including Dana, their great grandson, continued to drink water from this pipe. And lead in water is sneaky. You can't see it, you can't taste it, you can't smell it. But I think you can appreciate that it is kind of like a straw, but in this case it is a poisonous straw. We know there is no safe level of lead. It is a neurotoxin. It can erode cognition and twist behavior and diminish health. Little Dana did suffer health problems, including seizures. Thousands of Flint kids drank from these straws, and millions of U.S. kids continue to drink from these straws.

Flint has opened the Nation's eyes to the pervasive inadequacy of our water infrastructure systems. From drinking water contamination like lead or PFAS, to a lack of running water in rural and tribal communities, to waste and sewage failures in places like Alabama, and the lack of infrastructure resilience as we saw during the Texas freeze. It makes economic sense to invest in water infrastructure. The initial \$15 billion investment for lead line replacement is expected to generate a net societal return of \$5 billion.

You know, holding this pipe, I think often about what it represents, about -- I think about the Brown family and how they moved to Flint for a better life, and how despite their best efforts policies and prejudices failed generations of their family making it really difficult to be healthy.

But more than a symbol of failure, this excavated lead pipe symbolizes hope, because it is in my hand and it is not in the ground anymore. In Flint and all over, like Newark, New Jersey, we have begun to dig up these poisonous straws, and soon, thanks to your leadership, this symbol of hope will multiply.

And while I am primarily here to say thank you, I note that there is more to be done. To fully fund lead pipe replacement, Congress must find a way to appropriate the remaining \$10 billion that was in the Build Back Better plan. I urge you to make that a priority. In closing I ask you, what is infrastructure if not the building of a robust foundation for our Nation's greatest and most valuable resource, our children?

Thank you again for this opportunity, and I look forward to your questions.

The statement of Dr. Hanna-Attisha follows:

Chairman Thompson. Thank you, Doctor.

Last, we will hear from Mr. McClymonds. Mr. McClymonds, you are recognized for 5 minutes. Thank you for joining us.

STATEMENT OF MARK MCCLYMONDS, PRESIDENT, MCCLYMONDS SUPPLY & TRANSIT CO., INC

Mr. <u>McClymonds.</u> Chairman Thompson, Ranking Member Kelly, and members of the subcommittee, I want to thank you for the opportunity to appear today.

The McClymonds Trucking business was formed in 1945 by my father, George R. McClymond. Upon returning home from World War II, he launched the business by purchasing his first truck, a single-axle truck, which he would haul sand and gravel and coal to people's houses and shovel it into their basement for heat. Along with my mother, Gladys, he operated the family business under the name George McClymonds Trucking while they raised six children.

The company grew upon developing a great reputation of service and honesty, winning over a network of customers and drivers throughout the 1950s, 1960s, and 1970s. A lot of those customers are still with us today, but most of those drivers have retired and the shrinking driver pool has become a real challenge to replace them.

In 1983, I purchased and incorporated the company as McClymonds Supply & Transit. Since incorporation, McClymonds Supply & Transit has grown to include a variation of truck services, four terminals, including an over-the-road division. As we developed a network of diverse regional customers, we started to build an affiliated company for logistics. MST Logistics was founded in 2004 to expand our ability to service customers by brokering freight to other reputable carriers and owner operators.

I appreciate the opportunity to share my perspective on the infrastructure and the economy. Truck drivers are an indispensable part of the economy and the way of life. The trucking industry moves over 70 percent of the U.S. freight tonnage every year, and many communities rely exclusively on trucks to send and receive their products.

The industry is one of the country's largest employers with over 3.5 million drivers or one out of every 18 American jobs. Increasingly, truck drivers are stuck with highway congestion and other inefficiencies. One report showed that traffic jams added nearly \$75 billion to the cost of freight transportation every year. The same report showed that truck drivers sat in traffic for 1 billion hours in 2016 burning nearly 7 billion gallons of fuel, about 13 percent of the industry's total fuel use, and resulting in significant excess CO2 emissions. We must address these bottlenecks in important freight corridors to ensure we don't cause more harm to our economy and the environment.

Because of the global pandemic, many Americans have learned firsthand about the importance of a strong and well-functioning transportation system. When the trucks are not able to operate efficiently, the entire supply chain faces a slowdown. Consumers may see empty shelves, and American businesses may not be able to obtain products in a timely fashion.

All infrastructure spending isn't created equal. The United States has some critical needs that should be a priority, especially considering our current supply chain challenges. The infrastructure bill last year included some long overdue investment in our highways and bridges, yet there is a lot more investment needed.

It also ignored some of the key shortfalls like truck parking. Instead of spending money on special-interest ideas like EV charging stations or unnecessary studies, Congress should put the Federal dollars into projects that will meet our most pressing needs. When truck drivers are forced to spend money to comply to new government regulations or mandates, we must either absorb those costs when the market is tight or pass them along to the customer. In the first case, that leaves fewer resources for us to invest in our businesses to ensure we get the goods or parts to the end user. If the costs are passed on to the customer, the result is higher prices, fueling the painful inflation we have seen in recent months. In both cases, the ultimate harm falls on the hardworking Americans.

Most of the family businesses that have incorporated since the 1980s are Sub-S corporations, so the owners pay these taxes personally. And any increase in taxes takes away reinvestment dollars, and any decrease in taxes allows the owners to increase their investment into equipment, new hires, and the benefits of their employees.

The 2017 tax law provided tax relief to many businesses with lower tax rates and expensing for equipment purchases. The plan to repeal so-called stepped-up basis would have worsened the effects of the death tax. It would force generational businesses like ours to sell off pieces in order to pay the tax bill to the IRS.

In addition, proposals to impose a truck-only tax on vehicle miles traveled would be discriminatory against millions of truckers who deliver essential products to American families. While trucking counts only for 4 percent of the vehicles on the highway and 9 percent of all vehicle miles traveled nationally, they pay nearly half of the tab for the entire Highway Trust Fund. If excise taxes to pay for roads and bridges are increased -- [The statement of Mr. McClymonds follows:]
Chairman <u>Thompson</u>. Thank you, Mr. McClymonds, for your testimony.

And now, without objection, each member will be recognized for 5 minutes to question our witnesses. We will not observe the Gibbons rule in this remote setting, and we will instead go in the order of seniority, switching between majority and minority members. Members are reminded to unmute yourselves when you are recognized for your 5 minutes. I will begin by recognizing myself.

As I mentioned in my opening statement, the bipartisan infrastructure law focuses both on traditional infrastructure like roads and bridges and also on innovative infrastructure such as broadband. Given our experience with the pandemic, engaging in business, education, or other activities online has become even more important.

Dr. Wilson, could you elaborate on how you see the bipartisan infrastructure law helping broadband deployment efforts and the impacts you have seen regarding greater broadband access? I also invite other panelists to add their own experiences if they wish. Dr. Wilson?

Mr. <u>Wilson.</u> Certainly. So I am excited to see not just the investment in what you suggested are traditional elements of transportation, but these new innovative tools of broadband.

Here in Louisiana, we have a pretty aggressive effort that deals with three issues, specifically access, affordability, and digital literacy. Collectively, all three of those assets, much will be supported with IIJA. For example, in terms of access, the governor has a program called GUMBO, which is native to Louisiana. It is called Granting Unserved Municipalities Broadband Opportunities.

We are awarding over \$711 million in grants. \$440 million of those \$700-plus million

are coming from IIJA. The value of that will be about 215,000 households. Over 14,000 businesses are all going to have access to affordable broadband services.

Why is that important? I will tell you, if you look just at the pandemic and what happened in terms of needing to provide educational support for our young people all across the State, there is a tremendous opportunity there with increased broadband services.

And then also from a healthcare perspective in telemedicine, what we can provide not just to rural communities but also to urban communities that will make it affordable and easy for families to access good advice and good information.

Here in Louisiana, we have instituted a dig-once policy. We are working to close the illiteracy gap in terms of digitalization and what is happening in that space, particularly for Louisianans that are 18 to 64 years old. We anticipate and estimate that there is over 462,000 people that are experiencing less-than-optimum lifestyle because of the digital gaps that exist or the digital illiteracies in our communities.

So IIJA has really made an effort for us to not just continue to invest our local resources but also to augment that in a way that will allow both commercial entities as well as State governments to benefit from those investments.

Chairman <u>Thompson.</u> Thank you very much. Would anyone else like to comment quickly?

Dr. Hanna-Attisha. Just, you know --

Chairman Thompson. Sure. You are recognized.

Dr. <u>Hanna-Attisha.</u> -- real quick, if it is okay, as a physician, the ability to provide telemedicine has been critical during the pandemic. And that has been very challenging to reach families who don't have reliable access to the internet, so it impacts directly their health.

Also as a pediatrician, we see the consequences of the digital divide in education, as Dr. Wilson said. Kids who did not have access to the internet during the probably 1 year of remote learning, you know, that impacted their achievement even wider than other kind of disparities that they were struggling with.

So this is kind of a basic necessity, basic part of our infrastructure that we need to be supporting that also, once again, directly impacts the health and success especially of our children.

Chairman Thompson. Thank you very much.

Mr. Lee, I would like to turn to you on an issue that is very near and dear to me, and that is climate change and disaster resilience. Every year millions of Americans, including many of my constituents, feel the impact of climate change. Droughts, flooding, wildfires, and other extreme weather events caused close to \$150 billion in losses just last year.

More important, the emotional and physical toll that these disasters exact on Americans who lose their homes, their jobs, or their health is just absolutely incalculable. Yet, resiliency and mitigation issues are often overlooked when it comes to traditional infrastructure investments.

Can you speak to how the infrastructure law invests -- the bipartisan infrastructure law invests in resiliency and the impacts of those investments for our constituents who are at risk?

Mr. Lee. Thank you for the great question, Mr. Chairman. I think one of the hallmarks of the infrastructure bill is a concerted and very intentional effort to improve the resiliency of our entire infrastructure capital stock, including those concerning transportation assets as well.

And I think the combined approach of the formula programs in the bill that provides that ample flexibility to meet each State's unique circumstances and needs, but by increasing eligibility to include previously ineligible activities to strengthen resiliency across the board on all the core formula program categories, provides that basic foundation for every State to be able to have the necessary dollars and resources to tackle resilience issues.

And then combined with the discretionary grant programs, States and local partners have the opportunity to further supplement the core formula program funds to be able to invest in additional programs and projects at their highest priorities to increase resiliency.

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[2:57 p.m.]

Chairman <u>Thompson</u>. And do you want to say anything on what this law will mean in regard to developing our workforce and creating good well paying jobs.

Mr. Lee. That is also a great theme of the bill. And, you know, I think, certainly, we have great State stories from our Secretary Wilson and Commissioner Sheehan who can share more direct experience as well, but one of the things that we are looking at is, as President Shawn Wilson of AASHTO mentioned, you know, expanding our partners with nontraditional entities who are working with a group called Center for Employment Opportunities out of New York City, for example.

Their goal is to help previously incarcerated individuals come back into the workforce, start a career. And they are helping to place, you know, workers on the State DOT maintenance task forces, as an example. We are looking to scale up those types of opportunities throughout country.

Chairman Thompson. Thank you very much.

Mr. Kelly, you are recognized for questions for 5 minutes.

Mr. Kelly. Thanks, Chairman.

I just want to go back to Mr. McClymonds because I think that somebody who is in the private sector, and all our --, everybody on the panel talked very clearly about infrastructure, and I think that all of us agree that that is a wise investment. But then the question that comes is what do you mean by infrastructure, and then all of a sudden it gets blurred.

Almost every one of you talked about actual hard infrastructure and not some of the things that are proposed in this spending. I have got to tell you. \$0.88 of every dollar is not

going to the things that you think. \$0.12 of every dollar is. I want to talk with Mark about this because of his business.

Mark, when I look at your total cost of operation and the effect that inflation is having on it, your availability of talent, and then the actual roads that you travel on and the taxes that you pay, whether it is for fuel or all the different things, if you can just kind of give us a really brief rundown because I think sometimes when you are in these elected offices, you kind of get away from where the rubber meets the road, so to speak, or where the steel wheels on a steel rail or however you want to describe this to get things moving.

Can you give us an idea of the structure of your business and infrastructure and the taxes that you have to pay? And I think I remember you said you have 400 trucks. So whatever you are talking about is times 400. If you can just kind of walk through that, if you can do that right now, I would appreciate it.

Mr. <u>McClymonds.</u> Well, sure, Mike. Thanks. Our small company runs 25 million miles a year. Our average truck gets 5 miles to the gallon. There is a dollar tax on every gallon that we burn in Pennsylvania, and besides that, we pay the turnpike fees. So we are well over a million dollars a year in turnpike fees and \$5 million dollars a year in road use taxes for the -- just for diesel fuel, not counting the license plates or the user fees. It is very expensive.

Mr. <u>Kelly.</u> Yeah. So I was trying to figure it out because any time gas is up, I know there is a Federal tax that is already built in, and then there is a State tax. And I think Pennsylvania is one of the top three States as far as sales tax is concerned. I think for every gallon -- I may be wrong on this, but I think for every gallon of diesel fuel, there is \$0.74 per gallon for diesel and \$0.58 per gallon for gasoline.

When I look at what it is you are talking about, 5 miles to a gallon and the hard work you are all doing, that is really expensive. But you are doing it. You are building roads. You are doing all the things that we are talking about right now, the dredging that needs to take place in our rivers, the replacement of a lot of our bridges because they are failing in too many different ways.

But for the rest of the panel, so when you talk about all this, because this is actually a jobs bill, right? I think, Doctor, what do you think? I mean, each of you. These are jobs bills that we are talking about.

Mr. <u>Wilson.</u> Well, Congressman, I will suggest to you building infrastructure does create jobs that are going to sustain our economy. And much like what we've talked about in workforce, a great deal of investments that we are receiving in Louisiana from IIJA is about \$6 billion. It is about a billion dollars more than what we would have received in the previous iteration, and it restored all of our investment.

A hundred percent of that is going to actual projects that are going to speak to the trucking community, for example. When I think about congestion points, when I think about our intermodal connectors, when I think about the bridges that are in poor condition, the over 700 in Louisiana that are going to be critical for the trucking community to move from the farm to the market, from the market to the port, and then to places all around the globe, I realize that these investments are hitting the bottom line of our trucking industry as well as our communities from a job perspective.

I can think about our workforce right now and partnerships that we've done with the construction sector, trying to replace the 85,000 drivers that are not there. All of these are projects that are going to receive the benefits of this investment.

So I will tell you. A hundred percent of what we are receiving is going on actual projects, whether they are ports, railroads, crossings, pipeline work.

Mr. <u>Kelly.</u> Yeah. Well, let me just -- because we are on such limited time. We feel the same way about this. I am not worried about the money that we spend on

infrastructure, really hard infrastructure. I am talking about these other items that are in there that don't give you that type of a return. I just think just in Social Security and wage taxes, income taxes everybody's paying, this is a jobs bill.

But I am talking, Doctor, if we are concentrating on hard infrastructure, which we all agree needs to be done, let's get that fixed first, and that will help fix all these other things that we are still worried about.

I want to go back to Mark for just a second, Mark, because I think it is really important. And, please, I don't want anybody else on the panel to misunderstand me. Every one of your testimonies is great. And I have been to Flint, and I have watched them make Chevy trucks and GMC trucks at the same place. I have watched the Buick plant, so Danny knows I am familiar with Flint. But a lot of these cities are old and have been aging and have not been kept up to date, and that is why we are facing a big bill today, right. I live in a house that was built in 1917, and a house that was built in 1917 is like a person that was built in 1917. They need a lot of work to be done, most of it internal.

So I just think that while we are at it today, Mark, just your idea on what it is going to take for us to get this in shape because it is your wasted time on the highway also where that engine is running, that you are burning up fuel, still paying taxes on all of it. I would just imagine -- just the average of one of your trucks. If you were to buy a new truck today, what does it cost to get a new truck?

Mr. <u>McClymonds.</u> Oh, you are over \$200,000.

Mr. <u>Kelly.</u> \$200,000.

Chairman <u>Thompson</u>. The gentleman's time has expired.

Mr. <u>Kelly.</u> Well, I thought you were going to be nice with me and let me have more time.

Chairman <u>Thompson</u>. It is noted that we established that it costs over \$200,000 to

buy a truck.

Mr. Doggett, you are recognized for 5 minutes.

Mr. <u>Doggett.</u> Thank you very much, Mr. Chairman. You have appropriately convened this on what is called the bipartisan infrastructure bill, but unfortunately, in Texas, it hasn't been very bipartisan. Every single Texas Republican voted no, rejected this bill. And, yet, we have immense mobility problems here in Austin, in urban areas across the State, and Texas is getting over \$30 billion because of this bill. We wouldn't have gotten a dime if it had been up to the members of the Texas Republican delegation.

I am concerned about addressing mobility, as most of our witnesses have mentioned, but I am also concerned about the impact of the climate crisis. Here in Texas, we have had deep freezes. We have had flash floods. We have had droughts. We have had killer hurricanes. In the summer, it used to be hot or hotter. Now it is just hotter and hotter. Indeed, today is the one-year anniversary of Governor Greg Abbott's deadly failure to weatherize our grid. We had a deep freeze here a year ago because there was not proper preparation but gross negligence. Millions of Texas families suffered, and -- just, I mean, there were a number of deaths, incredible loss of water and of electricity.

Our Texas House colleagues, particularly Texas Representative Vikki Goodwin, is hosting a people's summit at the Texas Capitol today to look at this tragedy and other ways that we can correct it. There is some support for upgrading our grid in the infrastructure bill, although most of the problems here are problems of a failure of State leadership and instill the need for State action on this.

I know, Secretary Wilson, that Louisiana, as our next door neighbor, is no stranger to extreme weather. Could you just comment briefly on how this infrastructure law will help us in meeting some of the challenges of the climate crisis?

Mr. <u>Wilson.</u> Well, thank you for that comment, Congressman Doggett. I will tell you.

We have evacuated people from Texas. Texas has helped us in these disasters, and you are right. This is where the rubber meets the road, and we are keeping people safe.

DOTs around the country, including those especially in the south, are familiar with disasters and resilience issues. Over the last nearly 20 years, we spent \$16 billion on 28 declared disasters. Some of that hit in your State. We see the value of IIJA helping us make investments, not just in very targeted programs, but in our entire construction program as it relates to incorporating a lens of resilience. We are looking at using scientific tools and data, having objective decision-making that the science will drive us as it relates to the strength of our electrical grid and greenhouse gases and climate change in its entirety, and maximizing our natural flood plains here in Louisiana, and, finally, establishing regional watershed base management of flood risk.

We see the value that IIJA has created by instituting a program to address this resilience and will allow us to capitalize on it. And in a State that is a big energy producer, we actually adopted a climate change initiative here in the State of Louisiana that is going to change, I think, the way we create and treat weather and how we create response efforts in that regard. And so IIJA is going to provide the resources to institute resiliency in our regular programs, and that is the most comprehensive way to do it as opposed to fixing something only to break again.

Mr. Doggett. Thank you.

Mr. Lee, let me ask you about this also. I find it rather unusual to see these claims that doing more to encourage electric vehicles is somehow a special interest matter.

I am the sponsor of the Electric Vehicle Charge Act which is designed to try to get, to support the other provisions in this infrastructure bill to expand the number of EV charging stations around the country since hesitancy and concern about traveling long distances like in the State of Texas is discouraging people from electric vehicles. We know that transportation is the number one source of carbon pollution in the United States.

What role do you see, Mr. Lee, in having an effective EV charge infrastructure out there to support greener transportation in this century.

Mr. Lee. The infrastructure bill, Congressman, agrees with your priority on EV charging infrastructure deployment, addressing range anxiety by requiring the monies to be put into alternative fuel corridors that are designated so that, you know, every 50 miles, at least, you are going to be able to access EV charging infrastructure all throughout corridor, all throughout the country.

Mr. <u>Doggett.</u> So nothing special interest about it; just a way to have more mobility, address our mobility issues at the same time that we address the climate crisis.

Thank you very much, Mr. Chairman, and thank you to each of our witnesses for your testimony.

Chairman <u>Thompson</u>. Thank you, Mr. Doggett.

I now recognize Mr. Schweikert for 5 minutes to inquire.

Mr. Schweikert. Thank you, Mr. Chairman.

First, let me give a little bit of a sort of a western view because we all love to talk about infrastructure and support it, but I will argue that much of the model that is used, particularly on the roads and bridges, surface transportation, is from a different century.

So, look. There has been testimony on how fast the highway transportation trust fund bleeds out. But, yet, we have the Highway Trust Fund doing lots and lots of things that it was not originally designed for. And a good example here in Arizona, if you think about our water projects, our dams, the world's longest aqueduct, that was loans to the United States that we had to pay back. Our highway system in Maricopa County, we substantially -- our freeway system substantially had paid for that locally with our own half cent sales tax because we missed the largesse of the 1950s, 1960s, 1970s when the money was being handed out, so we built a modern system ourselves.

And the frustration here is then we get memos saying the White House is suggesting to move much of the money in the grants into immediate repairs. But if you are Arizona, like a couple of the other States of our members here, high growth, lots of inbound population, but our base infrastructure is actually fairly modern. Ours is not as much a focus on repair, it is on new corridors, new construction. And both the EPA requirements, the environmental permitting requirements, those things that become very difficult when you are doing new instead of repair.

So one of the great faults in the design of the infrastructure bill I think was truly understanding the regional idiosyncrasies of how different someone on the east coast or parts of California are compared to those in the high growth desert areas of the southwest.

The other thing also, and I don't think this will be republican or democrat, but it is intensely frustrating. A couple years ago, we had some presentations. I think this was more on the science committees on if you wanted to impact traffic, if you wanted to impact air quality, then technology was the disrupter. A smart city-type model where, you know, stoplights, data -- you know, when the fire truck is on its way out, it synchronizes the stoplights, when the school is about to let out, that type of data infrastructure for moving traffic, particularly for those of us here in Arizona. Arizona is basically a ginormous suburb, you know. The Federal Government owns the vast majority of our land. The vast majority of the population lives in one county.

If I was going to turn to the witnesses and say, we here in Arizona recently had an occasion where a big rig truck drove without a driver, autonomously, very hopeful for productivity because we need productivity to help knock down some of the inflation, also deal with the truck driver shortages, those sorts of things. That is the future. And the resources from the Federal Government should be focused on, you know, the interstate systems and the embracing of that technology that crosses State lines and maybe instead of trying to finance my local streets.

But if I wanted to find out from the professionals on the engineering side, who provides the best information, the best data on what the future actually looks like and those things that are actually the steps up in productivity to help all of us? Any witness at all because this is something we are always hunting for in our office, on what we should be reading to understand where we should be pushing the body, instead of trying to finance last century's infrastructure, financing the future. Any witness at all willing to share?

And with that, Mr. Chairman, apparently that doesn't seem to be --

Mr. Wilson. Well, Congressman ---

Mr. <u>Schweikert.</u> Yes, please.

Mr. <u>Wilson.</u> I will give it a shot. Shawn Wilson.

Mr. Schweikert. Share with us.

Mr. <u>Wilson.</u> So what I would suggest to you is your first statement about the need to invest in perhaps new capacity or modernize infrastructure using technology, you won't necessarily get resistance from my State and other States I am aware of in our organization. We think those are decisions that are best left to States, and we think that working with our U.S. DOT partners, we will achieve that.

And then, secondly, I think the bill does provide some interesting perspectives in terms of technology and how we are using that and how we are evolving in that space, but every State is going to be different in terms of their readiness to perhaps move into that space and in a robust way. And so giving --

Mr. <u>Schweikert.</u> And I hate to interrupt, but we actually did a little breakdown on that bill --

Chairman <u>Thompson</u>. The gentleman's time has expired.

Mr. <u>Schweikert.</u> All right. With that, I yield back, Mr. Chairman.

Chairman <u>Thompson.</u> Mr. Larson, you are recognized to inquire for 5 minutes. Mr. Larson. Hello.

Chairman <u>Thompson</u>. We can hear you.

Mr. <u>Larson.</u> Oh. Thank you, Mr. Chairman, and thank you for this informative hearing. I can't think of anything that is more vitally important to our districts than infrastructure improvement. I want to thank the panelists as well and especially since along the east coast, since we seem to be talking about the east coast and the deserts of the southwest. The infrastructure system designed here back during the Eisenhower administration has long since been antiquated and, of course, the desire and need for intermodal transportation and connections is abundantly apparent as well.

Dr. Wilson, I want to thank you for your testimony as well and all the issues that you are facing down in Louisiana. In Hartford, Connecticut, we face a similar situation that you have down in the -- I believe it is the Claiborne Expressway you alluded to.

But highway designers back in the 1950s managed to cut off the City of Hartford from its riverfront, the Connecticut River, the longest river in New England and also the only Federally designated blue ways river. But also I-91 dissected the river, and I-84 cut off what is commonly referred to as the 06120 or the poorest zip code in Hartford from the rest of the city, creating a wasteland for food and what used to be a thriving commercial community is now the poorest area, and all due in large part because of the isolation created by the I-84/91 intersection which also replaced massive communities, not only in Hartford but East Hartford as well.

In fact, the I-84/91 interchange is the number one congestion point and choke hold in Connecticut, New England, number 24 in the Nation, number 3 in terms of truck traffic congestion along the Buckley Bridge. And Louisiana is, of course, familiar with this in Ninth Ward in New Orleans. When you add in our levees, and we look at sand piping or the potential for collapse, this creates an enormous problem.

And so, thankfully, this funding and the way that the Biden administration has laid that out, we appreciate everything that you have been able to do. And how can projects like these, like the one we are pursuing in Hartford, provide opportunity like you have had and the success that you have had down in Louisiana?

Mr. <u>Wilson.</u> Well, thank you, Congressman, for that question. This project finds itself replicated in cities and towns all across this country because of how we have evolved. IIJA does a phenomenal thing in providing dedicated resources to reconnecting those communities, but it also provides additional discretionary opportunities that these projects might compete for as well.

I have got on my desk, really, a final assessment of the Claiborne project, and there are a couple of points I'd like to make. First, I think it is important to manage expectations with regard to the scope of work. These projects cost a great deal of money to fix, not just in terms of a state of good repair but to reconnect, and they are very expensive. And so when Congress acted, as it wisely does, and reduced the program, we will live within the means that you have given us.

Also understanding the state of play at the local and state levels in terms of their readiness for these aggressive type projects. And then the third thing is to make sure that this is consistent with the highway priority programs. I am a big believer that you can't boil the entire ocean or you can't eat an elephant at one time, but you have got to take it take it piece by piece, bit by bit, and that is what these projects will require, important study, important assessment, and realistic project delivery. Otherwise, we create a false expectation for the people that were already violated in the communities that were separated 50 plus years ago when these projects were originally built. Mr. <u>Larson.</u> Thank you so much. This is exactly when we face in the City of Hartford. The isolation, the displacements, and the need for making sure that we have integrated, intermodal transportation that links up our rail, our bus, our airport, altogether and actually reopens economic opportunity along the Connecticut riverfront and as well as in north Hartford.

And, with that, Mr. Chairman, I yield back.

Chairman <u>Thompson.</u> I thank the gentleman. Your time has expired.

Mr. LaHood, you are recognized for 5 minutes to inquire.

Mr. <u>LaHood.</u> Well, thank you, Mr. Chairman. I want to thank Ranking Member Kelly and all of the witnesses today for your testimony.

Chairman Thompson. Will the gentleman suspend?

Would everyone who is not speaking please mute so the person asking the question will be able to be heard.

Thank you. You may proceed.

Mr. <u>LaHood.</u> Thank you, Mr. Chairman, and I want to thank the witnesses for their testimony today.

Mr. Chairman, you know, last month, the Consumer Price Index showed that inflation surged to a 40-year high, costing the typical American Family almost \$5,000 more a year. Under the democrat leadership in Washington, D.C., out of control spending has diminished wage growth, sparked an unprecedented supply chain crisis, and harmed Main Street businesses facing worker shortages and tax hikes.

While I have long been an advocate for investing in our hard infrastructure, I was disappointed that our democrat colleagues approached a traditionally bipartisan issue in a much more partisan way earlier this Congress, linking the infrastructure package with their reconciliation agenda.

I agree. We must have responsible investment in hard infrastructure. As I drive through my own district, I see the need for money to help roads and bridges and inland waterway systems. In central Illinois, farmers, manufacturers, and small businesses utilize our transportation infrastructure to move corn, soybeans, and products all over the world. And while I agree there is the potential for positive economic benefits from responsible infrastructure investment, the investment must be coupled with responsible fiscal policy.

Some of the biggest issues I hear as I travel across central and west central Illinois are from small businesses that continue to face unprecedented challenges finding workers. While my democrat colleagues continue to attempt to cast the infrastructure bill as a boon for the economy, there are many provisions included that concern me.

For example, the Infrastructure Investment and Jobs Act included a provision that would disallow the employee retention tax credit, the ERTC, for the fourth quarter of 2021. Many small businesses and nonprofits have continued to take the tax credit into the fourth quarter and now face retroactive tax increase and a complex, frustrating process in reconciling the credit that they will now have to forfeit. As such, I am pleased to co-sponsor my colleague, Representative Carol Miller's legislation, the Employee Retention Tax Credit Reinstatement Act, which would reinstate the ERTC through the end of 2021.

Additionally, the infrastructure package failed to address the ways to support our supply chain operators. To address the ongoing supply chain crisis and trucking shortage, I recently introduced the Licensing Individual Commercial Exam-Takers Now Safely and Efficiently Act. This legislation will help streamline the process to obtain a commercial driver's license and reduce unnecessary red tape.

Lastly, I believe it is a bit premature to determine the economic impact of a piece of legislation when many of the programs are not even fully implemented due to the lack of long-term appropriations. Instead of continued government spending on non-infrastructure priorities, members of this committee should remain focused on our efforts to reduce inflationary measures, lower taxes, and cut Washington red tape. As we look ahead, I am committed to addressing these challenges with my colleagues, supporting responsible infrastructure investment, and finding common ground to better our Nation.

With that, Mr. Chairman, I have a question for Mr. McClymonds. Mr. McClymonds, the number one issue I hear in my district is the lack of workers, particularly truck drivers. I have several companies in my district that would hire hundreds of new drivers tomorrow if they could find the workforce. In your testimony, you mention the TCJA which is the 2017 tax reform bill and how it benefitted your company with lower tax rates. With those savings, did you reinvest in your workforce? If so, can you expand upon that, and can you speak to the challenges and costs associated with obtaining the new CDL? Thank you.

Mr. <u>McClymonds.</u> I can. Thank you. You know, I bought the business off my dad in 1983, and I have invested all the profits this company's made since then. Every year, the money that we make, we reinvest in benefits, into new equipment, into hiring new drivers when we can find them. So, yes, you know, the profits of the company go right back into the company, and that is why it grew over the years.

The CDL license today started in 1990. It wasn't a real big deal when it started, but it is getting tougher and tougher. One of my dad's drivers that actually worked for my dad since 1959 retired a few years -- probably 5 years ago now. And they changed the regulations some now that if you are colorblind, you can't drive a truck. You lose your CDL license. He drove a truck for 50 years, almost, and once they changed the criteria, he couldn't do the CDL. So he lost his license, and he was driving for us in the summer after he retired. That took him away from that.

But to get your CDL, you can get it when you are 18 years old. But the insurance companies come in, and they don't want them to drive -- you can't cross State lines until you

are 21. But they want 2 years experience, so that makes them 23. And I know when I went to high school, 20 percent of my class went to college, and the rest of us went to work. And, nowadays, it is 90 some percent that go to college, and maybe 10 percent go to work. Well, if you can't go to a --

Chairman <u>Thompson</u>. The gentleman's time has expired.

Ms. Sanchez, you are recognized for 5 minutes to inquire.

Ms. <u>Sanchez.</u> Thank you, Mr. Chairman, and I can't thank you enough for holding this important and very timely hearing.

I was one of those who proudly helped pass the bipartisan infrastructure law late last year. And I note with some irony that we have colleagues on one -- on the other side of the aisle who have argued that, you know, building infrastructure for the future like electrical charging stations, you know, should not be done because that is a special interest. And then I note from others that we shouldn't build infrastructure now because we should be planning for more futuristic infrastructure in the future. And I just find that highly ironic that there is any excuse to find for not supporting this transformative piece of legislation.

For those of us who have been fighting for years to rebuild our infrastructure, it's a tremendous breakthrough that promises to make a material difference in the lives of our constituents. For example, the largest transit investment in our Nation's history promises to reconnect communities like mine in southeastern L.A. County that have long been cut off from each other by massive highways for decades.

And the unprecedented funding for electric vehicle charging infrastructure promises working families in my community that they don't have to live on the west side of LA to afford to drive an electric vehicle. And the single largest investment in our Nation's water systems in history promises to finally address the contamination of water supplies by PFAS chemicals that my community is dealing with. And these aren't empty promises. They are backed up by a generational investment of \$1.2 trillion. Now we have a generational opportunity to follow through on our promises for the communities like mine that are too often left behind, and I am committed to ensuring that we do. I want to commend the Biden administration's early focus on equity and its Justice 40 initiative, but we cannot take our eye off the ball. So I want to focus my time today on what local governments and organizations can do now to get the most out of this robust law.

Dr. Wilson, the majority of funding in the bipartisan infrastructure law is being distributed by formula. Many of the cities that I represent have less than 50,000 people and are short staffed with limited technical expertise. So I want to know, what should they be doing now to ensure that they get their fair share of formula funds like the off system bridge set-aside?

Mr. <u>Wilson.</u> Well, Congresswoman Sanchez, thank you for the question. This is an issue that is very important to me as secretary because I am known for tweeting out when I close a bridge whether I own it or whether it is a locally owned bridge. Citizens don't care who owns a bridge when it is broken. They just want to be able to get across it.

One of my priority areas is partnering to deliver which is helping DOTs all across the country prioritize the need to collaborate with locals. Here in Louisiana, I will give you a testimony of what we are doing. We are going to exceed the minimums that are in IIJA for off system bridge investments which is 15 percent, if I am not mistaken. We have always had an off system bridge program that matches Federal funds using State transportation dollars that we generate. I expect to be able to fund about \$60 million a year over the next 5 years, and that is going to produce over 500 bridges across the State of Louisiana.

The vast majority of those bridges are going to be bridges that are important to locals and to the States, and we are going to work to make sure that we have a pro rata

share of those poor, very poor bridges in every parish, i.e., county, to make sure that they get their share, and we're going to let them choose.

And so DOTs across the State or across the country are going to work with locals to make sure that they address those priorities. And reaching out and having those conversations is the first way, I believe, to get it done. And from a Saints fan to a Rams fan, congratulations.

Ms. <u>Sanchez.</u> Thank you. Thank you. Go Rams. Thanks so much.

Commissioner Sheehan, I have recently visited a training center in my district that hosts registered programs for women and formerly incarcerated workers, and one aspect of the bipartisan infrastructure law that I am particularly proud of is its investment in workforce development.

How can local labor unions engage with State Departments of Transportation to ensure that we are investing in expanding these apprenticeship opportunities to folks that previously, you know, have not had those opportunities?

Ms. <u>Sheehan.</u> Well, thank you for that question, Congresswoman. We, as DOTs, need to do more to help individuals understand what the opportunities are within the transportation sector. This means going out and meeting with more young people who are considering pursuing different career opportunities.

But also beyond our traditional outreach to the construction industry and our partners, we also need to be sharing more about the actual projects that we are advancing and the type of work that is coming down the pipeline.

It is not just about how much we are spending every year. It is about exactly how much work is being done in the different categories, whether that is bridge investment, paving, investing in EV charging so that we can make sure that the workforce is evolving to meet the needs of State Departments of Transportation. There have been a lot of questions today about preparing for new technology, and so it is not just about the traditional worker sets that we have relied on in the past. It is also about ensuring that we are looking to the future and identifying the skill sets we will need to be able to operate our systems efficiently and effectively in the decades to come.

Chairman Thompson. Thank you.

Ms. Sanchez. Thank you, Commissioner.

And I yield back.

Chairman <u>Thompson.</u> I recognize Mr. Arrington to inquire for 5 minutes.

Mr. <u>Arrington.</u> Thank you, Mr. Chairman, and Ranking Member Kelly, and the witnesses.

I think I join almost every lawmaker who believes that our Nation's investment in infrastructure is important if we are going to grow and create more jobs and the jobs of the future, and certainly, it will also aid the recovery of our country post pandemic. And when you've got the inflation and the labor shortage and all the headwinds, it would be nice for all of us to make a responsible investment in infrastructure.

Here is the problem, and I think Ranking Member Kelly put his finger on it from the -- from his previous remarks. This \$0.10 to \$0.15 on the dollar goes to core infrastructure which is what most Americans think of when they support all of us working together to build out, to replace and maintain our infrastructure. So that is the first problem.

And so as I look at the examining -- the title of today's hearing, Examining the Economic Impact of Federal Infrastructure Investment, it begs the question. What kind of return on investment is the other \$0.85 to \$0.90 on the dollar, going to clean school buses and ferries and legacy pollution projects, subsidies for mineral mining and supply chains that support clean energy technology. I just think with \$30 trillion in debt, multiple trillions of dollars that were spent through this COVID time period, this is a time where we have to urgently tighten the belt and refocus and recalibrate how we spend the taxpayers' money. And I just think that this progressive infrastructure bill was a whole lot of waste and too little real core infrastructure.

So let's look at the economic impact, and my questions are related to that fundamental issue for this hearing. Mr. McClymonds, what is the economic impact to the bureaucratic NEPA and other permitting requirements? And let me just, before you answer, make a simple commentary. It takes 7 years on average to finish a project because of all the hoops and the regulatory rigmarole and the red tape. Everybody that is in this business understands that.

And it cost seven times less to build a road or a bridge in France than it does in the United States of America. So we have got this mountainous wave of regulatory red tape and burden that is costing us a tremendous amount of money.

So this infrastructure bill did nothing, nothing, to streamline that process and actually save taxpayer money and become more efficient in infrastructure. Do you have any idea how to quantify the loss or the negative economic impact of that?

Mr. <u>McClymonds.</u> Well, I can't quantify it, but I have experienced it. We have built buildings. We have had to go through environmental assessments. We took a couple old properties, old steel mills through Act IIs, and every time I got a price on how much to take them through an Act II so we could reuse the properties, it would be four or five times over the cost that was originally quoted to us. And it takes forever. Things that they tell you take 90 days takes 18 months. I mean, it is just crazy to get something accomplished through the government regulations.

Mr. <u>Arrington.</u> Well, thank you. It's a big missed opportunity for good government, but there is a list of things. I will just kind of rattle them off. There is an economic impact negative to Federal debt crowding out private capital for infrastructure. My colleagues, my democrat colleagues said this was paid for. That is baloney. The CBO said it cost \$250 billion because most of the payfors were just gimmicks. There is a negative economic impact to forcing contracts to go to unions. That is literally an executive order by the President.

And, lastly, for the record, I submit, Mr. Chairman, a Wall Street Journal article, January 30, Highway Funding, Bait and Switch. And this is where they said they are going to put all these projects at the bottom of the pile that actually have to do with new roads and bridges justifies any common sense or logic.

Thank you, Mr. Chairman, for your indulgence, and I yield back. [<u>The information follows</u>:] Chairman <u>Thompson</u>. The gentleman's time has expired.

Ms. Moore, you are recognized to inquire for 5 minutes.

Ms. <u>Moore</u>. Thank you, Mr. Chairman. And let me join all my colleagues in thanking our witnesses for spending this time with us.

I do -- I have listened very carefully to the testimony so far. And I am so proud, of course, to have supported the bipartisan infrastructure bill and really looking forward to the economic impact that it makes and the environmental impact that it makes.

Before I ask my question, I just really want to make a comment. A lot of my colleagues have rightfully pointed to the inflation that we are experiencing, supply chain problems that we are experiencing. I just am disappointed that they conflate that with our spending money in the American Rescue Plan, for example, to really rescue people from the increased misery index that this global inflation has caused with the unemployment that came along with it at that particular time.

And, you know, I remember listening to Mr. McCarthy's speech for 8 hours and 32 minutes on the floor of the House talking about inflation, and not once did he mention the pandemic. The pandemic is something that has gripped us globally, global wise, and there is nothing that any one government can do to stop it. It has affected the global energy prices, food prices, supply chain prices. So to say that this is all because we gave -- we kept people from getting evicted or gave the child tax credit is wrong, R-O-N-G. Plain old wrong. Not W-R-O-N-G, just wrong.

And as a matter of fact, despite the inflation, you know, this inflation is going to ease as we resolve the pandemic. But, since then, we have got a higher job rate than we have ever had. People are starting to get back to work. And I won't consume all my time making an argument because I do have question, and I think I will address it to Dr. Wilson.

One of the issues that I have had about this infrastructure bill was the notion that

you remember the good old Obama days when we gave shovel money to shovel-ready projects. And so the big guys, the big developers, got all of the money. They spent it building and doing beautiful shovel-ready jobs, and that did not trickle down to the workforce development aspirations that we had.

So, can you tell me how, Dr. Wilson, we ought to proceed to -- you know, and not be in such a big hurry to spend this money as soon as it gets to the States but to make sure we reach some goals with regard to diversifying the workforce? And I will yield for your response.

Mr. <u>Wilson.</u> So, a great question, Representative Moore. You know, the mantra this time is really about shovel-worthy projects, and I think IIJA wisely made investments in projects that are existing today in terms of investing in States' asset management programs. They have made real commitments in terms of making sure that the types of work that we are looking to do are projects that will require DBE participation that can be included in the work that is out there.

And then, most importantly, they gave us an opportunity to invest in all manner of infrastructure and not just a highway or a bridge. And the element that you have included to give us some time to be able obligate the funds in the bill by 2024 and for the ARP projects and then commit to those dates and dollars being spent by 2026 will filter in, I think, to IIJA as States will be flexible and use those dollars for the most important projects.

And so I am encouraged by what we see in the bill, that it gives the States flexibility to fund the projects that are ready to go and projects that are in all aspects as well as issues of Justice 40 to make sure that they are reaching in the right communities and using the type of resources to invest in infrastructure of all types from a workforce perspective.

The local hire opportunities are a fantastic for us. We are excited to be able to integrate that into mega projects that we have here in Louisiana. And we have had a law on

the books for some time that required us to actually go out and advertise in advance of a project hitting mainstream America to make sure that we focus on those local hires. So we are excited with what we see, and thank you all for passing this bill.

Chairman <u>Thompson</u>. Thank you. The gentlewoman's time has expired.

Ms. <u>Moore</u>. And thank you so much, Mr. Chairman. I yield back.

Chairman Thompson. Thank you, ma'am.

Mr. Hern, you are recognized for 5 minutes to inquire.

Mr. <u>Hern.</u> I would like to thank the Chairman and Ranking Member Kelly for setting up this hearing;

You know, infrastructure is something that is near and dear to my heart. It is not something I just talk about. It is something I have actually lived. I served 5 years as the Finance Committee chairman of the Oklahoma Turnpike Authority, the largest turnpike in the country by miles, a quarter of a billion dollar budget per year, 620 miles of highway, no Federal funding. We had to maintain our bond ratings.

I know what it costs to build a mile of road, maintain a mile of road, and run a solid transportation system while meeting debt obligations and satisfying the people who actually pay for the debt, the American taxpayers, you know.

And so when I look at this, you know, if you go back and you read the largest headlines, in December of 2015, there were headlines read the largest infrastructure bill in modern history, \$305 billion has been signed into law. \$305 billion as compared to 5 years later, \$1.25 trillion, five times as much in 5 years. And the reason for that is because the infrastructure in this bill is not legitimate.

When you look at every person out there that has looked at this legitimately, it is 10 percent or less that goes to traditional infrastructure. I know infrastructure has been a central conversation for the last year, but now what we have is inflation on everybody's mind.

We should be having hearings on that to see what is going on, but we have had zero hearings on inflation and what is causing it, but that is what I hear. I have been speaking to groups. I am sure you all have as well. I doubt they are talking about why the roads are not done. They are asking why it is costing more on everything that they are purchasing. They want to get it fixed.

And I certainly get it. Roads and bridges are not political. We all drive on them. And true infrastructure deserves our attention. This whole argument that we had on infrastructure is not about traditional infrastructure. It has always been bipartisan.

The conversation here is about all the things that got bolted onto it, things that really doesn't have anything to do with infrastructure.

One thing I like about Dr. Wilson, one of the things I always say about people, a lot of people I have been working with in D.C. A lot of people talk about things they know nothing about.

Dr. Wilson, you spent 10 years in the Louisiana Department of Transportation. I am very close with the Department of Transportation secretary in Oklahoma, who I am sure you know very well, and it is tough for the smaller States out there. I get it. But you know that you protect those transportation dollars, and you don't want to see them go spent on other things. And I know the role you are in right now, and I get it.

But the reality is, is our infrastructure in America needs a lot of help, and we don't need to be wasting taxpayer dollars on other things. If there is so much passion with my colleagues across the aisle on these other issues, then go run a separate bill on them. Go take and spend the energy on that to run the bills on that and let the American taxpayers continue to fund infrastructure bills as we need to see them.

You know, when we look at the infrastructure bill of \$1.2 trillion, the President of the

Association of Inspectors General, Stephen Street, said he expected there to be somewhere around 10 percent of fraud. That \$120 billion is actually larger than Ukraine's gross domestic product.

So, you know, this whole infrastructure money, it is an alluring target for fraud. We all know it. Any time we get these massive amounts of spending going out there, we have this issue.

So we have got to be concerned about what is going on. We have got to get back to the idea that we are going to actually fund infrastructure and not all the pet projects that are out there. And that is really what is aggravating a lot of people across America.

You know, I understand for generations that we had to give up money that went to our States like Louisiana and Oklahoma to fund a bypass in New York, but that is the way it has been, and now we have gone to another step. Now we are going to fund green new energy deals. We are going to give tax breaks for those companies. And we are going to be punitive to our fossil fuel industry.

I want to thank our witness, Mark McClymonds, today for testifying before this committee, a gentleman who is just trying to do a job, keep people employed, and keep his business open. And, Mark, your testimony highlights how this democrat infrastructure bill fails to prioritize the investment in our roads and highways.

And I know you -- I mentioned in my remarks about the Inspector General. Do you have concern about, you know, more of this money and this infrastructure bill going to green energy projects than you do actually going to fix our roads and bridges?

Mr. <u>McClymonds.</u> Well, from what I have seen so far, that is exactly what is happening. And it is just like you said; an infrastructure bill should be roads, bridges, river ways, railways, and utilities. I don't think anything else should be in it.

Mr. Hern. Well, I appreciate that. And Mr. Chairman, I am one of these people that

actually agrees that we need to be spending the money on our new infrastructure which is our broadband. I think that is our new electronic highway of the future. So that is not traditional, but I think that is something that benefits all of us. I am a huge supporter of the virtual health narrative going forward. I know we have a doctor on here, and I do believe rural America needs that broadband.

So, with that, Mr. Chairman, thank you again for your time. Thank you for allowing us to talk about this. I yield back.

Chairman <u>Thompson.</u> I thank the gentleman.

I recognize Ms. Plaskett for 5 minutes to inquire.

Ms. <u>Plaskett.</u> Thank you very much, Mr. Chairman, and I want to thank the witnesses for being here.

As an individual who lives in a place where climate change is real, I understand more than many others that you cannot have infrastructure if you are not dealing with green energy, if you are not addressing climate change. That infrastructure is not going to be there unless we end the infrastructure package which was, of course, as we forget to mention, was passed in a bipartisan manner, both in the house and the Senate, and that is what the American people are looking for. That is what they need from us.

And so I am grateful for the work that this committee has done, that President Biden has done, to ensure that not only are we building, but we are building in a resilient, responsible manner that is going to allow that infrastructure to remain even after we are gone.

I do have some questions, and thank you so much, Mr. Chairman, for allowing me to inquire. The Infrastructure Investment and Jobs Act have added over a dozen new highway programs, and in most cases, allows local governmental entities to apply directly to the U.S. Department of Transportation for grants. Many local governments have little or no experience with Federal highway grants. What plans do Louisiana and New Hampshire DOTs, and this is a question to Secretary Wilson, Commissioner Sheehan, Mr. Lee.

What plans do you have to assist such communities to apply for grants and bring their awarded projects to completion? I am incredibly concerned that many locations do not have the capacity to fulfill the requirements, particularly in areas where there are competitive grants?

Mr. <u>Wilson.</u> Great question, Representative. Here in Louisiana, we have made it a point to already begin conversations with mayors, municipalities, councils of governments, MPOs to provide what expertise and guidance we have in terms of applying, achieving, receiving, and managing effectively a Federal grant.

So we are looking forward to participating with communities as we have in the past on an infra grant that was applied for by a local government but implemented on the State system, and we are hand in hand working with them taking the ownership responsibilities and working with the locals. And so that is a best practice. That is an element of partnering to deliver so that we can reach into smaller communities.

And, remember, State DOTs already work with those areas that are in rural areas that may not have an MPO or an urbanized area to prioritize their projects that are put into the TIP and the STIP. And so we are excited to be able to help them, and I will defer to my colleagues, Victoria, to provide her comments as well.

Ms. <u>Sheehan.</u> Well, thank you for that question. Here in New Hampshire, we really pride ourselves on the relationship that we have with the municipalities that we work with. Based on the ownership of our roadways, many of our Main Streets in New Hampshire are owned by the State DOT, and we, of course, have to partner in those circumstances to make sure that the projects that we advance meet the needs of the community. We have seen communities struggle over the last several years to obligate dollars when they have received Federal assistance, and so we have been doing a number of things to prepare for these discretionary programs.

As an example, we have been procuring consultants and assisting communities by giving them access to those consulting firms as they are developing those grant applications as well as advancing the design of projects. We have also been stepping up and offering to manage projects on their behalf.

Instead of spending time teaching a community how to follow all the Federal rules, if they are not anticipating accessing Federal dollars on a regular basis, we are offering to support them, going so far as to manage those projects for them.

Ms. Plaskett. Okay. Thank you.

Ms. <u>Sheehan.</u> Also advocating to the administration to provide information on how these discretionary grants are going to be awarded. For the new programs in particular, we need the outline of those programs even if they aren't ready to release a Notice of Funding Opportunity so that we can identify the best possible candidates to submit in those various categories and make sure we are equipped to be able to access those dollars.

Ms. <u>Plaskett.</u> Thank you. I am running out of time, but I did want to say that I think it is important that we really continue to impress upon the White House the need to have this information and this expertise done in a very equitable fashion so that we can ensure that many communities are able to access this, not just the ones that have the capacity already to do so.

So I thank you all for the tremendous work that you are doing, and thank you again, Mr. Chairman, for holding this meeting -- this hearing. I yield back.

Chairman Thompson. Thank you, Ms. Plaskett.

I recognize Mr. Estes for 5 minutes to inquire.

Mr. Estes. Well, thank you, Mr. Chairman and Ranking Member Kelly, and thank you

to all of our witnesses for joining us today.

You know, my colleagues across the aisle frequently refer to their record-breaking spending as good investment, but as inflation hits a 40-year high, and our Nation tops \$30 trillion in debt, I think it is clear that our spending strategy is anything but a sound investment for taxpayers.

As every economist knows, the definition of inflation is just too much money chasing the same amount of goods. You know, bills like their bipartisan -- their partisan infrastructure legislation are packed full of special interest handouts to many left-wing groups or donors who masquerade as helping average Americans. Billions in subsidies that will allow millionaires in California to write off their new electric car aren't going to help working families in Kansas.

It has also been recently reported that the small percentage of the infrastructure bill that was supposed to go towards roads and bridges might not even be used for that. The Wall Street Journal has reported that a memo from the Biden Department of Transportation calls for projects to be deprioritized which, quote, adds new general purpose travel lanes serving single occupancy vehicles.

Infrastructure spending sure seems like it will only go towards radical projects more than roads and bridges. How can trillions of dollars in Federal infrastructure spending that won't go to expanding roads and bridges be a good investment for my constituents in Kansas.

When you add in the Biden administration's broken energy policies that has created the highest gasoline prices in 8 years to the trillions of dollars in spending that causes inflation to soar, it is no wonder why Americans are fed up with Washington, D.C. They are tired of so many in Washington who are treating our mounting debt like their personal credit card, who don't really care that there is no end in sight for the spending and debt accumulation and when it will stop.

Mr. McClymonds, we know that the 7 and a half percent increase in consumer goods is hurting American families and workers. Besides the price of fuel, what other goods and services has hurt your business and your workers?

RPTR ZAMORA

EDTR HUMKE

[3:59 p.m.]

Mr. <u>McClymonds.</u> Well, it looks like everything has gone up. I mean, parts for the trucks -- to buy a new truck today, they have gone up more than I have ever seen in 45 years that I have been doing this. Our trailers, everything has gone up, and you can't get parts. There is stuff that we are waiting on parts for 3 and 4 months.

So we have trucks down, and we have got to write the manufacturer with the VIN number to even get on the list to get the new ones. It is a real deal. It has been a real challenge.

Mr. <u>Estes.</u> Is that prohibiting you from actually providing the goods and services that you do to your customers?

Mr. <u>McClymonds.</u> Well, between that and the driver shortage. I mean, we are probably down 40 or 50 drivers. We are actively looking for drivers, laborers, welders, mechanics every day. They are just -- they are hard to find.

Mr. <u>Estes.</u> Yeah. And it really is -- I mean, if you have the wrong policies coming out of Washington, D.C., it is really going to have that negative impact that we are seeing in terms of the higher prices and lack of ability for workers to get out and be involved in that.

You know, I am a big advocate for good, legitimate spending for infrastructure. I mean, that is going to be a good investment. But just spending money on special-interest projects and giveaway is a terrible use of the taxpayer money.

You know, as elected representatives, we should be responsible to be good stewards for the taxpayers' money, and I want to make sure that we implement policies that actually do that.

So, Mr. Chairman, I yield back.

Chairman <u>Thompson.</u> I thank the gentleman for yielding back.

Ms. DelBene, you are recognized to inquire for 5 minutes.

Ms. <u>DelBene.</u> Thank you, Mr. Chairman.

And thanks to all of our witnesses for being here. We really appreciate your expertise and your time.

You know, I represent a beautiful district in Washington State, and last November my district experienced historic flooding that caused severe damage, loss of homes, businesses, livelihoods throughout our region. And we know that the flooding we have seen is going to happen more often. You know, with changing climate, these once-in-a-generation floods are really happening for frequently and with greater intensity.

So I want to start off and ask you, Dr. Wilson, I know you have a lot of firsthand experience with flooding in your State as well, and wanted to ask you your thoughts about how the bipartisan infrastructure law can help really improve flood resiliency in our communities.

Mr. <u>Wilson.</u> Great question, Congresswoman. Here in Louisiana, since I have been secretary, since 2016, I have closed every major interstate because of disaster, the vast majority of them because of flooding. My first year we had a 500-year flood in March, a 1,000-year flood 3 months later.

The investments in IIJA are going to actually follow a little bit of what the States have done that we have invested \$1.2 billion in a watershed initiative that is going to really deal with watershed management and resilience and mapping and modeling so that local governing authorities can make the most informed, science-based decision with regards to development, with regards to policies and procedures for how they permit developments in their communities.

These dollars are going to continue the work of that one-time investment of
\$1.2 billion by creating a program within our formula funds, as well as providing some discretionary opportunities to address the areas that I know are going to be repeat events just in a 6-inch rain. We can have a 4- or 5-hour rain event here in Louisiana, and there is segments on my interstate that I know are going to flood.

So we are in the process of using these dollars to rebuild pump stations that we are pumping water from plants built in the 1960s for water that they were never contemplating. We are going to elevate some of those underpasses, provide some bridge structures, and, of course, incorporate elevation efforts and other resiliency in all of the projects that we develop.

It is a very expensive process, but it takes time. It has got to be systematic. And it is not going to be a one-and-done effort, especially when you have 16,000 miles of public roads and lots of waterways. So we are committed to doing it, but we are doing it in a science-based, climate-friendly way that is going to use our natural resources to live with water and not necessarily just fight it.

Ms. <u>DelBene</u>. Thank you for that. And I think it is important that we think about how important it is to look at it regionally given that --

Mr. Wilson. Absolutely.

Ms. <u>DelBene.</u> -- it is not any one community alone. It is the collective set of communities that are impacted, and we have to make broad regional decisions.

I also wanted to ask you, Secretary Wilson, my district is a diverse district, urban, suburban, rural communities, and I know you have done a lot of important work in your many roles to advance equity and community partnerships. As we look at advancing equity and look at the new investments from the bipartisan infrastructure law, I wonder if you could talk about what you are particularly excited about there.

Mr. Wilson. Well, great question. I am good friends with my good friend, who is the

secretary out there in Washington, Roger Millar. He is actually going to succeed me as president of AASHTO. We share commitments to dealing with equity.

The idea that there is this national conversation and that this is being thread through all that we do in this space of infrastructure is very important, because equity is not just about the people who are doing the work, it is about the people we are going to work with.

And so where IIJA can incentivize us to diversify our workforce, diversify the people who are doing the work within the Departments of Transportation and diversify the benefits. Some of the reparative work that we are going to do with recreating and connecting communities and investing in things like transit and things like broadband, things that will have a long-term effect for those underrepresented populations, I think will go a tremendous distance in terms of leveling the playing field and really being equitable in the impacts of transportation.

So I am very excited about what this means for us not just today, but my priority at AASHTO is creating pathways to equity, how do we build an institution to address this so it is not a one-and-done issue. If we are serious about treating all Americans equally, creating that pathway to equity, I think, is going to make that happen.

Ms. <u>DelBene</u>. Thank you so much.

Thank you, Mr. Chairman. I yield back.

Chairman Thompson. I thank the gentlewoman.

I recognize Ms. Sewell for 5 minutes to inquire. You have to unmute. Terri, you have to unmute. No. Still can't hear you. I can read your lips and interpret but it would take longer. Want me to come back to you? Okay. We will come back to Ms. Sewell.

We will go to Mr. Kildee for 5 minutes.

Mr. <u>Kildee.</u> Thank you, Mr. Chairman, again, for inviting me to participate in this important hearing and for having Dr. Mona Hanna-Attisha testify today. And as has been

noted, I talk a lot about my hometown of Flint. It is because I care about my community, and it is a place that has seen some really tough times.

During the water crisis, the residents of Flint were exposed to these really dangerous levels of lead in their drinking water, as Dr. Mona said, a dangerous neurotoxin, can have life-long impacts especially in young children. And so as I said when I introduced her, it was because of her heroism exposing those high levels of lead in children that State officials finally acted and reversed course in Flint. But what happened in Flint is not an anomaly; it is a wakeup call to the rest of the country that we have to get serious about removing lead from drinking water and address the impact of lead on communities.

Dr. Mona leads the Flint Registry, which was created by Congress to respond to the water crisis and to connect families to healthcare, to nutrition, and lead-removal services that they need to minimize the impact of lead on their health. This is a powerful tool to improve the lives of children and families exposed to lead-contaminated water. And it is also providing help to other communities, including Benton Harbor, Michigan; Newark, New Jersey; and others.

We have registered thousands and thousands of people, 25,000 referrals to help. And so to ensure that we can continue this work, I have reintroduced the Flint Registry Reauthorization Act, bipartisan, like this legislation, like the infrastructure bill. It is bipartisan legislation to continue this work for the next decade.

So I would like to doctor, Dr. Mona, can you just briefly talk about how the Flint Registry has helped to mitigate the impact of lead exposure, which is obviously exacerbated by the fact that there are still so many lead pipes out there, and how the registry serves as a model for other communities that are trying to become lead free?

Dr. <u>Hanna-Attisha.</u> Yeah, thank you, Congressman Kildee. So the Flint Registry is a public health authority designated by the CDC, and our goal is improving public health. With

something like lead, you are supposed to practice primary prevention, which means you are never supposed to expose a population to lead. So we are supposed to find it in the environment and get it out, get those pipes out before kids are ever exposed.

But we failed in Flint. That didn't happen. So now our focus is something called secondary prevention, what can we do to mitigate the impact of this crisis. In a sense, this Flint Registry is reactive. Like if we didn't have lead pipes, we wouldn't have to support something like the registry. But we still have lead not only in our pipes but in a lot of our housing infrastructure, paint, and soil, and dirt, and so many environments that disproportionately burden so many children, vulnerable children, especially children of color.

So the Flint Registry is not just about Flint. This is not a story about Flint. This is a story about Flints everywhere, where, once again, infrastructure is making people sick, and we are trying to figure out how to best implement strategies to support people after public health crises and to make sure that kids are no longer exposed to lead.

Mr. <u>Kildee.</u> Thank you. And I know a lot of Members of Congress resisted the inclusion of water infrastructure like lead pipe removal from being in this bill. Thankfully, it is in there. What can other communities expect to benefit from in? Say we get these lead service lines out, what are the benefits that a community will see as a result of that?

Dr. <u>Hanna-Attisha.</u> Yeah. So it is in my written testimony, but there are significant returns on investment. For every lead pipe removed, there is about a 33 percent return on that investment, and that is from decreased special education costs, healthcare costs, mental healthcare costs, criminal justice, and increased economic productivity.

In addition, sometimes I say, the most potent prescription I could prescribe to my families in Flint are living wage jobs. So let's not forget that these are good jobs that hopefully will go to people in these impacted communities, and that will also help them better provide for their families. So significant societal savings, health benefits, and employment opportunities.

Mr. <u>Kildee.</u> All right. Thank you so much, Dr. Mona.
Thank you, Mr. Chairman for this really important hearing. I yield back.
Chairman <u>Thompson.</u> Thank you.
Ms. Sewell, are you up and going?
Ms. <u>Sewell.</u> I hope so. Can you hear me now?
Chairman <u>Thompson.</u> We can hear you. You are recognized for 5 minutes.
Ms. <u>Sewell.</u> Thank you again, Chairman Thompson.
And I want to thank our witnesses for joining us today.

With the passage of the IIJA last year, Congress took the first step in delivering on a long overdue promise for substantial investment infrastructure. Our communities and my constituents and our constituents will definitely benefit from that, but our work is not done.

In addition to Federal investments, we must also make an investment in helping local and State governments get the resources they need to be able to leverage the Federal resources that are in the IIJA. Ensuring that our State and municipalities have access to borrowing tools needed to undertake large-scale projects is a responsibility that falls squarely within the Ways and Means Committee, and this subcommittee in particular.

I am proud that the framework of the LIFT Act that I introduced last year was a part of the BBB markup by this committee. The Local Infrastructure Financing Tools Act would expand commonsense bond financing opportunities for local governments and nonprofits. Therefore, it would provide a number of flexible financing tools that meet the unique needs of communities across this country, including transportation, public health facilities, schools, and other infrastructure and economic development projects. The bill would also provide an opportunity to bring back advance refundings, which would allow local and State refinancing to take advantage of low interest rates.

Dr. Wilson, can you talk to us about how important it is to have both Federal investment but also provide States and especially localities the ability to leverage those Federal resources through financing tools like advance refundings and the like?

Likewise, I would like for you to pick up where your discussion with Congresswoman Plaskett left off, as well as Congresswoman DelBene on equity issues. The district I represent is a third poorest district in the Nation. The median income for a family of four is \$35,000 in 2020 terms. It has lots of needs, but amazing constituents.

It was my constituents in Alabama, the legacy of my constituency in Alabama that brought us the Civil Rights Act of 1964 and the Voting Rights Act of 1965, historic towns like Selma and Birmingham and Montgomery. What my constituents need is not a hand out but a hand up, not only when it comes to better financing tools to help the local governments be able to leverage Federal resources but also when I think about water and sewer. And I want to personally thank Dr. Mona for her leadership and efforts in helping us address that.

But in particular, I would like to know your thoughts, Dr. Wilson, on how we can leverage Federal dollars by providing more financial tools like the LIFT Act would do in advance refundings for States and local governments.

Mr. <u>Wilson.</u> Well, thank you, Representative Sewell. I was just in your State keynoting your transportation conference this last week. I think the financing tools that are being made available through IIJA and others in the LIFT that you have proposed are really important tools. Funding is one thing, but financing is totally different.

States all have capacity limits in terms of their traditional debt, but recognizing the opportunities made available through the Build America Bureau, and whether it is GARVEE bonds, whether it is the private activity bonds of which we are advancing a request as we speak, because of the increase that you have made to be able to fund the Calcasieu River

Bridge in Lake Charles, and we are going to be doing another request for the Mississippi River Bridge here in Baton Rouge, a new bridge in that structure or in that position. Without those financing tools, it is not going to be possible for a State like Louisiana to be able to provide all of the funding or financing that is necessary given what we have.

You mentioned the importance of equity and other types of infrastructure. These tools, if applied in the appropriate way, will allow folks to be able to make community wide changes, whether it is dealing with utilities, sewer systems, water systems, as we have had in Louisiana. Several of them are going to benefit from IIJA. I was just talking to Congressman Troy Carter about that very issue.

These tools will make it possible if the States can deliver it, and that is where we talk about partnering to deliver and recognizing the equity of what needs to happen. If you can focus these efforts in those areas, great things can happen, and that is why we want to build that pathway, why we want to partner to deliver.

And one of the questions your colleague asked earlier was, how do we work with mayors and local governments? They are the ones that own those assets, and there is a way for us to help them given those tools that you all are making available. IIJA is the first step at that.

Ms. <u>Sewell.</u> Very good. Well, in closing, I just want to say, Mr. Chairman, the LIFT Act was a part of BBB. And as we know, BBB did not get passed. But, nevertheless, I hope that this committee, along with the broader Ways and Means Committee as a whole, really take up the fact that these amazing tools -- we need to give more tools in the toolkit for borrowing that will help local governments and States leverage these great resources that the Federal government is providing. Thank you.

Chairman Thompson. I thank the gentlewoman.

Mr. Smucker, you are recognized for 5 minutes to inquire.

Mr. <u>Smucker.</u> Thank you, Mr. Chairman, Ranking Member Kelly, for holding this hearing today. I do believe as well, as many of the speakers today, many of the members have said that this -- what we have talked about with infrastructure is important. It is a foundation of a strong economy. It is a core function of government. We need clean water for our residents. We need good highways and bridges, rail, airports. All of this is absolutely critical for a well-functioning economy, and it is a core function of government.

So what I am hearing today on this hearing I can support. I did, however, vote against this bill and for basically two reasons: One, because of some of what was in the bill, and then, secondly, because of the context. And someone brought -- I think it was Ms. Moore that brought up what we have come through with the pandemic, absolutely devastating. And we did need to respond to that.

I was very proud of us working in a bipartisan basis, first of all, to ensure that we had a vaccine in record time that has essentially defeated the pandemic, and then we provided through the CARES Act with almost unanimous bipartisan support funding that was very much needed for people who were impacted by the pandemic. That was necessary and was about the right amount.

Where I think Democrats went off the rails and why I couldn't support this bill is they then loaded up with trillions of dollars in additional spending that was not an accurate response -- it was not the response needed to the pandemic.

Rather, it included a huge wish list of policies they have been looking to implement for some time using this as an excuse to do so and did it on the backs of future generations. At the least, we are going to have our kids and grandkids pay for this, at the least. And I think there is a very real risk to the future of the country in terms of our economy. You just simply can't spend money and print dollars that we don't have without having a severe impact. We have seen what happens to countries that spend more than they have and print dollars. It does not end well.

So I couldn't support this bill in that context. It just -- it spends too much. The Wall Street Journal said -- it has been brought out before -- less than 25 percent of this bill goes for what you are all talking about here today, which we all support. So that is why I couldn't support the bill.

And then there were a lot of handouts in this bill that were essentially political giveaways. For instance, the administration, the President did an executive order on February 3 that mandated that taxpayer-funded infrastructure projects, projects paid with this bill be done through project labor agreements and restricting 87 percent of the construction workforce from participating and working on these jobs. How does that make any sense? How does it make any sense?

In fact, Ms. Moore also talked about inflation. It didn't come from the pandemic. It came from the response to the pandemic. It came from the spending that we are seeing. And in the same way, restricting the funding to allow only union labor on these jobs will result in a price increase as well. Why would we not be want to use the taxpayer dollars in the most efficient way possible?

But instead what we are seeing is Democrats giving their union cronies a handout here. That is what it is. I ran a non-union construction company. We have a lot of unions in my area for years. Very high safety record, very good use of taxpayer dollars when it was a government-funded program.

There was a -- in fact, there is a letter, Mr. Chairman, that I would like to include for the record from Associated Builders and Contractors, if I may. Mr. Chairman, a letter –

Committee Insert

Chairman <u>Thompson</u>. Without objection, such will be the order.

Mr. <u>Smucker.</u> Thank you.

They talk in this letter of a study that says PLAs for federally and federally assisted construction projects increase the cost by as much as 20 percent, and it makes sense. If you are restricting supply, costs will go up. So why would we not want to use the taxpayers' dollars in the most efficient way possible?

There is also a study by the Rand Corporation, and in this case it looked at the effects of PLAs in the production of affordable housing. That study concluded that the use of PLAs increase construction cost and lead to propose smaller projects ultimately resulting in approximately 800 fewer affordable housing units being built.

These are the kind of policies that are included in this bill. These are the kind of policies that Biden is requiring through his executive order, and it makes no sense whatsoever for the taxpayers. Thank you, Mr. Chairman.

Chairman <u>Thompson</u>. The gentleman's time has expired.

I will recognize Mr. Schneider to inquire for 5 minutes on the bipartisan infrastructure bill that we passed.

Mr. <u>Schneider.</u> Thank you, Mr. Chairman. I want to thank you, first, for holding this hearing and, second, for allowing me to join you.

I was very proud when we passed the Infrastructure Investment and Jobs Act last fall, proud to vote for it, proud to see it signed by the President, and proud to see the effects it is having in our communities.

I want to thank our witnesses today for sharing your expertise and experiences. I think it is incumbent on our committee to demonstrate to the American people all of the benefits and dividends we will see through this new law and what is the biggest Federal investment in infrastructure since the Eisenhower Highway Program.

And, Mr. Chairman, as you noted, this is a bipartisan bill. Thirteen of our House Republican colleagues voted for the bill, 19 Senate Republicans. Thirty-eight percent of the Republicans in the Senate voted for this bill. I would call that fairly bipartisan.

Now, when we talk about infrastructure I often joke that -- well, I don't make a joke. The fact is our infrastructure has gotten C, D grades over the last number of decades. My joke is that the only reason we are still getting that C grade if at all is because of grade inflation not because of improvements to our infrastructure.

We have had to make infrastructure investments across our Nation for a generation or more now, and it is critical that we make those investments now. I want to particularly apply the climate conscious investments in this law, including investing in electric vehicle charging infrastructure. And I am eager to connect communities in my district to the Federal funds that will replace lead service lines and make sure everyone's drinking water is safe and secure.

And from this pandemic, we have seen the impact of working from home. And I am able to speak with high-speed internet on this call. Thankfully, it is reliable. But there are far too many communities that don't have access to high-speed internet or internet at all, and we have to make sure that we have to get -- that we get to all of them.

Mr. Chairman, I also want to touch on -- there has been a lot of talk about this claim, canard that only 10 percent of the infrastructure is going -- 10 percent of the bill is going to infrastructure. And I want to quote an article from the Washington Post, Glenn Kessler, on November 9, evaluating the claim.

And he concludes with the following: No matter how you slice it, the claim that the infrastructure bill is only 11 percent real infrastructure is simply false. More than one-third of the bill would qualify as infrastructure in the standards used by Trump during his presidency, but many more elements could be considered infrastructure bringing the percentage as high as 80 percent, end quote. And he goes on to give the claim of only 11 percent infrastructure four Pinocchios, its most critical rating of disingenuity, I suppose.

And I want to emphasize, this is from Ernst & Young, or EY, the accounting firm's assessment of the bill, \$110 billion goes to roads and bridges, \$39 billion to public transit, \$66 billion to railways, \$73 billion to our power grids, \$7.5 billion for electric vehicle infrastructure we talked about, another \$7.5 billion for electric buses, ferries, \$42 billion for airports and waterways and inland seaways, \$50 billion for resiliency and climate change, \$55 billion for drinking water, \$65 billion for broadband internet. These are all things that are critical to our infrastructure, critical to our future. Investing in our kids, investing in our future and making sure this Nation continues to lead for the long term.

And with a little bit of time I have left, if I could turn to you, Mr. Lee, could you perhaps give your perspective on how much of this bill is going to real infrastructure, quote/unquote, and what impact it is going to have for our future.

Mr. Lee. Thank you for the question, Congressman. Brookings Institution just recently did an analysis on this as well, as you quoted Washington Post. We are looking at 70 percent of the entire bill going to hard infrastructure on transportation assets, 12 percent to energy, 6.6 percent to broadband, 3.2 percent to water, and 3 percent to watershed and coastline improvements. So that is over 90 percent of the dollars going to hard infrastructure.

I would also like to point out that one of the key asks from AASHTO to Congress for IIJA was to increase flexibility, reduce program burdens, and improve project delivery. There is the effort to improve the environmental review and permitting process by including One Federal Decision to allow for interagency coordination, concurrent, not sequential reviews, get the major projects reviewed in 2-year timeline, improve State, Federal oversight and stewardship and coordination as well. So we believe there are a lot of elements there to protect the environment but speed up the process to really deliver on the benefits of the IIJA. Mr. <u>Schneider.</u> Great. Thank you. And as my time closes, let me just quote Daniel Patrick Moynihan. And I hold my colleagues on both sides of the aisle in this committee in the highest regard. It is a great privilege to work with them and try to do what is in the best interest of our country. And I know that we may have different perspectives and experiences, but as Daniel Patrick Moynihan said, everyone is entitled to their own opinions but not their own facts. And the facts are that this bill invests in our country. It is far more than what is being claimed by the other side. We should work together and make sure that those investments are put to the best possible use.

And with that, I yield back.

Chairman Thompson. Thank you, Mr. Schneider.

And thank you, Dr. Wilson, for laying bare the facts as to how this money is spent. And it was unfortunate that there was so much misdirection in regard to the distribution of the funding and the fact that it was a bipartisan bill. Although all Republicans didn't vote for it, it was a bipartisan bill.

I want to really thank the witnesses. You did a wonderful job. Thank you very much for taking your time to be with us today to lay out how important this bill is to America today and in the future.

Please be advised that members have 2 weeks to submit written questions to be answered later in writing. Those questions and your answers will be made part of the formal record.

With that, our subcommittee stands adjourned. Thank you very much and be safe. [Whereupon, at 4:29 p.m., the subcommittee was adjourned.] Questions for the Record

Rep. Gwen Moore QFRs

Rep. Darin LaHood QFRs

AASHTO Responses

Submissions for the Record <u>Chair Mike Thompson</u> <u>Rep. David Schweikert</u> <u>Fiscal Equity Center</u> <u>Portland Cement Association</u> <u>American Society of Civil Engineers</u>