

**TRANSPORTATION AND HOUSING AND URBAN
DEVELOPMENT, AND RELATED AGENCIES
APPROPRIATIONS FOR FISCAL YEAR 2015**

THURSDAY, MARCH 13, 2014

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10 a.m., in room SD-138, Dirksen Senate Office Building, Hon. Patty Murray (chairman) presiding.

Present: Senators Murray, Feinstein, Pryor, Reed, Collins, Blunt, Moran, and Boozman.

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

STATEMENT OF HON. ANTHONY FOXX, SECRETARY

OPENING STATEMENT OF SENATOR PATTY MURRAY

Senator MURRAY. Good morning. This subcommittee will come to order. I want to welcome Secretary Anthony Foxx. He is here today in his first appearance before our subcommittee to talk about his Department's budget request and our Nation's transportation policy. So thank you very much for being here.

Many Americans are still struggling in what remains a tough economy, and we need to continue to focus on investments that create jobs and opportunity as well as make transportation safe and reliable. So I look forward today to a discussion about how this budget supports our communities and economy and tackles our transportation infrastructure deficit fairly and responsibly.

It was only 2 months ago that Congress passed legislation to fund the Government for the rest of fiscal year 2014, and that achievement came after several years of gridlock, and was made possible because members on both sides of the aisle recognized the need for solutions rather than continued disruption and crisis.

At the end of last year, I worked with Chairman Ryan to reach a 2-year bipartisan budget deal. Our budget rolled back some of the automatic across-the-board cuts to priorities like education, infrastructure, and research. It prevented another Government shutdown and restored some certainty and stability to families and communities, and did it in a balanced way without relying on spending cuts alone. The agreement made it possible for the Appropriations Committee to not only complete its work and send a bill to the President and funds the Government for the rest of 2014,

but it also allowed us to get started on our work for this year, 2015.

The modest increases in the omnibus mean the Federal Aviation Administration (FAA) can replace retiring air traffic controllers, avoiding the sequester-driven furloughs that disrupted air travel a year ago. It means no interruption in transit projects now under construction across the Nation from Texas to my home State of Washington and to your hometown, Mr. Secretary, Charlotte. It also means there will be more safety inspectors overseeing the safe shipment of millions of tons of hazardous materials that move through our cities and towns each year.

I am pleased the budget deal restored a degree of stability to the Department's core functions; however, there is still more to be done. Almost half of the funding available to this subcommittee comes from the Highway Trust Fund, which once again is at risk of insolvency. Beginning this summer, the Fund is expected to face shortfalls that would force the Department to begin slowing payments, putting projects at risk and potentially harming State and local economies. If Congress does not act within a year, these shortfalls are projected to increase dramatically, making it impossible for State and local governments to maintain the road and transit networks that commuters and businesses depend on.

That is why I was glad to see the President proposed paying for new investments in transportation infrastructure with revenue raised through reforming the bloated and loophole-ridden corporate tax code. House Ways and Means Committee Chairman Dave Camp included a similar proposal in the Republican tax reform plan he released last week. Now that both Democrats and Republicans have proposed using revenue from the corporate tax code to invest in our transportation system and to make sure the Highway Trust Fund remains solvent so States and communities can continue work on infrastructure projects vital to economic growth, I am really hopeful that we can all work together to get this done in the coming months, because helping to create jobs here at home rather than letting corporations send jobs overseas to avoid paying taxes is good for our budget, it is good for our economy, and it makes sense.

The President's proposal focuses on prudent investments beginning with fixing our existing infrastructure. In a Nation where one of nine bridges today is rated deficient and transit systems have an estimated maintenance backlog of \$86 billion, the emphasis on bringing the infrastructure we currently have into good state of repair makes sense. So does the Department's focus on stronger investment in freight networks that make it cheaper and faster to move goods to market and improves access to jobs and education so we increase opportunities for all Americans. These are priorities that will help our economy as well as our communities compete in the global marketplace.

This subcommittee has long supported investments that tackle the complex transportation needs of our communities through the Transportation Investment Generating Economic Recovery (TIGER) program, which I created and first funded in the Recovery Act. Since then, TIGER has now awarded \$3.6 billion to support innovative, multimodal projects in every State. Demand for these funds

is intense. Applications always exceed the amount of funding available, sometimes as much as 20-to-1, which is why I appreciate the President's proposal would more than double the size of the program and fund the program through the Highway Trust Fund.

I know firsthand the kind of difference TIGER has made for my home State. Back in 2010, a bridge on the main access road to commerce for a community in South Seattle was crumbling and had to be closed. The local business owners and residents of that community that I spoke with said the bridge which used to carry as many as 20,000 vehicles a day was their lifeline. In 2010, the South Park Bridge won a TIGER grant that provided the last critical piece of financing they needed to help rebuild that bridge. And the project itself created badly needed jobs that helped the entire community weather some pretty tough economic times.

This May, in a few short months, a new bridge is going to open providing a strong foundation that will serve that community for generations to come. And that is just one example of what can happen when we invest in our communities and in our infrastructure.

But even though I am glad the Department's budget request includes good investments in our transportation programs, we also need the Department to be a leader in innovation and safety. Unfortunately there are times when the Department is not always living up to that expectation and finds itself reacting.

In 2011, the American Association of Railroads petitioned for an improved tank car design to transport hazardous materials, like ethanol and crude oil. This was done after a comprehensive review of design features to improve puncture resistance and the safety of these shipments by rail. It was not until 2 years later following the catastrophic accident in Lac-Mégantic that the Pipeline and Hazardous Materials Safety Administration (PHMSA) finally initiated regulatory action.

As we know, the regulatory process is not a quick one. From what I understand, the best case estimate to complete the new tank car component of the rule, not the entire rule, is by the first quarter of 2015. Whether it is ethanol or crude oil, we need to be more nimble and responsive to our changing transportation system to ensure we have effective standards for businesses to keep everyone safe.

We also need the Department of Transportation (DOT) to be a leader when it comes to supporting aviation. For the past 6 years, this subcommittee has been making significant investments in the Next Generation Air Transportation System (NextGen), which is the Federal Aviation Administration's (FAA's) effort to modernize our air traffic control system. But I continue to hear concerns that the FAA has not been able to translate those investments into real changes for air transportation, and it is still not clear when these billions of dollars will mean shorter flights, and lower fuel consumption, and lower emissions.

There is also a lot of interest in the development of unmanned aerial systems, and the Federal Aviation Administration is working on a plan for integrating these systems into our national air space. According to the FAA, we may see draft regulations on small, unmanned systems by the end of this year. I know the Department

will always put safety first, but I urge you to make progress in this arena.

Mr. Secretary, I know you appreciate these challenges, and I look forward to working with you and hope you will use your position at the head of this Department to expedite progress on these important issues and on the critical issues that are developing in transportation.

And with that, let me turn it over to my partner and ranking member, Senator Collins, for her opening remarks.

STATEMENT OF SENATOR SUSAN M. COLLINS

Senator COLLINS. Thank you very much, Madam Chairman. Welcome, Secretary Foxx. It is great to see you again. I believe this is your first appearance before our subcommittee, so we look forward to working with you.

Madam Chairman, I want to start by commending your leadership along with that of Chairman Mikulski and Ranking Member Shelby. This is the first of several hearings for this subcommittee as we start the fiscal year 2015 appropriations process. Your work, Senator Murray, in negotiating the 2-year budget agreement with Congressman Ryan provides the framework to allow this committee to return to regular order in fiscal year 2015 to mark up each of the individual 12 appropriations bills, and to have an open and transparent debate on the merits of each bill on the Senate floor. And I commend you for your leadership and hard work.

Mr. Secretary, the administration is proposing nearly \$91 billion for the Department of Transportation. Included in your proposed is a 4-year \$302 billion reauthorization of the Surface Transportation Program paid for by \$150 billion in corporate tax reforms and the existing gas tax collections. That is a very controversial proposal. I am disappointed that the President's budget once again contains what I believe to be unrealistic assumptions about solving the Highway Trust Fund crisis. Although I, too, believe that we need to reform our tax code, I do not think that it is realistic to assume that we will be able to do so this year. And a one-time funding source does not in any way solve the problem.

More important, this proposal does not represent a long-term solution to the funding woes of the Highway Trust Fund, and once again kicks the can down the road. The Department has said, as the chairman pointed out, that the Highway Trust Fund may face a shortfall as early as August, and it would not be able to pay States and local governments what they are owed on time. As a former mayor, you must be very concerned about what the implications would be at the State and local level.

Similar to the fiscal crisis we faced just last year, this infrastructure crisis could be devastating to our economy and result in significant job losses during the prime construction season. In fact, I recently met with Maine's Commissioner of Transportation who informed me that approximately 160 federally assisted projects totaling \$210 million would have to be put on hold until funding was restored.

While I share the administration's views on the importance of investing in our transportation needs, responsible budgeting is equally important. The math here is very clear: the Highway Trust Fund

revenues and balances over the next 4 years only support approximately \$156 billion in spending. Congress and this administration must work together to come up with a realistic plan for investing in our transportation system while at the same time reducing our unsustainable deficit, our debt, which now exceeds \$17 trillion.

That said, I do appreciate the reform proposals that are designed to improve project delivery and reduce red tape. And if we do that, there will be savings in that that can accrue. Not sufficient savings, but it will be a help. At a time when too many of our roadways and bridges are crumbling and require billions of dollars in investment, we should do what we can to increase the efficiency and efficacy of our Federal programs.

I am also interested in your Critical Immediate Investments Program. It will provide dedicated funding to support the replacement of more of our Nation's structurally deficient bridges and make much needed repairs to existing roadways. According to the Federal Highway Administration (FHWA), 10 percent of our Nation's bridges are structurally deficient. In my State, the number is even higher: 15 percent of bridges are structurally deficient.

Generous funding, as the chairman pointed out, is requested for the TIGER program, a program that I strongly support because it has demonstrated the flexibility to fund important transportation projects that support economic growth both nationally, regionally, and locally. It has been essential to many bridge and port projects in my home State that otherwise could not have been built.

In addition, as the chairman pointed out, the budget request makes investments in technological improvements, particularly for the FAA, as it continues to modernize the air traffic control system through NextGen. I will say, however, that we have discussed that project every single year that I have been on the committee, and it has been plagued by delays and some cost overruns that are of concern to me.

Rural States like Maine cannot be forgotten as we discuss our transportation needs. They benefit from services that connect rural America with larger transportation networks. Again, that directly translates into jobs and economic growth. There are many important programs that support infrastructure at our Nation's airports, including the Airports Improvement Program, the Essential Air Service, and Small Community Air Service Development Program.

I am also encouraged by the Department's acknowledgement of the need to ensure the safe transportation of crude oil and other energy products across North America. The horrific train derailment that occurred in Quebec, Canada, just 30 miles from the Maine border last July has highlighted the need for rail safety improvements. I am proud of the fact that more than 30 firefighters came from Maine to answer our Canadian neighbors' call for help, and that highlights also the importance of a coordinated emergency response.

There has been tremendous growth in the transportation of crude oil by rail from North Dakota. That is a huge energy boost for our country, but it also potentially represents a new hazard for the communities through which these rail cars travel. I am still reviewing your specific proposal to create a new \$40 million Safe Trans-

portation Energy Products Fund, but I think we need to expedite the rulemaking to establish safer oil tank car standards.

There are many other issues I will bring up during the questions today, but I look forward to our conversation. Thank you, Madam Chair.

Senator MURRAY. Thank you. Mr. Secretary, before we move to your opening statement and questions from all of us, we have a number of members who would like to do short opening statements, and I will do those in order of appearance back and forth, and begin with Senator Reed.

Senator REED. No, thank you.

Senator MURRAY. Senator Moran.

Senator MORAN. No, thank you.

Senator MURRAY. Senator Feinstein.

Senator FEINSTEIN. No.

Senator MURRAY. Senator Blunt.

Senator BLUNT. I will submit—

Senator MURRAY. Okay. Senator Pryor.

Senator PRYOR. No, thank you.

Senator MURRAY. Senator Boozman.

Senator BOOZMAN. No.

Senator MURRAY. We have an efficient—

Senator COLLINS. What a cooperative group.

Senator MURRAY. I do not know how to take that, but—

Senator COLLINS. Strong leadership by the chairman, I think.

Senator MURRAY. With that, Secretary Foxx, we'll turn it over to you for opening statement.

SUMMARY STATEMENT OF HON. ANTHONY FOXX

Secretary FOXX. Thank you, Madam Chairwoman, and to the committee and also to Ranking Member Collins. I want to thank all of you for having me and for your continuing vigilance on not only the subjects that we will talk about today, but on all of the subjects before the committee.

Today I am here to discuss the President's 2015 plan for our Nation's transportation system. While I come here as the U.S. Secretary of Transportation, our Department supports all 50 U.S. States and territories, as well as local and regional project sponsors. Today I also speak for them.

What concerns our Department and our stakeholders is what concerns many of you and has been alluded to in the opening statements of both the chair as well as the ranking member. Year after year we have shored up the Highway Trust Fund with short-term measures, and it is now running out again, perhaps as early as August. On top of that, our last surface transportation funding bill was a 2-year bill rather than a 6-year bill like the ones that came before it.

When I speak to folks on the ground, like mayors and Governors, heads of DOTs in all of your States, they tell me that this funding and policy uncertainty is creating an invisible crisis in our country, a crisis in which they are not willing or able to put new projects on the books or even reinvest in maintaining older projects because they do not know if they can fund them, which means they are leaving our already crumbling infrastructure to crumble further.

To put a finer point on it, since 2009, our surface transportation programs have been operating under short-term extensions nine times, including a 2-day lapse in March 2010. And there have been 18 continuing resolutions, including 8 in fiscal year 2011 alone. Overall, our Nation now has a massive infrastructure deficit, including 100,000 bridges old enough for Medicare, and billions of dollars of backlog, maintenance, and new capacity needs in both the highway system and our transit system. And according to the World Economic Forum, our infrastructure quality is falling into such a state of disrepair that we now rank 25th in the world.

To address these challenges, we must confront two realities. Number one, that we are underinvesting in our Nation's infrastructure, and number two, that our system is underperforming from an efficiency standpoint. If we attack both of those issues, I believe our Nation will be on a better course to address our infrastructure deficit.

If you could imagine America's infrastructure as a house, we have had years of termites in the basement. In effect, we are spending money by allowing the cost of those repairs to rise as the damage becomes more extensive. The most fiscally responsible path is to invest significantly more in our system to spur jobs today and allow us to meet the growing new capacity needs and deferred maintenance challenges that we have. By working together, I am convinced that we can change these trends for the better.

Last week and the week before, President Obama talked about his vision for a 4-year \$302 billion transportation plan that will put us on the path to solving these problems. To fill the hole in the Highway Trust Fund, the plan draws on savings from pro-growth business tax reform, a bipartisan pay-for. And I should point out that Chairman Camp has released his own variation of this proposal, which suggests to me there's an opportunity to get something done. In fact, we in the administration have also pledged to send forward a bill to Congress that will provide program by program details behind every budget request in this plan.

To the issue of underperformance in terms of efficiency, we can and should continue to work to streamline and cut red tape, so our proposal also aims to help us in that regard as well. Our proposal helps us double down on our efforts to increase the value proposition for transportation dollars spent, and we can do so without compromising project integrity or the environment. That is why major new initiatives in the President's proposal place a premium on streamlining our interagency permitting reviews, for example, and on using incentives to catalyze process innovation at the State and local level.

I do not have to tell you that the American people need and deserve funding certainty so they and their communities can plan. I believe that working together we can accomplish great things, and I look forward to working with all of you. I am happy to answer your questions.

[The statement follows:]

PREPARED STATEMENT OF ANTHONY FOXX

Chairman Murray, Ranking Member Collins, and members of the subcommittee thank you for the opportunity to meet with you today to discuss the President's fiscal year 2015 budget request for the U.S. Department of Transportation. I know all

of you share President Obama's and my commitment to ensuring our Nation's transportation networks continue to provide all Americans with safe and reliable transportation service.

America's transportation infrastructure is a national asset we all share—and it needs our attention. For many years our leaders have invested in providing, maintaining, and improving transportation networks to meet the needs of our citizens and businesses. It is because of these investments that we have reliable transportation today. But increasingly, our investments are not keeping pace with the needs. Today, we have 100,000 bridges in our country that are old enough for Medicare and a Highway Trust Fund that is running dry.

As we consider the state of transportation today, we have two important responsibilities we must address. First, we have to look forward to take charge of transportation decisions that impact our country's future. As America continues to grow, we need to ensure that transportation choices are poised to meet the new demands that result from expanding regions and emerging cities. This is about so much more than just making traveling easier. It is about providing access to new job and educational opportunities that open new doors and provide a better quality of life for our citizens. It is about supporting a growing business network that helps keep local economies strong and provides consumers with expanded choices. It's about making our cities and communities places where we all want to be—with easy access to the day-to-day services we all need as well as providing for leisure and other enriching experiences that we all value.

At the same time, we need to acknowledge that in far too many cases, our current transportation systems have not been maintained to optimal standards and as a result, are not operating in a state of good repair. This neglect is costly and results in inefficiencies and inconvenience to travelers every day. Based on the Department's Conditions and Performance Report, for transit alone the maintenance backlog for transit systems in our country totals \$86 billion and that is growing by an additional \$2.5 billion each year. It is important to note that these aren't just Federal dollars, but, nonetheless, our metrics demonstrate a huge gap between needs and current investment levels.

THE PRESIDENT'S SURFACE TRANSPORTATION PROGRAM REAUTHORIZATION PROPOSAL

But it doesn't have to be this way. The President has laid out his vision for a 4-year \$302 billion surface transportation reauthorization proposal to modernize the country's infrastructure, address our infrastructure deficit, and better connect people to their jobs, schools, and communities every day.

There are several key elements of this proposal that separate it from its predecessors that I would like to highlight today. First, the President's proposal recognizes that moving freight efficiently is critical to our economy and our transportation systems. The budget requests \$10 billion over 4 years in dedicated funding to invest in freight networks that will improve the movement of goods. These funds will be used to foster economic growth, advance the President's export initiative, and improve the efficiency and reliability of freight movement nationwide. We will reach out to our industry partners such as shippers, truck and rail representatives and associated labor organizations, to ensure that they will play a meaningful role in crafting investment decisions in partnership with State and local officials.

We recognize that improving project delivery and streamlining the Federal infrastructure permitting processes can yield tangible benefits for Americans while protecting communities and the environment. The President's surface transportation reauthorization plan will increase transparency and accountability while at the same time improving interagency coordination. To advance this effort, the proposal includes \$8 million to establish a new interagency permitting acceleration team to be administratively housed within the Office of the Secretary. This team will work toward the President's goal of reducing the current permitting processes time by half so that the benefits of new projects will bring can be realized more quickly.

This surface transportation reauthorization plan acknowledges the important role transportation plays in creating ladders of opportunity for our citizens by including \$2.2 billion over 4 years for a new Rapid Growth Area Transit Program that will link people to job and educational opportunities in fast growing areas. In addition, \$120 million is requested over 4 years for a workforce development program that focuses on improving the size, diversity and skill of our Nation's construction workforce through partnerships with the Department of Labor and the States.

The President's surface transportation reauthorization plan also includes a new \$2 billion competitive grant program that will encourage innovative solutions to meet our most pressing transportation challenges. State and local partners will be

evaluated on their willingness to commit to performance improvements in key areas such as safety and congestion management.

The President's vision includes a major emphasis on preserving and improving today's highway and transit systems. Known in the proposal as "fix-it first," the reauthorization proposal encourages government and other transportation stakeholders to make optimal use of system capacity; to implement sound asset management principles, and to focus on achieving and maintaining a state of good repair for transportation assets.

Together, these areas of emphasis will provide a strong foundation from which to manage our surface transportation programs over the next 4 years. We are hard at work completing the details of this plan, and will soon be proposing formal legislation for your consideration.

FUNDING OVERVIEW

Moving forward on these objectives will require funding increases in the Department's current surface transportation programs over the next 4 years. To accomplish this, a total of \$72 billion—with nearly \$18 billion in fiscal year 2015 is requested for transit programs to focus on the transportation needs of growing suburbs and the deferred maintenance of transportation assets in our cities. The budget request also includes \$500 million for a new Rapid Growth Area Transit Program beginning in fiscal year 2015 to help communities experiencing fast-growing populations meet new transportation demands.

Funding for highway programs would increase to \$199 billion over 4 years with \$49 billion requested for fiscal year 2015. Included within this total is funding for a new Freight Program and for highway-specific "fix-it first" initiatives to focus investments on the critical safety and capital needs of our existing bridges and roadways. In addition, more than a billion dollars is provided to support construction and repair of significant transportation infrastructure assets on Federal and Tribal lands. The President's fiscal year 2015 request continues the progress achieved to date on alternative financing approaches by providing \$1 billion to the Transportation Infrastructure Finance and Innovation Act Program.

The President's proposal includes funding for rail within the surface transportation reauthorization framework and requests \$19 billion over 4 years to fund rail programs. For fiscal year 2015, \$5 billion is requested to establish a National High-Performance Rail System to support current operations and to improve the rail system of the future. This bulk of this funding would be divided into two programs—one focused on current passenger rail service initiatives and the other specifically focused on service improvements.

The President's proposal continues the Department's commitment to safety by requesting nearly \$7 billion for highway safety modes over 4 years. For fiscal year 2015, \$669 million is requested to support Federal Motor Carrier Safety Administration initiatives to ensure the safe operation of trucks and buses. Another \$851 million will support the ongoing efforts of the National Highway Traffic Safety Administration to focus on emerging issues with vehicle safety and to address new challenges posed by new technologies.

Finally, the President's surface transportation reauthorization proposal includes \$5 billion over 4 years to fund the competitive Transportation Investment Generating Economic Recovery (TIGER) grant program. TIGER grants provide funding for infrastructure projects of national and regional significance and have been an effective infrastructure improvement mechanism for the past 5 years. The fiscal year 2015 budget requests \$1.25 billion to continue the TIGER grants program.

PAYING FOR THE PROPOSAL

In developing the President's surface transportation reauthorization proposal, we are mindful of the important funding commitment this will require. That is why the President has devoted \$150 billion from transition revenue generated from pro-growth tax reform to supplement current revenues from the gas tax. When combined, these resources will help finance long-term, critical investments in our Nation's infrastructure. This proposal provides sufficient funds to ensure the solvency of the Trust Fund during the proposed reauthorization period, to prevent the cash shortfall that is projected to occur later this year. An additional \$87 billion will fund new investments in the surface transportation reauthorization.

OTHER DEPARTMENTAL PROGRAM HIGHLIGHTS

While much of this discussion has focused on surface transportation needs, the President's fiscal year 2015 budget request also funds important resource needs for our other critical Transportation programs.

The President requests \$15.4 billion in fiscal year 2015 to continue the Federal Aviation Administration's (FAA's) management of the National Airspace System. This request supports FAA's current programs in the areas of air traffic controller and safety staffing, research and development and capital investment. It also advances the modernization of our air traffic system through NextGen—the Next Generation Air Transportation System, which encompasses the deployment of new systems, technologies, and procedures that will help reduce delays, expand air traffic system capacity, and mitigate aviation's impact on the environment, while ensuring the highest levels of safety. The President's plan includes nearly \$1 billion in NextGen related initiatives.

The President's budget request also acknowledges our responsibilities to ensure the safe transportation of energy products as they travel by rail or truck through our communities. Recognizing that effective solutions to these transportation concerns require a multimodal focus, the budget also requests \$40 million to support the establishment of a new Safe Transportation of Oil Fund to support multimodal prevention and response activities associated with the increased safety issues surrounding the transport of crude oil. This fund would be housed in the Office of the Secretary and would be available to support initiatives in the Pipeline and Hazardous Materials Safety Administration, the Federal Railroad Administration, and the Federal Motor Carrier Safety Administration.

Thank you again for the opportunity to share the President's budget plan for transportation with you today. I look forward to working with all of you.

VEHICLE SAFETY

Senator MURRAY. Thank you very much. We will do 5-minute rounds for questions so that we can get to all of our members who are here today.

But let me start by asking you about the General Motors (GM) recall. As we know, they last month recalled 1.6 million vehicles for faulty ignitions. It has been linked to 13 deaths, and it raises a lot of questions about why it took almost a decade for the automaker to report a serious safety defect. We went through a similar episode with Toyota, and in response in MAP-21, Congress increased the penalty for failure to report a safety defect from \$16 million to \$35 million.

How do we get the industry to take timely safety reporting seriously?

Secretary FOXX. Well, Madam Chair, specifically on the GM question, we are conducting an ongoing aggressive investigation into GM and the timing of the recall. As a data driven organization, the National Highway Traffic Safety Administration (NHTSA) has worked with hundreds of millions of vehicles to assure that the public is safe, and we will continue to do so. Over the last decade there were complaints related to this particular vehicle, and despite three crash investigations and other research, the data was inconclusive. It just did not point to a formal investigation. NHTSA is currently looking for ways to improve its own investigations and recall processes, lessons learned, and we will continue to do that as well as we are going through a formal investigation of this particular incident.

What I would say to your more general point is that situations like that get the attention of the entire industry, and we will continue to be vigilant as an agency to ensure that the public is safe. We cannot speculate as to the outcome of this investigation to this point, but you have my assurance that we will be very, very tough when we find that timeliness has been a problem.

Senator MURRAY. Well, I think the recall raises some questions about why the National Highway Traffic Safety Administration

failed to open a defect investigation despite 260 relevant complaints since 2003, and warnings from an agency special crash investigation report back in 2007. I want to know what happened here. Was there some key information missing in NHTSA's analysis of these complaints? Is there a larger problem with NHTSA's process and pattern analysis software? What are we looking at here?

Secretary FOXX. Again, NHTSA is a data driven organization, and there were three crash investigations that NHTSA went forward with. The results of those investigations were inconclusive.

Now, a question that we are asking is whether there was a timelessness issue with GM's bringing to our attention the issues regarding this ignition switch. It is our belief that we had known that there was an issue that might have changed the outcome of those initial crash investigations. We still have to find our facts, and that is what we are doing today. And once we have discovered what the facts are, we will develop solutions both internally and externally designed to address those issues.

NEXTGEN

Senator MURRAY. Okay. And we look forward to having a continuing conversation on that. I also wanted to ask a question. Obviously everybody is following what has happened with the Malaysian Airlines jetliner. It is really hard to believe that we have not found any sign of the wreckage. This did not happen under FAA's watch, of course, or under the jurisdiction of the National Transportation Safety Board (NTSB), but I wanted to hear your perspective on how FAA protects passengers.

As both Senator Collins and I mentioned, we are investing billions of dollars in NextGen. It is an effort to modernize and improve our air traffic control system. Can you talk a little bit about how these investments will help the FAA improve its ability to track aircraft?

Secretary FOXX. Well, essentially what NextGen promises is to take us from a World War II radar-based system to a 21st century GPS system, if you will. And for that reason, we do believe there will be opportunities to have better tracking of aircraft in not only our national air space, but potentially in the global air space.

With specific respect to the Malaysian incident, I think it would be premature of us to make a connection between the technology, and so I cannot make any representations there. But I can absolutely tell you that we think there will be huge benefits to getting NextGen deployed.

Senator MURRAY. Okay. Including the ability to track.

Secretary FOXX. Yes.

TRANSIT SAFETY OFFICE

Senator MURRAY. I only have a few seconds left. I wanted to ask you about transit safety. I am really pleased to see the Federal Transit Administration's (FTA's) progress in standing up its safety offices. We know transit ridership is at its all-time high since 1956, but I wanted to talk with you about the experience FTA has gained since passage of MAP-21, what it has learned about, like, local

safety practices, and are there any areas of operations that you are particularly concerned about.

Secretary FOXX. Thank you for the question, and it is really heartening to have the support of this Congress in trying to stand up a new safety function within FTA. We are in the process of scaling up our resources in that regard. We have hired 20-plus people to this point. I expect that there will be additional hires before the end of this calendar year.

Our early experiences with beginning to develop the regulatory regime have been very, very good. We have gotten lots of feedback through our comment process to this point, and I expect that within the next several months we will have more to say on that. We can certainly submit more for the record.

[The information follows:]

TRANSIT SAFETY OFFICE LESSONS LEARNED

The Federal Transit Administration (FTA) has learned a great deal about safety policy and process development since the implementation of MAP-21. The statutory safety authority granted to the FTA by MAP-21 necessitated the development of an entirely new branch of the organization: the Office of Transit Safety and Oversight (TSO). TSO has the unique challenge of creating a new wedge of Government from scratch, focused on both the policy needed to assume regulatory safety authority as well as the many processes needed to orchestrate the daily workings of a regulatory safety agency.

The policy development process has been educational, and involves a tremendous amount of stakeholder engagement to ensure that TSO has considered every angle of the rulemaking challenges ahead. Some of the specific lessons learned include:

- Having a Plan.*—A well-researched plan is vital to avoid becoming an organization that doesn't think through the ramifications of its rulemaking. Other transportation modes, such as the Federal Aviation Administration (FAA) and the Federal Railroad Administration (FRA), do not have to worry about this perception quite as much as TSO, because other modal administrations have a long history of regulatory safety involvement with their respective industries. This long history means that regulatory involvement has evolved as the industry has evolved, allowing for subtle and steady change over time. The FTA, however, is faced with an enormous amount of rulemaking all at once; hence the pitfall of hasty rulemaking devoid of stakeholder engagement and consideration for second and third order effects.
- Building State Relationships.*—As a regulatory safety organization TSO must be able to deal with the States in order to help them achieve MAP-21 grant compliance.
- Building Safety Processes.*—TSO is building an independent accident investigation office, robust safety data collection and analysis capabilities, safety recommendation processes, Safety Management Systems (SMS) training programs, safety assurance processes, and a myriad of other safety processes vital to successfully implementing our new statutory authority.
- Working With Other Federal Partners.*—FTA is paving new working relationships across a wide spectrum of Government entities, from the congressional leadership to the Department of Homeland Security (DHS), the National Transportation Safety Board (NTSB) and the safety components of all the other modal administrations.

Concerns

FTA's biggest concern is the availability of resources and time needed to establish the new safety mission.

As TSO is organized, equipped and trained FTA is ever mindful that these are challenging and uncertain fiscal times for the Government. FTA is working very hard to be good stewards of the resources with which they have been trusted.

FTA is also keenly aware of the calendar and upcoming congressional deadlines. Congress mandated a variety of milestones which are the drivers behind every project timeline.

FTA is making ever larger strides and is working towards successfully implementing both the letter and spirit of the MAP-21 legislation.

Senator MURRAY. Okay. I think there are a number of members on this committee that are very interested in following that.

Secretary FOXX. Sure. Good.

Senator MURRAY. Senator Collins.

GENERAL MOTORS RECALL

Senator COLLINS. Thank you. Secretary Foxx, just following up quickly on the chairman's question on the General Motors recall. Is there a certain threshold that triggers an investigation by the National Highway Traffic Safety Administration? In this case, we know there were hundreds of consumer complaints. We know that there were crashes that involved deaths beyond the three that you mentioned. Is there a number of complaints or injuries that trigger NHTSA to investigate?

Secretary FOXX. There is an awful lot of data that NHTSA reviews before stepping up to the next level of investigation. It really depends on the exact circumstances of the situation. But in this case, the three crash investigations that were done were inconclusive.

Now, as we learn more information, we may learn that our process for reviewing situations such as this needs to be improved, and we are always looking for ways to improve. But right now we are still in the fact gathering stage, and we look forward to sharing with you our findings and what we have learned.

SPENDING BALANCE

Senator COLLINS. In reviewing the budget, I was struck by the fact that given the backlog of roadway and bridge improvement projects nationwide, that the budget proposes a 60 percent increase in transit spending, but only a 17 percent increase for highways. Given that far more passengers and drivers use our highways than use transit, why is there such an imbalance in the funding?

Secretary FOXX. Well, when you separate out how the balance of funding actually looks over the whole \$302 billion, there is \$199 billion dedicated specifically to highways and \$72 billion dedicated to transit. And so, there is a very significant and more than double the investment of the budget proposal goes to highways than transit.

Now, as far as the increase in transit, what we are finding are two major issues that the country is experiencing. One challenge is that we have legacy transit systems that are greatly in need of repair, and they span all over the country. The other challenge that we have is that we have some fast growing parts of the country that are going to be overwhelmed by the population surges we are expecting over the next several years. And so, many of these communities are trying to get ahead of those population surges by creating more transportation choices for their citizens.

And so, we believe that part of our responsibility as the administration is not to just look at where things are today, but to actually be part of forecasting where things are going and to propose a budget that will solve more of the problems not only today, but for tomorrow.

Senator COLLINS. It strikes me, as a provision, when I see a 60 percent increase for transit and only a 17 percent increase for high-

ways, that it is really biased toward urban States that have mass transit as opposed to more rural States. So I look forward to more dialogue with you on that.

HOURS OF SERVICE

I want to in my remaining time bring up one other issue in this round, and that is the Department's hours of service regulations that limit the number of hours that a commercial truck driver can drive. This is extremely complicated. It includes a restriction limiting the use of the 34-hour restart provision for commercial truck drivers to 168 hours or once a week. The impact in my State at least has been to reduce drivers' wages and companies' productivity.

The Department released a study in January which failed to address why the 34-hour restart was limited to only once every 168 hours. We have talked to the scientists in the Department who conducted the study, and they tell us that a 34-hour restart break provides adequate time to rest and recover from fatigue regardless of how often it is utilized. So there does not seem to be a scientific benefit in the way that this regulation is structured.

And let me just give you a quick actual example that I have been told by a truck driver in my State. Regardless of how many hours a driver may work in a given week, even if he or she were to rest for a straight 55 hours, if the previous restart period was not a full 168 hours prior, then that driver returning to work on Monday would be very limited in the number of hours that he or she could work. And in the case I was given, it was only 5 hours, and I do not really think that that was what was intended. I think this is a flaw in the regulation.

Obviously all of us want to make sure our truck drivers are rested and support that as an important safety goal. But this regulation in its complexity seems to be having impacts that were not anticipated.

Secretary FOXX. Senator, I would like to submit for the record on this question and maybe share some additional detail of the studies that we have done. As a database organization, our goal is to try to keep truck drivers and everyone who is using our transportation system safe. And our belief is that the data that we have supports the rule that we have. But I would like to submit for the record and have further conversation with you about this issue if possible.

[The information follows:]

HOURS OF SERVICE RESTART RULE

The 2011 final rule is intended to reduce excessively long work hours that increase both the risk of fatigue-related crashes and long-term health problems for drivers. The objective of the rule is to reduce both acute and chronic fatigue by limiting the maximum number of hours per day and week that drivers can work.

Since the 2003 rule was promulgated, research studies have demonstrated that long work hours, both daily and weekly, lead to reduced sleep and, in the absence of sufficient recovery time, chronic fatigue. The 168-hour limitation ensures that they can put in no more than an average of 70 hours per week—an increase over the average of 61.25 hours allowed under the pre-2003 rules, allowing for some improvements in productivity and a chance to spend more time at home, but a dramatic drop from the nearly 82 hours per week allowed up until July 1, 2013.

The new limitation on the use of the restart to once every 168 hours (7 days) allows drivers to work long hours (81 hours) in one week but requires them to compensate in the subsequent week by taking extra time off.

Senator COLLINS. I would be glad to do that. Thank you.
 Senator MURRAY. Thank you. Senator Feinstein.

UNMANNED AIRCRAFT SYSTEMS

Senator FEINSTEIN. Thank you, Madam Chairman. Mr. Secretary, last week an administrative law judge with the National Transportation Safety Board (NTSB) found that the FAA's current regulations on aircraft do not apply to small, model unmanned aircraft. This decision would effectively lift the FAA's prohibition on commercial use of small-modeled drones, even though we passed legislation to safely integrate them over several years, assuming the FAA's prohibition would remain in place.

In my view, this decision poses a great risk to people both in the air and on the ground, as well as to individual privacy, and it is contrary to congressional intent. My understanding is that the FAA immediately appealed this decision to the full NTSB, which has the effect of putting the decision on hold. Can you confirm that the FAA will continue to enforce its existing prohibition while this appeal is pending?

Secretary FOXX. We will enforce that prohibition to the greatest extent the law allows. And we are going to absolutely appeal all the way through every process there is.

Senator FEINSTEIN. Thank you. Second question. Should this appeal not be successful, can you provide your assurance that the FAA will take the steps necessary within its legal authority to restore the restriction on commercial drones use while the 2012 FAA Act is implemented as intended?

Secretary FOXX. We believe, as I believe you do, that the safety of our national air space is very important. And because of that, this new and emerging area of unmanned aircraft, while exciting, also presents challenges. And we do think the FAA is the best entity to help mitigate and address some of those challenges and build us a regulatory regime that protects the safety of the public. And so, for that reason absolutely we will do everything we can.

Senator FEINSTEIN. Good. Thank you. Mr. Secretary, the report accompanying the omnibus appropriations bill that recently passed the House and Senate stated the following, and I quote: "The FAA is directed to conduct a study of the implications of unmanned aircraft systems integration into national air space on individual privacy." We identified a number of areas this study should address, including gaps in existing law and "how the FAA can address the impact of widespread use of unmanned aircraft systems on individual privacy." The report is required to be submitted to this committee within 18 months of enactment with the understanding the study will be completed well in advance of the FAA's schedule for developing regulations.

This is an issue of great importance to me, and I will continue to insist on action in this area. I am very worried about it. Can you please provide an update on this privacy study, including whether it has begun?

Secretary FOXX. Senator, I would like to submit on the record on that and have our FAA team follow up on exactly where that process is. I do not want to misstate it, so I would like to come back to you on the record.

[The information follows:]

UNMANNED AIRSPACE SYSTEMS STUDY

The Federal Aviation Administration (FAA) is participating in interagency discussions on the domestic use of Unmanned Airspace Systems (UAS) that promote safe UAS operations and the protection of privacy, civil rights and civil liberties when operated for Government, commercial, or private use.

The discussions are ongoing, and intended to provide guidance on policies not covered by the FAA's existing and future work.

Senator FEINSTEIN. Thank you. Just note this is an area I pay a great deal of attention to. I am very concerned about these drones starting up all over the country with all kinds of risks to personal privacy and personal safety. So I think it is really important that the report get done. Thank you very much. Thank you, Madam Chairman.

Secretary FOXX. Thank you.

Senator MURRAY. Thank you. Senator Moran.

CONTRACT TOWERS

Senator MORAN. Thank you, Chairman. Mr. Secretary, thank you again for joining us. Let me see if I can ask an array of questions in a short amount of time.

First of all, I think that the Contract Tower Program is one of our most successful and cost-effective programs. And as you would have noticed in the last year or so, this Congress has demonstrated a significant bipartisan support for that program.

My question is, what does the President's budget include, as well as what are your personal thoughts about the program? Do you appreciate and value its efficacy and support its continued operation? Does the President's budget reflect that as a priority?

Secretary FOXX. Thank you for the question, Senator. The fiscal year 2015 budget does include funding to continue to operate the Contract Tower Program to answer that part of your question.

Senator MORAN. Would that be at a level that is sufficient to keep the contract towers that are operational today continue to operate?

Secretary FOXX. That is correct. That is correct.

Senator MORAN. That is correct?

Secretary FOXX. Yes, sir. Yes, sir.

Senator MORAN. Thank you.

Secretary FOXX. At the same time, and just to further answer the question that you asked, we are in a constrained budget environment, and there is increasing demand on our aviation system. And as you are well aware, there will be an opportunity in fiscal year 2015 to do an FAA reauthorization bill, and I think there will be a lot of equities put on the table across all of the stakeholders in the aviation community.

So the FAA is continuing to think about and work with the stakeholder community on how to balance all the equities with a new FAA reauthorization bill. But as far as our budget is concerned, we are maintaining Contract Tower, sir.

Senator MORAN. And you, Mr. Secretary, are familiar enough with the program to have a feel for its value?

Secretary FOXX. Well, first of all, I think in general I have a very deep and abiding interest in making sure communities across

America are connected to the 21st century economy, and being connected to the national air space is part of that connection. So I think you will not have any hesitation from me to try to do everything I can to make sure communities across America area continuing to be connected.

Senator MORAN. I appreciate that. Sometimes I think when I ask questions about general aviation, it is thought of as Senator Moran is from Kansas, the place that we manufacturer lots of general aviation aircraft. Clearly true and have a great regard for that aspect of general aviation. But I sometimes think it is forgotten that rural America has a great interest, a lot at stake in whether or not our smaller community airports have the ability, as you described, to access a global economy. And our ability to retain jobs in rural America, a manufacturing business in a smaller town in Kansas in many ways is related to the ability to get executives in and out, customers, suppliers, and to connect with the rest of the world.

And so, while I approach general aviation as certainly somebody who promotes Wichita and Kansas as the air capital of the world, there is also the greater aspect of our State that is so rural that our ability to have in this case air traffic control towers, air control systems, really does determine whether or not a smaller town has a bright future economically, medically, socially. And so, I appreciate the comments that you just made.

In regard to general aviation on the more manufacturing side, one of the consistent concerns that is raised with me, and it has become more prevalent over time, is the ability to in a timely way certify changes in the manufacturing process and product, in a sense that the broader aspect of this is regulatory reform at the FAA. Do you have any thoughts, any plans, or suggestions on how the certification process can be made while maintaining the safety aspect of the program to reduce the time that it takes for us to have certification occur?

In part this has become more important as we have many competitors now from abroad who manufacture airplanes, who have a different system, perhaps a more timely, efficient system, and making that certification possible, while the domestic aviation industry has a more cumbersome process. And I know that there is an organization designated authority (ODA) that allows in a sense self-certification in some aspects.

And my question is, tell me your thoughts about how we can improve the efficiency of the certification process.

Secretary FOXX. Well, look, we should be trying to assist our manufacturers more rapidly produce product and get that product into the marketplace, and we are finding that even in the general aviation space. Where we find that there is a capacity for a company to actually meet the standards, we are giving them more leeway in terms of being able to do some parts of the certification process.

We look for ways to do that in such a way that it does not compromise safety, which is also, as you know, our chief mission. And we will continue to look for ways to balance those equities as well with our private sector manufacturers.

Senator MORAN. Mr. Secretary, if you would be willing, I would be interested in hearing from someone from your Department

about the number of opportunities there, whether they are increasing, decreasing for that, in a sense, self-certification in certain aspects of aviation.

Secretary FOXX. Sure.

Senator MORAN. If you could educate me as to whether that process is being more utilized, less utilized, and what the impediments are to that occurring.

Secretary FOXX. Sure. I would be happy to submit for the record and have our staff meet with you as well to talk about it. My sense is that it is increasing, but we will submit for the record on that, sir.

[The information follows:]

AVIATION PRODUCT CERTIFICATION

The Federal Aviation Administration (FAA) regulations allow for authorizing both individuals (designees) and organizations (Organizational Designation Authorization (ODA)) to perform work on behalf of the FAA.

The FAA can delegate compliance findings and airworthiness inspections activities to an individual designee or an ODA holder on projects managed by the FAA.

The word self-certification is not a term used by the FAA to describe the certification process. While no General Aviation (GA) aircraft is fully self-certified, light sport aircraft (LSA) manufacturers may design, build, and test their aircraft in accordance with industry accepted consensus standards rather than established FAA airworthiness standards.

For LSA the FAA does not issue production or type certificates, instead the manufacturer provides a statement of compliance that it has met applicable consensus standards. Upon finding that the applicant has met the requirement the FAA then issues the airworthiness certificate.

AIRPORT IMPROVEMENT PROGRAM

Senator MORAN. My final question, Mr. Secretary, is in regard to Airport Improvement Program (AIP) funding. My understanding is the President's budget reduces the amount of money available for AIP, the Airport Improvement Program. My understanding is that that there is a greater focus on smaller general aviation aircraft—airports, I am sorry.

And my question is, ultimately is there more money available to those smaller general aviation airports under the President's plan than there currently is? We have a smaller pie, apparently focused more on smaller airports. And does that mean that those smaller airports are likely to have more access to more dollars?

Secretary FOXX. We believe so, sir. The way that our proposal works is that we essentially create a mechanism for large hub airports to have the ability to levy passenger facilities charges within a certain range. And the price for that is to reduce the amount of the overall AIP so the larger airports have more flexibility. They can do more on their own. But for the smaller airports, the pie actually gets a little bigger. So for them, there is an actual opportunity for increase.

Senator MORAN. Mr. Secretary, thank you very much. Please consider me an ally.

Secretary FOXX. Thank you. I appreciate it.

Senator MURRAY. Senator Reed.

Senator REED. Thank you very much, Mr. Secretary, and thank you for your great efforts at the Department. I also want to extend my commendation to Michael Huerta, the FAA administrator. We have worked closely with him in providing the resources and the

assistance to expand our runway in Providence, and also to make safety improvements. And that is going to be a major contribution to economic development going forward, and I just want to thank you and ask that you thank Michael also.

HIGHWAY TRUST FUND

With respect to the issue which is very critical, highway funding, Peter Rogoff is here, your acting policy director. He was at our Banking Committee a few weeks ago indicating the seriousness of this issue, and I do not have to explain that to you. In terms of States, and we are not alone, our fiscal year begins July 1, so our Department of Transportation is already suspending new projects because as it stands now legally, September 30, there is no Federal money, and most of our Federal money is already committed.

And so, how are you going to manage over the next several months to provide whatever resources you can or extra resources if you can find them to help States just get as much out of the existing structure as possible?

Secretary FOXX. Thank you for the question, Senator.

Senator REED. I think your microphone is—

Secretary FOXX. It is on. Thanks for the question, Senator. I think a couple of points. We have had a couple of near misses in the recent past that are probably instructive. 2008 is probably the closest analog, and at that point when the weeks leading up to the point of insolvency, the Department of Transportation reached out to State DOTs to give them warning to encourage them to make provisions. And we started to adjust our payment schedules to go from daily paybacks to weekly and doing weekly reportings and so forth.

The situations are always dynamic because at the time that we reached the point of insolvency, States will all be in different points along the way in terms of scheduling their programs of work.

I think the most important thing I can say to this question is that we should not get to that point. It is going to be bad for the country if we do, 700,000 jobs at stake. And by the way, the problem does not always get as much attention in Washington, but I know as a mayor, is that even when we solve the problem temporarily, it still staves off the pipeline because communities cannot plan so they cannot get the long-range projects even on the table because folks are questioning whether the money is going to be there.

So I think what is important here is getting some long-term certainty, and I am going to do everything I can to roll my sleeves up with you to try help solve the problem.

Senator REED. And I believe, as my other colleagues have indicated, that means getting out the Administration's language as quickly as possible so that we know where you are coming from and we all can start getting it done.

SURFACE REAUTHORIZATION

Another question which is related is that I presume that the levels that we enacted previously in MAP-21 would be inadequate for the crisis we face. So we are not simply talking about an extension.

If we really want to be serious, we have to not only extend, but expand. Is that accurate?

Secretary FOXX. That is absolutely true, sir. What our proposal does is it basically backfills the Highway Trust Fund, which will run short over the next 4 years by \$63 billion. And then we put an additional \$87 billion to work through a variety of programs designed to address our freight plan, which is a product that we owe to the Congress within a short period of time, to creating jobs through highway construction, and rewarding innovation at the State level so the States are doing what we are trying to do, which is to shorten the timeline to get projects done.

I think there are a lot of things we can do, but if we just backfill the Highway Trust Fund, the gap between what we need going forward and what we have is only going to get larger.

Senator REED. I would be remiss if I did not point out, as you well know, that just this week I think they released statistics showing that transit usage is reaching all-time highs. And we generally focus on highways, but part of this is also building transit systems and maintaining transit systems. I am pleased that the budget has a \$2.2 billion proposal for Rapid Growth Area and Transit Programs, but transit has to have equal emphasis on existing urban areas in this process, as well.

And just a point, at our Banking hearing, the gentleman representing the transit unions indicated that as a percentage of the population, younger people are getting driver's licenses less now than they were during the Kennedy administration. So I do think this is a passing phenomenon unless we are really committed to transit, not just, you know, closing the gap, but investing, improving, increasing, expanding, we are going to find ourselves with a real issue of economic development, access to jobs, lifestyle of a whole generation that does not seem to be driving as much as taking transit.

Thank you, Mr. Secretary.

Secretary FOXX. Thank you.

Senator MURRAY. Senator Blunt.

HOURS OF SERVICE

Senator BLUNT. Thank you, Chairman. Secretary, thanks for the great job you are doing, and the good start you are off to. I know we both believe that infrastructure is critical, and I do not have much time, so I do not want to spend a lot of time on something we agree on. But your efforts to look at the different tools we can put in the infrastructure toolbox to do what we need to take advantage of the economic opportunities that will be there if we are prepared for them with our infrastructure I think is particularly important.

I want to follow up on the question that Senator Collins asked, and certainly I am very much in agreement with her concerns about these driving rules. And they are just complicated enough that even the question was like one of those math questions in school that you had to read it another time to wonder how does that possibly all comes together.

But the specific question I have is really, I guess, twofold. One is, I do not know that we are correcting a real problem here in

terms of driving rules—of accidents that drivers have had because they were not properly rested, that we think this will really solve. But the question I want to ask is, did your recent study evaluate the safety impact on other motorists of having truckers drive more during the day than they are now?

You know, this rule requires two rest periods that have to be between 1 a.m. and 5 a.m., a time when there are not many people on the road and when truckers have been on the road. This effectively takes them off. And so, my question is, did the study here evaluate the safety impact on other drivers having these large trucks on the road more during daytime hours?

Secretary FOXX. I would like to get you a thorough answer from our team on the record, sir, if that is okay. In general, I can tell you that our analysis did show that the rule would prevent approximately 1,400 crashes and 560 injuries, and save 19 lives. But in terms of the particular impacts on a certain hour or not, I would like to get back to you.

[The information follows:]

HOURS OF SERVICE RULE

The Federal Motor Carrier Safety Administration (FMCSA) is not aware of any data or information that suggests the 2011 rule has forced drivers to shift their work schedules from nighttime operations to daytime operations.

FMCSA's 2011 final rule requires truck drivers who maximize their weekly work hours to take at least two nights' rest when their 24-hour body clock demands sleep the most—from 1 a.m. to 5 a.m.

This rest requirement is part of the rule's 34-hour restart provision that allows drivers to restart the clock on their work week by taking at least 34 consecutive hours off duty.

Only nighttime drivers who work more than 60 hours in 7 consecutive days, or 70 hours in 8 consecutive days will be impacted by this change. Generally, the drivers most likely to be impacted by this provision work grueling and irregular schedules that include some nighttime driving. By contrast, nighttime operations of the major less-than-truckload (LTL) carriers should be impacted minimally, as their drivers generally receive 2 days off-duty a week.

The Moving Ahead for Progress in the 21st Century Act (MAP-21) mandated that FMCSA conduct a field study on the efficacy of the restart rule. The Agency has completed the final report mandated by Congress and this new research validates previous research findings that a restart break containing two or more nighttime periods is more effective than a restart break containing only one nighttime period when it comes to preventing chronic fatigue. The Research Brief is available at: <http://www.fmcsa.dot.gov/facts-research/art-research.aspx>.

Senator BLUNT. Yes. Well, I would like to look at that rule and see what backs that up. But I would particularly like to know, again, if the recent study evaluates the safety impacts requiring other motorists to share the road with more large trucks during daytime driving hours. I believe the answer to that is going to be no, but I will wait for your answer to be submitted there.

SAFE TRANSPORTATION OF ENERGY

On the Crude Oil Fund that also has been brought up, the \$40 million to support the safe shipping of crude oil via rail and truck, is there any precedent for a dedicated fund for shipping only one type of commodity in the Department?

Secretary FOXX. You know, I will have to get back to you on an answer to that question.

[The information follows:]

SAFE TRANSPORT OF ENERGY PRODUCTS

From our initial review, I am unaware of any previously requested fund focused on the safety of shipping one commodity under comparable circumstances.

Secretary FOXX. To the more general question of our theory of action here, we have discovered in the last several months and years a couple of things. One, as the production of energy proliferates in the United States, there comes a concomitant responsibility to make sure that that transport is moving safely across the country.

We have had challenges with having adequate resources to test, having the adequate number of inspectors. And frankly, because this stuff is moving through pipelines, on rail, on highways, on trucks, even on our maritime system, the flexibility to be able to address these issues as they continue to emerge is very important.

Senator BLUNT. And so, given \$40 million, you think that the Pipeline and Hazardous Material Safety Administration would spend this as a dedicated topic, or do they have other needs that might have tapped into the \$40 million of new spending?

Secretary FOXX. They have other needs, but I think the point is that we have the Federal Railroad Administration (FRA) that has a foothold in this issue because of the rail impacts. We have the Federal Motor Carrier Safety Administration (FMCSA) that also has a role here because some of it is carried by truck. And then we have the PHMSA, which controls hazardous material in the pipeline.

Senator BLUNT. And would that be the same answer as if asked why the fund was placed in the Office of the Secretary rather than the Pipeline and Hazardous Materials study?

Secretary FOXX. Yes, sir. Yes, sir.

MARITIME HIGHWAY CORRIDORS

Senator BLUNT. I have one other question you will probably want to have for the record, but I want to go ahead and ask it while we are both here on the Maritime Administration (MARAD). For the record, I have two things I would like you to look at and respond if you do not agree, and this would be to consider two additional additions to the Maritime Highway Corridors, one of the Missouri River, one on the Mississippi River.

The first would be an expansion of the existing M-29 designation from Kansas City to Sioux City on the Missouri River. The second is the inclusion of M-35, the so-called Avenue of the Saints, which would connect St. Louis and St. Paul. And I would like you to respond on whether those additions can be made to the Maritime Administration Map that you propose.

And thank you for the time, Madam Chairman.

Senator MURRAY. Thank you very much. And I assume you can submit an answer for the record on that.

Secretary FOXX. We will submit for the record, yes, sir.

[The information follows:]

MARINE HIGHWAY CORRIDORS

The Secretary of Transportation designated the M-29 (from Kansas City to Sioux City) as a Marine Highway corridor on July 30, 2013.

An application to designate the M-35 (from St. Louis to St. Paul) as a Marine Highway corridor is currently under review and a decision is expected this summer.

Senator MURRAY. All right. Senator Boozman.

HOURS OF SERVICE

Senator BOOZMAN. Thank you, Madam Chair. We appreciate having you here, Secretary Fox. I think our country is really being blessed with a lot of Transportation Secretaries that have done a tremendous job, and I think you fit right in that pattern in the sense of working hard for the country, in a very nonpartisan way just trying to build our infrastructure.

I do think that I would like to know at some point if getting the trucks off the road. The fact that having to realize it is, that it does get them off in the evening, if that was an intended thing or if that is an unintended consequence. We see all of these studies that have come out over the years that indicate we have got loss of productivity and stuff idling in traffic. The unintended consequences of that with the atmosphere and things. So again, I wish you all would look at that and really see what is happening, but that seems to be the case.

AVIATION USER FEE

A couple of things. The aviation user fees. You know, there is the thought that everybody that flies a little airplane is rich and has all kinds of money. I think you know that, as a mayor and, hanging around your airport, that is simply not the case. So I really hope that we can look at that. Congress has really not bought into that in the past.

One thing, though, that needs to be looked at, if you really do plan on going forward is the ag aviation where you have pilots taking off and landing, multiple times a day, what you propose to do with them. That is kind of a unique situation. The other thing is the airport parts certification. That is an area where we have tremendous potential. It is already a tremendous business with exports.

AVIATION PRODUCTS CERTIFICATION

Can you comment on us getting it such that we can get the approval process where those kinds of things can be done in a timely way?

Secretary FOXX. For airplane parts?

Senator BOOZMAN. Yes, sir.

Secretary FOXX. I would like to maybe have some offline discussion with you on the specifics of what you are concerned about. In general, our approach is always going to be to ensure the safety of the traveling public and to build up systems that certify the approval of parts that allow us to get there.

As we were talking before, if there are ways for us to make that more efficient, we continue to have an open mind towards those. And I would love to engage you with you on that topic.

AIRPORT IMPROVEMENT PROGRAM

Senator BOOZMAN. Very good. Another issue is the Airport Improvement Program, which is so vital for our small commercial and general aviation airports, again supporting that program. I think

there is a significant decrease in the budget in that regard. Can you comment on that?

Secretary FOXX. Well, what we are doing is we think it is actually going to be helpful to the large hub airports by giving them more flexibility with passenger facility charges (PFCs), but also having a reduction of dollars that otherwise would have gone to the large hub airports. So they get more flexibility. The reductions really come from what they ordinarily might have gotten, and that expands the pie for the smaller airports. So we think the equities get balanced pretty well by this proposal.

INTERSTATE CORRIDORS

Senator BOOZMAN. And another issue, certainly as we do the highway bill, the interstate corridors that we are trying to get completed—I-49, I-69, the corridors of national significance. I would appreciate you looking at those and see if we can get some resources to continue the great program that was started with the Eisenhower administration. And I think most of us would argue on the committee that this may be the difference in us being the Nation that we are, providing the commerce that we do with our infrastructure system.

U.S. MERCHANT MARINE ACADEMY

The other thing is, very quickly as I run out of time, I want to thank you with helping us with the Merchant Marine Academy. We had a situation, really a crisis, where because of a glitch, they were left out when we were going through the difficult budget negotiations and almost had to send those young people home.

We are in the process of trying to get a stronger board working with you all. We appreciate your help. And again, I look forward to hopefully getting something done to try and get better representation. I know that one of the problems that they have had even with accreditation is the fact that there has not been a strong outside board weighing in. So hopefully you can help us with that.

Secretary FOXX. Thank you.

[The information follows:]

I-49/I-69 CORRIDORS

Reauthorization of MAP-21 will be necessary to provide for a sustainable Federal aid program that, coupled with new funding and new project delivery provisions, as well as our successful Every Day Counts initiative, can accelerate project delivery.

The President's fiscal year 2015 budget request and reauthorization blueprint for fiscal years 2015-2018 propose a new freight funding program that offers States alternatives to advance complex freight projects such as multi-state corridor improvements.

The freight funding program recognizes the importance of coordinated State and local freight planning and prioritization as part of a strategy to meet regional and national freight goals including economic competitiveness. Corridors like I-49/I-69 can help achieve freight goals by contributing to the efficient movement of goods in a national freight system.

Senator BOOZMAN. Thank you, Madam Chair.

U.S. MERCHANT MARINE ACADEMY SEXUAL HARASSMENT REPORT

Senator MURRAY. Thank you very much. Mr. Secretary, every year the Maritime Administration is required to evaluate its poli-

cies on sexual harassment and sexual assault at the Merchant Marine Academy. The first evaluation occurred back in 2009, and it raised some very serious concerns. That year there were 18 incidents in which students were sexually harassed by academy staff or faculty. And even worse, 75 percent of the students said they were reluctant to report an incident through the chain of command.

Now, Secretary LaHood acknowledged this. He said the situation was unacceptable. He required swift action. The inspector general is looking into the implementation of his action plan. But the next evaluation, which covers the 2011–2012 school year, is now very long overdue, and without that evaluation, it is impossible to determine if conditions have improved at the academy.

So I want to ask you today, when we can expect to see that evaluation and if you can share any of the preliminary findings.

Secretary FOXX. Madam Chair, first of all, you will have that report in 2 weeks. Over the course of the previous Secretary, several steps have been implemented, and I want to highlight some of them just to further respond to your question.

The safety of our midshipmen and women is of paramount importance to the Academy and to DOT. They have taken some steps to prevent sexual harassment on campus, including hiring a sexual assault response coordinator and a civil rights director, revising its policy on sexual assault to allow for confidential reporting, establishing a 24/7 hotline for sexual assault reports, updating procedures for reporting sexual assaults that occur while midshipmen are at sea, and enhancing security measures on campus.

There are other steps that have also been taken. We can provide a supplemental to the record. But what I would say to you is that I take this issue very seriously, and I believe that the situation as it was was unacceptable as well. And you have my commitment to do everything I can to get it on a better course.

[The information follows:]

UNITED STATES MERCHANT MARINE ACADEMY SEXUAL HARASSMENT REPORT

The United States Merchant Marine Academy (USMMA) Sexual Harassment report was delivered to Congress on March 28, 2014.

The safety and well-being of midshipmen is of paramount importance to the Academy and the Department of Transportation (DOT) and sexual harassment and assault will not be tolerated.

The Academy has taken a number of steps to prevent sexual assault on campus including hiring a Sexual Assault Response Coordinator (SARC) and a Civil Rights Director, revising its policy on sexual assault to allow for confidential reporting, establishing a 24/7 hotline for sexual assault reports, updating procedures for reporting sexual assaults that occur while midshipmen are at sea, and enhancing security measures on campus.

The Academy has also contracted with the Defense Manpower Data Center for surveys and focus groups as are conducted at the other four service academies.

The Academy has developed a comprehensive training program for sexual assault and sexual harassment prevention. This training program encompasses all facets of Academy life to include recreational, athletic, academic and Sea Year. New midshipmen now receive sexual assault and harassment training during their first 2 weeks at the Academy. All midshipmen continue to receive training throughout their 4 years at the Academy. The Academy also trains all of faculty and staff members on the Academy's sexual assault prevention program and has established a peer Sexual Assault Victim Advocate (SAVA) program that is led and trained by the SARC to provide another avenue for students to report incidents.

Finally, the Academy has implemented a monthly Sexual Assault Review Board (SARB) to ensure issues are addressed with the critical stakeholders for immediate action. This board is chaired by the Superintendent or the Deputy Superintendent.

In addition, the Academy's Plan of Action for addressing sexual assault has been updated to reflect nine areas that require attention:

- Reinforcing a “no tolerance and full reporting” climate;
- Correcting a perceived sexist climate at the Academy;
- Preventing peer sexual harassment and assault aboard commercial vessels;
- Improving intervention and prevention training among faculty, staff and senior leadership;
- Intensifying awareness, prevention, and training among midshipmen;
- Improving the variety and quantity of after-class activities;
- Refining Standard Operating Procedures for reporting and investigation;
- Developing self-assessment tools; and
- Increasing gender diversity in Academy employees and the Regiment of Midshipmen.

We will continue to use the information garnered from the surveys of midshipmen to address this issue and ensure appropriate policies are put in place to prevent harassment and assaults, as well as to foster a climate of intolerance at the Academy for such behavior at all levels.

PIPELINE USER FEE

Senator MURRAY. Okay. Great. We expect that report in two weeks, and we will follow up with you on that.

I also wanted to ask you today about the FMCSA user fee that you have in the budget, if that fee is not agreed to, how we are going to be able to move forward on things like the new tank car rule and other crude regulatory reforms. As you know, those kinds of things are hard to pass here, so I am wondering how we are going to fund those. If we do not have that, I will submit that for the record because I want to focus on something else here.

And before that, I do want to just mention I appreciate your Department's request for \$3.4 billion for bridges. We had a terrific accident in my State last year with the Skagit River Bridge collapsing and saw firsthand what happens if a major artery is taken out with the bridge. And that is an infrastructure issue that we have to focus on.

AIR TRAFFIC CONTROLLER HIRING

But in my last few minutes here, I really want to talk about the Collegiate Training Initiative (CTI) schools and the fact that just a few months ago, the FAA made some very dramatic changes to the way they are hiring our air traffic controllers. And among those changes, the FAA now no longer relies on a pool of graduates from its Collegiate Training Initiative, our CTI schools. The FAA has added a new test to screen candidates they call the biographical questionnaire.

Well, I am hearing from our CTI schools in my State, in Washington State, that they are very worried about their graduates. And I am hearing from the graduates as well. One CTI graduate from Washington State graduated with high honors, passed an FAA for initial qualification, has almost 5 years of service in the Air Force, and a commercial pilot certificate with an instrumental rating. That young man took this biographical questionnaire and failed it for reasons that are very unclear, and he is not the only one in this situation.

So I want you to explain to us how the FAA has improved this process if this kind of applicant that I just described and many others are failing this initial screening.

Secretary FOXX. Well, the goal of this current hiring process was to open up the 1,700 or so positions the FAA was hiring for this year. There will be another 1,700 spots available next year. And so, the person that you were speaking of will have another opportunity next year.

What we have found, however, is that the group of folks that typically apply to the FAA for air traffic controller positions tends to be rather limited. And so, in this instance, the FAA took an opportunity to do a more broad opening of the aperture, if you will, to try to get a larger universe of applicants into the program.

From a practical perspective, those who have been through the CTI program will have a leg up in the training process once they get through the first rounds of the interview process, but this is an issue that I know is continuing to be dynamic, and we will continue to engage with you on.

Senator MURRAY. Well, I do not know how I go back to a young man with that kind of experience and say you get another chance next year. This is somebody who has put a lot of investment in this. We are seeing results from this first biographical questionnaire that 28,000 applicants took the test. Only 2,200 passed. You just described how many people we need to hire. Nobody understands what this biographical questionnaire is evaluating or why they are not making it through.

I mean, normally if you take a test, somebody will say, well, here are the results, here is why you failed this test. We are not getting any of that. The National Air Traffic Controllers Association (NATCA), our air traffic controllers' situation, is telling us as well that they are very concerned about this new process. And I would assume these rates of failure on this biographical questionnaire have to be concerning to you as well.

Secretary FOXX. They are concerning. I will say to you, Senator, that I will have Michael Huerta from the FAA reach out directly to you about this test. But my understanding was that a broad array of stakeholders within FAA was part of developing the test, so it would be surprising to me if some of the elements within the FAA are raising questions now. But I will take a look.

Senator MURRAY. Okay. I want to find out why it has this rate of success. This is horrendous.

Secretary FOXX. Sure.

[The information follows:]

AIR TRAFFIC CONTROLLER HIRING

RECENT HIRING PROCESS CHANGES

The Federal Aviation Administration (FAA) has chosen to make several improvements to the way it selects, trains, and assigns air traffic controllers in order to enhance decisionmaking and increase objectivity in the assessment of candidates. These changes included: evaluating all candidate sources against the same set of qualification standards, revising the testing process and eliminating Centralized Selection Panels. FAA informed the Collegiate Training Initiative (CTI) programs last December about these changes.

Additionally, in previous hires, the FAA would typically keep an inventory of qualified candidates and draw from that pool as needed. In some cases applicants might wait for long durations and never receive a tentative offer letter from the agency. In this hire, the FAA is not planning to create an inventory and as a result the number of actual positions was very limited.

The selection process for new air traffic controllers was very competitive. The FAA expanded its recruitment efforts to be able to select from a wider pool of eligible candidates. In the course of 2 weeks, we received over 28,000 applications for 1,700 positions. Many candidates with some training and experience applied for this position but unfortunately the FAA has far fewer job openings than there were candidates.

BIOGRAPHICAL ASSESSMENTS

The biographical assessment was designed in cooperation with the FAA Civil Aerospace Medical Institute (CAMI) and it measures Air Traffic Control Specialist (ATCS) job applicant characteristics that have been shown empirically to predict success as an air traffic controller in the FAA. These characteristics include factors such as prior general and air traffic control-specific work experience, education and training, work habits, academic and other achievements, and life experiences among other factors. The biographical assessment was independently validated by outside experts.

The biographical assessment (BA) used for this announcement allowed us to meet: immediate hiring needs based on FAA Academy capacity, the continued goal of improving new hires' success rates through the academy and achievement of Certified Professional Controllers (CPCs), and the need to increase the speed and efficiency in the decisionmaking process.

EVALUATION PROCESS

Responses were automatically evaluated through the FAA AVIATOR staffing tool and were weighted to correspond each questionnaire item with the characteristics outlined above.

RESPONSE

The public hiring announcement for entry-level Air Traffic Controllers attracted over 28,000 candidates for 1,700 positions. Of these 28,000 candidates, approximately 26,794 were referred on to the BA. The BA screened in over 2,400 candidates.

TEST RESULTS

We have not accessed or reviewed the demographic data on applicants or those who passed the biographical data portion of the hiring process.

While the Agency has collected applicant demographic data in accordance with Equal Employment Opportunity Commission (EEOC) requirements, the data has not been used in the selection process and will not be accessed or reviewed until tentative offer letters have been issued.

Senator MURRAY. And by the way, the young man that I just talked about turns 31, so he is not going to be eligible to go again as you described. So, you know, we have got a lot of veterans who are not making through this biographic questionnaire, and I think this is an area we have got to reevaluate quickly. I want to understand what the partnership with the CTIs is today. I want to understand what this biographic questionnaire is. I want to know why people are failing, not just that they are failing, and what this is adding to the quality of the people that we are considering for this program.

We have a lot air traffic controllers we need out there. The age of these folks—they are aging out of the system. We need to get these people hired. The CTIs are an important part of this, and this, to me, is really troubling. So I want to follow up with you on this. It is extremely important.

Senator Collins.

STREAMLINING THE PERMITTING PROCESS

Senator COLLINS. Thank you, Madam Chairman. Mr. Secretary, I was pleased to see that you have a new initiative that is aimed

at expediting permitting and cutting excessive red tape. Having seen transportation projects in my State, I know that it can be a very slow, cumbersome process.

But I also know that oftentimes it is really not DOT that is holding up the permitting and imposing excessive red tape. The problems are coming from the Army Corps of Engineers or Environmental Protection Agency (EPA). So can your effort be successful without the full cooperation of the Army Corps and the EPA?

Secretary FOXX. It is a challenge, but it is a challenge that not only myself, but the President, feels very strongly about undertaking. We think that, for instance, in many infrastructure projects where there are sequential review processes, where the DOT has a step they go through, and then the Army Corps goes through, and then Coast Guard goes through, and then Fish and Wildlife goes through, that we can make substantial headway in saving time and money if we can make those processes more concurrent where folks are reviewing these things at the same time and making sure that those reviews are as thorough as possible the first time and there are not successive reviews after that.

So the President is putting a lot of muscle behind this, and we will, too, as a Department. We feel like a dollar saved through time is also a dollar that we can apply to the infrastructure deficit.

SAFE TRANSPORTATION OF ENERGY PRODUCTS

Senator COLLINS. We have talked a lot this morning about the President's proposal for the new \$40 million fund to support the safe transportation of crude oil and other energy products. I am curious why the administration decided to create a brand new fund instead of working through existing programs in increasing the number of FRA inspectors. You mentioned that there is a real challenge with the diminishing number of FRA inspectors. Why not put some of that money instead toward increasing the number of inspectors?

Secretary FOXX. Well, this is an emerging and dynamic situation as we begin to transport more and more of the product on a variety of our modes. And if there is anything we have learned in the last several months, it is that we need to have the flexibility to be able to distribute resources where they are needed to manage one situation or another.

One product of this investment would be after a 2-year period, actually an assessment of our national surface transportation system's ability to move this product safely across all of these various modes. And I think that what would happen at the end of this 2-year period would be a much more targeted effort as you were describing.

What I would say to you right now is that we do not know what we do not know where resources should be distributed, and this would give us the flexibility if we need it to have more inspections. In the rail space, for instance, we would have the ability to do that. If we needed to shift resources to get more help in FMCSA, we would be able to do that. And right now we feel like whether it is inspectors, whether it is research, whether it is testing, we need to have the ability to move flexibly, and that is the basis of the request.

RAPID GROWTH AREA TRANSIT GRANT PROGRAM

Senator COLLINS. Another area where there appears to be duplication is the new \$500 million Rapid Growth Area Transit Grant Program that would support bus rapid transit services. The reason that I say it appears to duplicative to me is FTA has a New Starts and Small Starts Program that already funds bus rapid transit capital projects. In fact, if you look at the Smart Starts Projects, the majority of them are the bus rapid transit projects. So given that, why is it necessary to create a separate new program?

Secretary FOXX. This has to do with the fact that we are seeing population surges that are likely to continue over the next 30 years in some places that do not have mature rail-based transit systems in communities that may not be able to or willing to make an investment in rail transit, but need to have more capacity to move more population on an existing highway system or what have you.

I would challenge the fact that this not just an urban phenomenon. This is actually one that extends into suburban areas and into adjacent rural communities. And so, what providing more bus rapid transit facilities would do in fast-growing parts of the country is it would allow them to connect rural America to job centers, as well as suburban areas, as well as urban areas.

COMMERCIAL DRIVER'S LICENSE

Senator COLLINS. Finally, let me bring up one final issue with you. The previous transportation act known as SAFETEA-LU required the Federal Motor Carriers Administration to establish a minimum age requirement for obtaining a commercial driver's license permit. And that is said to take effect next year.

Previously, the agency only regulated the minimum age requirement for obtaining the actual commercial driver's license as opposed to the permit. While the license for interstate commerce remains at age 21, the Department, in my view, without really taking into account existing State regulations, set the minimum age requirement for commercial driver's license (CDL) permits at age 18. Now, for most States, 18 is the age required for a CDL for intrastate commerce.

I am concerned that the Department has failed to fully examine what the implications are of establishing a Federal standard without regard to the existing laws in each State. This is also a case where one program of the Federal Government is taking an action that directly affects in a negative way another Federal program. And let me give you an example from my State. In my State, the minimum age to obtain a CDL permit is 16, and Maine takes full advantage of this by offering vocational training programs across the State. And a federally funded job corps program also trains people for CDLs.

This seems to me to be very smart, pro-safety, because these programs, both at Job Corps centers, the two in our State, and at the vocational education centers are training younger individuals and giving them more experience behind the wheel prior to their obtaining a CDL at age 18. So those additional 2 years of vocational training and additional experience actually improve safety rather than erode it. As one State official said to me, is it not better to

have 2 years through Job Corps or a vocational education program to get your CDL license starting at age 16 rather than taking a 5-week CDL course at age 21.

So my question to you is, did the Department take a look at the impact on existing job corps programs for CDLs and vocational education programs in States that had the permit age at 16? It is still 18 before they can get the license. This is the permit stage.

Secretary FOXX. Yes. I would like to have our team submit for the record on that, Senator. I want to give you a thorough answer to that question.

[The information follows:]

COMMERCIAL DRIVER'S LICENSE

In 1988, the Federal Highway Administration (FHWA) proposed a minimum age limit of 18 for operating commercial motor vehicles in order to be compatible with the requirements of the Motor Carrier Safety Assistance Program (MCSAP) and receive full grant funding.

This age was proposed recognizing that a driver should have some experience behind the wheel of a non-commercial vehicle before operating a larger, more dangerous vehicle.

These requirements were finalized and codified in 49 CFR 350.341. As a result, the minimum age for a driver to operate in intrastate commerce has been 18 for more than 20 years for States that have compatible regulations.

In SAFETEA-LU, to establish uniformity for issuance of commercial learner's permits (CLPs), Congress required the Federal Motor Carrier Safety Administration (FMCSA) to establish a national CLP program. FMCSA proposed a minimum age of 18 to receive the commercial driver's license (CDL) learner's permit because of the already established limit of 18 years to operate a commercial motor vehicle (CMV) on the highways.

The State of Maine did not provide the Agency with any comments to the docket to explain the impacts on the job corps program in Maine. In fact, while there were comments in response to the notice of proposed rulemaking (NPRM) related to the 18- and 21-year-old age limits, none of the comments recommended lowering the CLP issuance age. As a result, the Agency maintained the minimum age for CLPs at 18 and included the requirement in the final rule.

However, under FMCSA's regulations, the State of Maine could apply for an exemption to allow for CDL learner's permits to be issued to drivers younger than 18 years of age. If the State is interested in pursuing an exemption, we can have our staff provide additional information on that process.

Senator COLLINS. Thank you. I hope you really will take a look at that. Maybe there is a way to carve out those individuals who are going through Job Corps or vocational education and really getting trained very well between the age of 16 and 18. Thank you.

Secretary FOXX. Thank you.

Senator COLLINS. Thank you, Madam Chair.

Senator MURRAY. Thank you very much, Mr. Secretary. I appreciate you coming before our committee today.

ADDITIONAL COMMITTEE QUESTIONS

And I want to remind all of our colleagues, we will leave the hearing record open for 1 week for additional questions.

[The following questions were not asked at the hearing, but were submitted to the Department subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

BRIDGE INVESTMENTS

Question. Last spring, in my home State of Washington, the Skagit River bridge collapsed, and I saw firsthand the devastation it caused. The bridge was part of a critical artery, and the local economy, small businesses, and the livelihoods of so

many families were disrupted. With the help of the Department, the new span was installed and opened in September.

But this incident shows the importance of investing and maintaining our bridges. Unfortunately, there are over 2,000 structurally deficient bridges on the interstate system alone. These bridges are part of our Nation's infrastructure deficit.

I am glad to see that the Department's reauthorization proposal includes \$3.4 billion dedicated for bridges.

How will this funding address the need to invest in our Nation's bridges?

Answer. Currently, the Interstate Highway System (IHS), which carries 24 percent of all traffic and 50 percent of all freight, includes more than 2,300 structurally deficient bridges. The condition of IHS bridges is essential to protecting the safety of the traveling public and allowing for the efficient movement of people and goods on which the Nation's economy relies. As traffic volumes continue to increase and States are challenged with competing needs, the deterioration of IHS bridges will likely accelerate without adequate investment. Under the Department's reauthorization proposal, \$3.4 billion over the next 4 years is to be focused on this pressing need. This proposal would improve the condition of many of our Nation's most important bridges by making available specific funding to decrease the number of structurally deficient bridges on the IHS.

The Department's proposal would provide funding to address structurally deficient IHS bridges. Funds would be ineligible for use on newly constructed bridges on new highway alignments. States with more than 5 percent IHS deck area on structurally deficient bridges would be required to use funds to repair, rehabilitate or replace structurally deficient IHS bridges. States with less than 5 percent IHS deck area on structurally deficient bridges would be allowed to use funds to cover the cost to repair, rehabilitate or replace structurally deficient bridges on the IHS or the National Highway System.

Assuming unchanged levels of bridge investment from other sources and the continuation of recent bridge condition trends, this additional \$3.4 billion investment over the next 4 years has the potential to result in 200 fewer structurally deficient bridges on the IHS. Since this funding is focused on critical immediate needs, it will allow States to address bridges which have deteriorated quicker than expected or are more urgent than originally identified based on additional investigation.

CHAMELEON CARRIERS

Question. For some time this subcommittee has raised concerns with the Federal Motor Carrier Safety Administration's (FMCSA's) ability to detect motor carriers that have been put out of service or are evading fines from getting "new" operating authority under a different corporate name. These operators are also known as chameleon carriers.

The subcommittee initiated a Government Accountability Office (GAO) investigation that found this practice was not only an issue for bus companies and household goods operators, but also for freight carriers that represent 97 percent of the industry and are not currently part of the agency's vetting program.

In 2012, we provided additional resources to shift to a risk-based vetting program that also includes freight carriers. However, I understand there are delays in addressing this mandate.

When can we expect FMCSA to complete implementation of its risk-based vetting program for chameleon carriers?

Answer. On March 31, 2014, pursuant to the directive in the Explanatory Statement accompanying the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2014 (Public Law 113-76, division L), FMCSA submitted a report to the House and Senate Committees on Appropriations regarding progress of a risk-based methodology to identify chameleon motor carriers. The report updates and appends the proposed schedule with performance goals to expand vetting to the freight sector in conjunction with the implementation of the Unified Registration System (URS) now being designed and developed by FMCSA. The report reflects continuing FMCSA actions in moving toward expansion of risk-based vetting to include chameleon property carriers.

On June 20, 2012, the U.S. Department of Transportation (DOT) submitted an official response to the Government Accountability Office Report 12-364. In the response, DOT concurred with the recommendations in the report and indicated that the recommendations aligned well with FMCSA's vision and direction in identifying, developing, and using robust risk-based automated screening methodologies to expand its vetting processes to include brokers, freight forwarders, and property carriers.

In July 2012, FMCSA realigned offices to bring all registration and vetting functions within the Office of Registration and Safety Information, highlighting the importance of the registration function to the Agency mission. FMCSA also partnered with the Pipeline and Hazardous Materials Safety Administration (PHMSA) to leverage PHMSA's Hazardous Material (Hazmat) Intelligence Portal, a Web-based interface that has built-in data warehouse capabilities. The joint project implemented and tested a prototype solution in March 2013.

In August 2013, FMCSA identified limited funds for the development of an optimization plan for a risk-based screening approach, building upon the match and motive foundation GAO Report 12-364 proposed and establishing performance objectives for the required research.

A contract was recently awarded that will assess innovative ways to develop an affiliation strength and risk model. FMCSA established an evaluation panel, reviewed the submitted proposals, and made a Phase I Research award recommendation to a small business. The approach in this model will focus on more advanced forms of matching sources to quantify affiliation strength between any two motor carriers. A Request for Information is expected to be published by July 2014, and the development of a Statement of Work for the Optimization and Sensitivity Analysis is underway. FMCSA plans to coordinate risk-based automatic screening activities with the agency's URS implementation activities to facilitate seamless integration of this module within URS once it is rolled out. FMCSA plans to continue its research toward developing, tuning, and integrating automated risk-based screening algorithms within URS by October 2015. (See Table 1 of the Report to Congress submitted on March 31, 2014, for a summary of FMCSA's planned research activities, timelines and goals).

PHMSA FACES CUTS WITHOUT APPROVAL OF A NEW USER FEE

Question. The budget request for the Pipeline and Hazardous Materials Safety Administration relies on a new user fee to offset the costs of new initiatives.

For example, it requests \$7 million for new PHMSA research, outreach and education activities. But this initiative is dependent on the creation of a new Special Permits and Approvals User Fee.

If we are unable to reach consensus on the new user fee, as has happened repeatedly in the past, PHMSA will be left with a \$12 million gap in its budget compared to the 2014 funding level.

Are you concerned the past failure to get support for this fee will impact the agency's ability to move forward on the tank car rule and other crude oil and ethanol regulatory reforms, as well as research into the classification of crude oil?

Answer. Yes. The recurrent denial of this user fee has had an impact on our capacity to support activities like regulatory reform and research to address emerging risks.

About 40,000 companies seek PHMSA's approval to transport hazardous materials annually. PHMSA must review and document these applications for safety procedures, maintain records of applications and approvals, and communicate with its many partners involved in transporting hazardous materials. All these and related functions are paid for by general fund appropriations that are not offset by a fee.

Fees for special permits and approvals would allow PHMSA to enhance the resources used in the special permits and approvals process, such as information technology (IT), for the companies who receive an economic benefit from holding a permit. It will also allow PHMSA to direct more resources toward other critical hazardous materials safety functions, such as regulatory reforms and proper classification.

Question. What is the Department doing to develop broader support for the user fee?

Answer. The user fee initiative is part of a larger effort to reduce the administrative burden of permitting. Companies gain an economic benefit from special permit premium services, while taxpayers bear the cost. The user fee simply puts this cost back on those reaping the economic benefits. PHMSA has described the benefits of the fee-based program to many of its industry stakeholders. PHMSA has also provided technical guidance to support this budget request.

NEW CHALLENGES IN ENERGY TRANSPORTATION

Question. With the boom in crude oil and natural gas production throughout the country, the Federal Energy Regulatory Commission (FERC) is experiencing a high number of permit applications for the exportation of liquefied natural gas (LNG). The Department of Energy had approved 6 applications for the exportation of LNG since and has 24 more applications pending.

How does this trend in the exportation of LNG affect the oversight responsibilities of PHMSA?

Answer. PHMSA's oversight responsibilities are increased by the upward trend in liquefied natural gas (LNG) exports. PHMSA regulates pipelines through which LNG flows as well as LNG facilities both during and after their construction. The LNG is then exported by ship in approved tanks.

PHMSA also assists FERC in evaluating whether an applicant's proposed siting for an LNG export plant meets pertinent regulatory requirements (49 CFR 193). PHMSA has been focused on meeting the demands on reviewing the surge in LNG applications in a timely manner. PHMSA has been working with FERC to develop guidance for many difficult industry questions, which need to be changed along with the changing industry, technology, and safety concerns.

Furthermore, the relevant regulatory guidelines are written primarily for LNG import, which was the industry's need before 2008. As many of these requirements are not clear for LNG export, PHMSA has developed guidance, which includes frequently asked questions for LNG export (<http://primis.phmsa.dot.gov/lng/faqs.htm>).

Question. Has PHMSA taken a hard look at the adequacy of its Federal regulatory regime and does it appropriately address these emerging transportation trends for LNG exports?

Answer. Yes, the existing hazmat regulations provide a high level of safety regarding LNG imports. Currently, bulk transport of LNG is only authorized to travel by highway in cargo tanks and by rail in portable tanks. However, no tank car authorization exists for bulk quantities by rail. The DOT 113 specification for tank cars is authorized for liquids such as ethylene and hydrogen.

PHMSA is reviewing guidance and rules to determine where updates might be needed. For example, PHMSA has participated in committee meetings to draft National Fire Protection Association's Standard for the Production, Storage, and Handling of Liquefied Natural Gas (NFPA 59A) revisions. PHMSA has also developed guidance on LNG Facility Siting Application Requirements (49 CFR 193), which includes frequently asked questions for LNG export (<http://primis.phmsa.dot.gov/lng/faqs.htm>). PHMSA continues to monitor developments to ensure the safe transportation of LNG.

Question. Additionally, many transportation providers in the United States are transitioning from diesel to natural gas to fuel their engines in the maritime, motor carrier and rail sectors.

What steps is PHMSA taking to proactively prepare for the multimodal safe transportation of this commodity in the United States?

Answer. PHMSA has acted on industry's request to evaluate the use of LNG to supply fuel to locomotives. Specifically, on March 6, 2014, PHMSA issued an emergency special permit to BNSF Railway to permit the movement of a cryogenic LNG tender car. PHMSA's action enables BNSF to determine the viability of LNG as a source of fuel for its locomotives. PHMSA will continue to be responsive to industry requests in this regard, especially by rail, but also the other surface modes of transportation. PHMSA has already received multiple inquiries for the issuance of special permits for the transport of both LNG and compressed natural gas (CNG) by rail.

Because safety is the Department's top priority, the President's fiscal year 2015 budget takes a multi-faceted approach to ensuring energy products travel safely across our country. For example, the budget requests \$40 million for the Safe Transport of Energy Products Fund. The Fund would be administered by a multi-modal Board, including PHMSA's Administrator. Drawing on expertise from all modes of transportation, the board would direct funds to activities that strengthen prevention and response across multiple modes of transportation.

Furthermore, the President's fiscal year 2015 budget also requests an additional \$4.74 million for research and development (R&D) in fiscal year 2015. The request includes funds for liquefied natural gas bulk tank standard design and best practices for loading and unloading of bulk hazardous materials, including LNG. The projects will enable PHMSA to support research that identifies and establishes a baseline comprehensive bulk rail tank car standard design for the safe transport of LNG. In addition, funds would enable PHMSA to undertake a study on crude oil and LNG commodity flow to identify key risks and prioritize safety activities for bulk rail and highway transportation.

TRANSIT SAFETY

Question. I'm pleased to see the Federal Transit Administration's (FTA's) progress in standing up its new safety office. Transit ridership is at its highest level since 1956, but as the incidents on the Metro-North Railroad over the past year—includ-

ing the tragic death of a rail worker there on Monday morning—show there's a continuing safety challenge in segments of the industry.

With the experience FTA has gained since the passage of the Moving Ahead for Progress in the 21st Century Act (MAP-21), what has it learned about local safety practices in the past 20 months?

Answer. Over the past 20 months, FTA has stood up and continues to staff its new Office of Transit Safety and Oversight, published for public comment a joint Advanced Notice of Proposed Rulemaking for its Safety and Asset Management programs, and is working with States and transit operators on our new safety mandate, with particular outreach to States with rail transit agencies that will need to transition to the more substantial MAP-21 rail transit safety oversight requirements. Our staffing plan includes a position dedicated to engaging stakeholders and for FTA's regional offices to be more knowledgeable about safety challenges and practices, and to provide technical assistance to the transit operators in their region.

Public transportation ridership continues to increase. In the past 10 years, ridership has grown over 22 percent and continues to grow 2 to 5 percent each year. Much of the growth is in the heavy rail systems in the Nation's largest cities. Six heavy rail transit systems—New York City Transit, the Washington Metropolitan Area Transit Authority, the Chicago Transit Authority, the Massachusetts Bay Transportation Authority, the Southeastern Pennsylvania Transportation Authority, and the Bay Area Rapid Transit District—account for almost 70 percent of this increase.

Increases in crowding and demand for rail transit service require service enhancements, such as longer trains with greater capacities, more vehicles in passenger service with shorter headways, longer service hours, and varied service options. With heavier service cycles come additional demands on aging infrastructure. Budget freezes, reductions in operating personnel, employee turnover in key positions, and changing executive leadership can exacerbate issues that transit agencies face as equipment ages.

Managing these challenges requires data-driven, evidenced-based decisionmaking that supports the allocation of limited resources to address the highest levels of risk to the organization. It also requires on-going and real-time monitoring of the condition and performance of critical transit assets, such as vehicles, train control and signal systems, traction power systems, and communications. One of the greatest challenges currently confronting the transit industry is developing and refining tools that collect the data necessary to assess and improve safety and asset condition in light of constrained budgetary resources and rising service demands.

In addition, FTA continues to assess State Safety Oversight programs (SSOs) and safety readiness for federally funded new or extended rail transit systems. Since the passage of MAP-21, the Department has assessed the capacity of SSOs to meet the new statutory certification requirements and has determined that most are unable to meet them at this time. FTA apportioned new formula funds to States for these activities and has met with the States over the past year to explain and assist with the transition to being certified. A core component of these conversations is the authority and technical capability they will need to oversee Safety Management System (SMS) implementation at rail transit agencies.

Accident investigations at the local level have led us to begin serious study of several safety concerns. FTA issued three safety advisories in the wake of three rail transit collisions that resulted in two fatalities and approximately 70 people transported to hospitals with injuries. In October 2013, FTA asked every rail transit agency to conduct a safety risk assessment to evaluate the adequacy of practices and procedures in place to manage the movement and storage of out-of-service railcars and to take action as needed. In December 2013, FTA asked every rail transit agency to submit an inventory and hazard analysis regarding its programs to protect workers on the rail transit right-of-way. FTA will analyze these submittals through a safety assurance team evaluation process to determine next steps.

Question. Are there any areas of operations that leave the Department particularly concerned?

Answer. FTA funds and oversees a variety of transit operators and modes and our national public transportation safety program will need to reflect that. While the development of final rules implementing MAP-21's new safety authority will take time, FTA has already taken critical first steps to address these concerns by adopting a Safety Management Systems (SMS) framework around which FTA will implement its new MAP-21 authority and has been communicating this approach to States and transit operators. This process leads transit agencies to assess risks within their operating environment and to accept the risk or to implement controls to mitigate it.

Today, transit Chief Executive Officers have varying levels of involvement in the safety programs at their agencies and Boards of Directors historically have had little involvement in transit agency safety oversight. MAP-21 requirements and adopting an SMS framework will begin to change this dynamic and push safety issues to these decisionmakers. Already, a few Boards of Directors have established Safety and Security Committees to review major safety issues and oversee safety performance.

FTA will continue to issue safety advisories to share potential concerns identified through accident investigations that increase awareness of the issue at other transit properties and to ask them to review their practices. The information collected through the State Safety Oversight program, including in response to safety advisories, will inform our safety program development.

Question. Given that FTA and the Federal Railroad Administration (FRA) can be responsible for overseeing different components of some transit systems, how are the two Administrations working together to help the authorities improve safety?

Answer. FTA and FRA continue to work together to oversee transit agencies with FTA and FRA regulated systems, with FRA taking the lead safety role for any system subject to FRA regulation. FTA and FRA Safety Office leadership and the Administrators meet regularly and as needed to discuss any emerging safety issues and rail system concerns. FRA and FTA regional offices coordinate directly on local system concerns or safety reviews. FTA attends FRA's Rail Safety Advisory Committee and participates on FRA's Safety Board, as needed, for joint use waivers or other common concerns. We have jointly sponsored rail safety workshops and will continue to work together on rulemakings that affect rail transit and commuter rail systems in order to have complementary, rather than conflicting or duplicative policies, reviews or reporting burdens.

COMMUTER RAIL CHALLENGES WITH IMPLEMENTATION OF POSITIVE TRAIN CONTROL

Question. Your budget includes a proposal to fund projects that support the implementation of positive train control (PTC) for commuter railroads. Since many commuter rail service providers lack the capital resources to fund deployment, if authorized this could be a valuable tool to assist in meeting the December 2015 deadline.

While the budget proposes \$825 million for fiscal year 2015, what is the total projected cost that commuter railroads are expected to incur overall for deployment?

Answer. Virtually all commuter railroads are struggling with the cost of PTC system implementation. In response, FRA has requested \$825 million for fiscal year 2015 and \$2.35 billion over 4 years (fiscal year 2015 through fiscal year 2018) for Commuter Railroad PTC Compliance. This program will provide critically needed support for these important investments.

There is much uncertainty about total industry costs, but FRA expects that deployment overall will exceed the \$2.35 billion requested in the budget. This expectation is partly based on the experience of the two commuter operators in California. Information available from Metrolink and the Peninsula Corridor Joint Powers Board, which owns and operates Caltrain, indicates they have spent approximately \$230 million and \$240 million respectively, both in excess of their original budgets. While these early examples suggest costs could be higher than initially forecasted, neither system is representative of the industry, as each commuter railroad has unique characteristics that will determine the ultimate cost of implementation. Moreover, there are unanswered questions about key issues affecting the cost of PTC deployment, for instance the cost for spectrum and the allocation of costs between host railroads and commuter operators. For all these reasons, it is not clear at this time what the overall cost of deployment will be.

RETENTION BONUSES

Question. Please provide a table for fiscal year 2013, and another for fiscal year 2014 (to date), listing the title, office, and salary of each Federal Aviation Administration (FAA) employee that received a retention bonus during that year, as well as the amount of the retention bonus itself.

Answer. The lists provided for fiscal year 2013 and fiscal year 2014 are current (to date) and are inclusive of all retention incentives received by FAA employees during those years.

Any incentive request receives consideration. The request for this specific group incentive for Massachusetts met the strict guidelines set by the agency, in accordance with Department of Transportation (DOT) policy. As such, the incentive was requested by management, received concurrence by the Head of the Line of Business, was authorized for use based on justification and business case supporting doc-

umentation, and finally, received approval by the Office of the Secretary after all appropriate concurrences.

The FAA is committed to ensuring that retention incentives are used only as necessary and are able to withstand high level scrutiny.

Please see the attached tables.

FISCAL YEAR 2013 RETENTION INCENTIVES—FAA

Organization	Position title	Salary	Retention percent	Retention amount
ATCT NANTUCKET, MA	SUPV AIR TRAFFIC CONTROL SPEC	\$90,478	10	¹ \$9,048
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC	84,006	10	¹ 8,401
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC	76,267	10	¹ 7,627
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC ²	76,267	³
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC	43,589	10	¹ 4,359
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC	83,375	³
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC	86,037	10	¹ 8,604
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC	106,684	10	¹ 10,668
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC ⁴	20,324	10	¹ 2,032
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC	76,267	10	¹ 7,627
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC ²	84,709	³
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC	85,356	10	¹ 8,536
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC	85,788	10	¹ 8,579
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC	67,780	10	¹ 6,778
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC	76,267	10	¹ 7,627
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC ²	77,487	³
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC	76,267	10	¹ 7,627
ATCT NANTUCKET, MA	MANAGEMENT & PROGRAM ASSISTANT	46,550	10	¹ 4,655
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC	84,006	10	¹ 8,401
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC	76,267	10	¹ 7,627
ATCT NANTUCKET, MA	SUPV AIR TRAFFIC CONTROL SPEC	119,972	10	¹ 11,997
HYANNIS A SSC, MA	AIRWAY TRANSP SYS SPEC	103,830	20	¹ 20,766
HYANNIS A SSC, MA	AIRWAY TRANSP SYS SPEC	79,026	20	¹ 15,805

¹ Denotes continuation of a group incentive authorized to supplement the pay of employees at an extraordinarily high cost location (Nantucket Island) that is included in the Rest of U.S. locality pay area.

² Denotes the same employee as row directly above this one—location changed or modified agreement.

³ Denotes an incentive that was stopped due to expiration, review showing incentive no longer needed, or employee moved to a new position and is no longer eligible for a retention incentive.

⁴ Resigned March 4, 2013.

FISCAL YEAR 2014 RETENTION INCENTIVES (TO DATE)—FAA

Organization	Position title	Salary	Retention percent	Retention amount
ATCT NANTUCKET, MA	SUPV AIR TRAFFIC CONTROL SPEC	\$93,012	10	¹ \$9,301
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC	85,349	10	¹ 8,535
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC	43,589	10	¹ 4,359
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC	87,413	10	¹ 8,741
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC	106,684	10	¹ 10,668
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC	86,722	10	¹ 8,672
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC	87,160	10	¹ 8,716
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC	77,487	10	¹ 7,749
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC	77,487	10	¹ 7,749
ATCT NANTUCKET, MA	MANAGEMENT & PROGRAM ASSISTANT	47,295	10	¹ 4,730
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC	85,349	10	¹ 8,535
ATCT NANTUCKET, MA	AIR TRAFFIC CONTROL SPEC	77,487	10	¹ 7,749
ATCT NANTUCKET, MA	SUPV AIR TRAFFIC CONTROL SPEC	121,172	10	¹ 12,117
HYANNIS A SSC, MA	AIRWAY TRANSP SYS SPEC	103,830	20	¹ 20,766
HYANNIS A SSC, MA	AIRWAY TRANSP SYS SPEC	80,291	20	¹ 16,058

¹ Denotes continuation of a group incentive authorized to supplement the pay of employees at an extraordinarily high cost location (Nantucket Island) that is included in the Rest of U.S. locality pay area.

² Denotes change in service date only for incentive agreement.

RETENTION BONUSES

Question. Please describe the FAA's process for approving retention bonuses.

Answer. An employee's manager may request a retention incentive when the employee has unique qualifications or there is a special need for the employee's serv-

ices which makes it essential to retain the employee. The employee must be likely to leave the Federal service in the absence of a retention incentive and have a performance rating of acceptable (or equivalent) or higher. The employee must have completed a minimum of 1 year of continuous service with FAA, immediately prior to receiving the incentive, or have been employed by FAA for a period established under a service agreement resulting from the payment of a recruitment or relocation incentive, whichever is longer.

The requesting office must complete an authorization request form. The form has the employee's position information, salary, requested amount, and other information required to process the incentive request. It also includes sections for narrative justification that are designed to present the business reasons for the incentive and to address the various factors prescribed by the Department of Transportation policy, Departmental Personnel Manual (DPM), chapter 575, Recruitment, Relocation, and Retention Incentives. Finally, the form has a concurrence/approval section with signature blocks to facilitate the review and approval process.

Along with the form, any supporting documentation that may be necessary to support the request is added to the package. This may include the employee's latest performance assessment, documentation of an outside job offer, or documentation of any other expression of the employee's intention to leave Federal service absent an incentive. The package will also usually include an FAA Retention Incentive Service Agreement that outlines the conditions that the employee must agree to while receiving the incentive, such as the payment method, agreement termination and repayment liability rules, and specific performance objectives that the Line of Business or Staff Office (LOB/SO) has identified to be achieved and/or maintained in exchange for the retention incentive.

Requests are initiated by the employee's manager and forwarded through channels to the head of the employee's office within the FAA. If the head of the office concurs, the request is forwarded for review by the servicing Human Resource Management Office to validate any staffing information outlined in the request and to ensure compliance with FAA policy. If the request meets all requirements, it is then presented to the Assistant Administrator for Human Resource Management for concurrence or non-concurrence. The request is then presented to the FAA Administrator, who serves as the reviewing official and may either disapprove the request or recommend approval. Only requests recommended for approval by the FAA Administrator are forwarded to the Department of Transportation, Office of the Secretary for consideration. If disapproved instead, the head of the LOB/SO is notified.

At the Department, the request first goes to the Departmental Office of Human Resource Management (DOHRM) for technical review to ensure it meets the requirements outlined in DPM-575 and FAA policy. The DOHRM office forwards each request to the Assistant Secretary for Administration for consideration. When the requested incentive amount is 25 percent or less of the employee's basic salary rate times the number of years required by the service agreement, the Assistant Secretary for Administration makes the final decision and serves as the approving official. This authority may not be further delegated. If the amount requested exceeds that 25 percent amount, the request must be forwarded to the Deputy Secretary of Transportation for decision as the final approving official, and this authority as well may not be further delegated.

The DOHRM notifies the FAA's Assistant Administrator for Human Resource Management of the DOT final decision, which is then relayed to the head of the LOB/SO. Finally, all retention incentives are subject to regular review to determine if the need is still warranted. This review may result in a determination that the incentive should be terminated or the amount reduced.

The retention incentives for the Nantucket employees were approved as a group incentive. The approval from the Secretary of Transportation followed the same request and approval process, as stated above. In a Memorandum of Agreement (MOA) with National Air Traffic Controllers Association (NATCA) (the union representing air traffic controllers), the FAA has agreed to continue an allowance for controllers at Nantucket through the life of the current collective bargaining agreement. The FAA's Human Resources policy office and Air Traffic Organization are reviewing alternative approaches, in lieu of retention incentives, to meet the business need to recruit and retain employees at Nantucket while continuing to abide by the MOA with NATCA. We expect to complete the review and implement an alternate solution prior to the annual review of the Nantucket Retention Incentives that is due in early December, in compliance with the Department of Transportation policy. The FAA will need to meet collective bargaining obligations prior to implementation of any alternate solution that is developed.

The original Letter of Agreement resulting from negotiation was signed on November 9, 2010. The Agreement will terminate upon the expiration of the 2009 Col-

lective Bargaining Agreement (CBA) between the Agency and NATCA but may be reopened upon mutual consent of the parties. The current expiration date of the CBA is July 1, 2016. In lieu of continuing the group retention incentive, the Agency is collecting data on the cost of living and housing costs at Nantucket, and at other locations for comparison purposes. Some solutions in use by other employers on Nantucket Island are also being reviewed. We will use this data as we consider alternatives to address the recruitment and retention challenges for the Nantucket facility. The primary alternative under consideration is to use the Agency's broad Personnel Management System (PMS) authority to use an existing negotiated pay differential or create a new pay differential or allowance for these employees. No formal recommendations have been made to date, but staff is beginning to review the data collected so far and will be forming recommendations for consideration later this summer.

QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

AVAILABILITY PAYMENTS

Question. States are increasingly looking at public-private partnerships that are financed or funded by the use of availability payments. What provisions of law and regulation dictate the use of availability payments?

Answer. We are not aware of any Federal statutes or regulations explicitly addressing the use of availability payments, which offer an alternative to toll collections as compensation to a private concessionaire operating under a long-term agreement with a public agency. The Federal Highway Administration (FHWA) recently implemented a policy to allow State Departments of Transportation (DOTs) considering this delivery method to count on a level of Federal assistance comparable with that of a traditional public works project (http://www.fhwa.dot.gov/ipd/pdfs/fact_sheets/tifia_availability_payments.pdf). The State and its concessionaire must comply with all applicable Federal-aid rules and regulations throughout the term of the agreement, which may encompass the design, construction, finance, operations and maintenance phases of a Federal-aid facility.

Question. How many Federal-aid road and transit projects are using availability payments?

Answer. Florida's I-595 Express Lanes project, which opened at the end of March 2014, is the first Federal-aid highway project developed under an availability payment concession. Currently, four other Federal-aid highway projects using availability payments are under contract (including Presidio Parkway (California); East End Crossing (Indiana); Goethals Bridge Replacement (New York/New Jersey); and Port of Miami Tunnel (Florida)), and at least seven more are in procurement (including I-4 Ultimate (Florida); Portsmouth Bypass (Ohio); I-69 Section 5 (Indiana); Illiana Corridor-Illinois Portion (Illinois); Illiana Corridor-Indiana Portion (Indiana); Project Neon (Nevada); and Pennsylvania Rapid Bridge Replacement (Pennsylvania)).

Question. How many States are using Federal formula funds to make availability payments?

Answer. Two States—California and Indiana—have made arrangements to use Federal aid directly for availability payments. Projects can utilize Federal aid via several alternatives. In the I-595 Express Lanes, for example, Federal-aid funds participate in discrete construction and maintenance projects. Other projects fall under Federal-aid regulation by virtue of the concessionaire receiving Transportation Infrastructure Finance and Innovation Act (TIFIA) financing, rather than the State receiving reimbursement for its payments to the concessionaire. California's Presidio Parkway, the first proposed use of Federal-aid formula funds in a State's concession agreement, prompted the FHWA in 2012 to develop a policy allowing reimbursement to a State DOT for availability payments. Since then, Indiana has arranged for Federal-aid formula fund participation in its availability payments for the East End Crossing.

Question. How much Federal funding is being used for availability payments?

Answer. The maximum total Federal-aid participation in the Presidio Parkway and East End Crossing projects is about \$2.3 billion, scheduled for disbursement over the next 30 years per the terms of the agreements between the States and the concessionaires.

Question. Are there any restrictions on a State's use of Federal formula funds for availability payments?

Answer. Consistent with a traditional public works project, the State and its concessionaire must comply with all applicable Federal-aid regulations under an avail-

ability payment agreement. Because routine operations and maintenance are ineligible for Federal aid, the portion of each availability payment represented by these activities must be deducted from FHWA's participatory amount.

To receive Federal-aid reimbursements throughout the long life of a concession agreement, a State DOT would employ a cash flow management tool known as advance construction, whereby the State receives approval to deliver the project in advance of the apportionment of authorized Federal-aid funds. As each availability payment comes due, the State would convert this relative portion of the project to a Federal-aid project. Under advance construction, no Federal funds are obligated to the project until the States convert the project, or portion of the project to a regular Federal-aid project and the FHWA provides no guarantee regarding the availability of future Federal-aid revenues.

Question. If a private concessionaire fails to meet performance standards and a State reduces availability payments, are the corresponding Federal share of availability payments similarly reduced?

Answer. Yes. The FHWA establishes the maximum Federal-aid participation rate at the outset of the concession agreement, and any reduction in a State payment would reduce proportionately the maximum Federal-aid payment.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

POSITIVE TRAIN CONTROL

Question. I want to thank you and the administration for requesting \$825 million for positive train control (PTC). As we continue to see time and again with these horrific train accidents, most recently with Metro-North in New York, positive train control will mean the difference between life and death once it is fully implemented. In announcing the sixth round of the Transportation Investment Generating Economic Recovery (TIGER) program, the President emphasized improved safety as a major criteria for awarding grants. Moreover, this subcommittee included report language in its fiscal year 2014 appropriations bill clarifying that positive train control projects are eligible for TIGER grant funding.

Will you commit to ensuring that positive train control projects are given priority when determining TIGER grant awards?

Answer. The potential safety benefits of a project are a very important component of how the TIGER program prioritizes projects for selection. I can assure you that we are aware of the safety benefits of PTC and will give those projects which implement PTC full and fair consideration as part of our competition.

Question. Will you ensure that the Department meets the 2015 deadline for implementing positive train control, as required by the Rail Safety Improvement Act of 2008?

Answer. The Federal Railroad Administration (FRA) has requested \$825 million for fiscal year 2015 and \$2.35 billion over 4 years (fiscal year 2015 through fiscal year 2018) for Commuter Railroad positive train control (PTC) compliance. This program will provide critically needed support for these important investments. Additionally, FRA has requested \$1.78 billion over 4 years for certain Amtrak activities including PTC deployment.

The Rail Safety Improvement Act of 2008 requires, by the end of 2015, certain railroads to develop implementation plans and then to implement PTC systems in accordance with those plans, and the law prohibits installation of a PTC system unless the Department has approved it. We are continuing to provide support to railroads and working to remove blockages from critical paths to implementation.

The Department identified a number of programmatic and technical issues impeding the timely implementation to PTC systems in the Federal Railroad Administration's August 2012 report to Congress. In addition, after the report was published, a new issue arose: deployment of 22,000 PTC communications towers, mostly along the wayside of railroads to be equipped with PTC systems. The extent to which these issues affect individual covered railroads is not uniform; not all of these railroads are affected to the same extent or by the same issues. The specific issues affecting each railroad as well as the ability of the railroad to address the issues, the availability and effectiveness of alternative solutions, and the safety risks are the key determinants in establishing reasonable timelines to completion of PTC system implementation. With the exception of Amtrak, the Southern California Regional Rail Authority (Metrolink), and BNSF Railway Company (all of which, FRA believes, will complete most, if not all, of their required PTC installation prior to the statutory deadline), FRA believes that the majority of railroads subject to the requirement will not be able to complete full PTC system implementation by the De-

ember 31, 2015 deadline. Partial deployment can likely be achieved, though that depends on the successful resolution of the current issues and any potential new issues discovered during the implementation process. As an example, the emergence of issues installing PTC communications towers will significantly decrease the scope of partial deployment from earlier reports.

In the event that the statutory deadline passes and these railroads do not complete full PTC system implementation by December 31, 2015, FRA would continue its work with stakeholders to ensure PTC is implemented as quickly, efficiently, reliably, and safely as possible. While FRA has the statutory authority to assess civil penalties or take other enforcement action for each day such a railroad does not implement PTC after the statutory deadline, FRA also has considerable prosecutorial discretion to determine what, if any, action is appropriate. In the event of non-compliance with the PTC implementation mandate, FRA would examine the specific circumstances of non-compliance and all other factors related to the violation at that time.

SURFACE TRANSPORTATION BOARD: CALIFORNIA HIGH SPEED RAIL

Question. The Surface Transportation Board was created to protect competition in the rail industry, particularly freight rail. Indeed, the Board's original statute specifically exempted Amtrak, the only passenger rail service in existence when the Board was created. Recently, however, the Surface Transportation Board has asserted jurisdiction over California's High Speed Rail project, an action that is entirely duplicative of the Federal Railroad Administration's existing oversight.

Do you believe there is a public interest in the Surface Transportation Board having oversight of passenger rail systems such as Amtrak and California's High Speed Rail project?

Answer. The Surface Transportation Board (STB) and the Federal Railroad Administration (FRA) play distinct but important roles in the oversight and regulation of freight and passenger rail operations. STB is the economic regulator of transportation by rail carriers (which may include both freight and passenger railroads) with exclusive jurisdiction over (1) transportation by rail carriers and the remedies provided with respect to rates, classifications, rules, practices, routes, services, and facilities of such carriers and (2) the construction, acquisition, operation, abandonment, or discontinuance of spur, industrial, team, switching, or side tracks, or facilities, even if the tracks are located, or intended to be located, entirely in one State. 49 U.S.C. § 10501(b). In contrast, from an oversight perspective by statute, FRA's primary role is as the regulator of railroad safety over both passenger and freight railroads. 49 U.S.C. ch. 201–213. While the two agencies have independent statutory oversight roles, both are essential for a safe, strong, and efficient national rail system.

Question. Do you believe it is necessary for both the Federal Railroad Administration and the Surface Transportation Board to have oversight of California's High Speed Rail project?

Answer. As described above, STB and FRA both perform important roles in the oversight of passenger rail systems. With respect to California High-Speed Rail, in addition to its safety regulatory role, FRA is also providing Federal financial assistance in the form of grants obligated as part of FRA's High-Speed Intercity Passenger Rail grant program. As the grantor, FRA is responsible for managing and overseeing the grant to ensure timely delivery of the project and compliance with the terms of the grant agreement. The oversight includes day-to-day monitoring by FRA's subject matter experts and formal monitoring activities that include programmatic reviews (scope, schedule, and budget), compliance reviews (terms and conditions of the grant agreement) and fiscal reviews (identification of fraud, waste, and abuse). STB is neither providing funding for the project nor does it regulate the safety of railroad operations. Instead, as described in its June 13, 2013 decision, pursuant to its statutory authority STB asserted jurisdiction over the California High-Speed Train (HST) system as a whole because the HST system would be constructed and operate as part of the interstate rail network. Based on that assertion of jurisdiction, STB's decision also concluded that the Merced to Fresno section of the HST system, which was the subject of the petition, should be exempt from 49 U.S.C. § 10901.

HELICOPTER NOISE IN LOS ANGELES BASIN

Question. Excessive and disruptive helicopter noise is a major issue for my constituents in Los Angeles. The Federal Aviation Administration (FAA) has acknowledged this problem, and in May 2013, it identified six action items that it would

undertake and support to mitigate the impact of helicopter noise in Los Angeles County.

Despite having identified the six steps 9 months ago, the FAA does not appear to be making meaningful progress in addressing the problem. I am especially concerned that, despite the FAA's assertion that voluntary measures would be more successful than regulations, the FAA has yet to identify any metric to evaluate whether or not helicopters would be in compliance with these voluntary measures.

The law requires FAA to evaluate the effectiveness of its approach. How will FAA evaluate the effectiveness of voluntary measures without creating a system for actually monitoring compliance?

Answer. The FAA has committed to undertake and support the following six actions identified in the May 2013:

(1) Evaluate existing helicopter routes to identify feasible modifications that could lessen impacts on residential areas and noise-sensitive landmarks.

(2) Analyze whether helicopters could safely fly at higher altitudes in certain areas along helicopter routes and at specific identified areas of concern.

(3) Develop and promote best practices for helicopter hovering and electronic news gathering.

(4) Conduct outreach to helicopter pilots to increase awareness of noise-sensitive areas and events.

(5) Explore a more comprehensive noise complaint system.

(6) Continue the collaborative engagement between community representatives and helicopter operators, with interaction with the FAA.

While the FAA, community representatives, and helicopter operators continue to work together to make progress on all six actions identified in the May 2013 report, FAA has focused its efforts on actions involving routes and altitudes. Initial foundational work has been necessary, as data to identify and track helicopters is limited. To enhance safety of operations, we are working to establish two unique transponder codes—one for law enforcement, emergency, and military helicopters and the other for all other helicopters. This will also improve our data analysis capabilities. We are in the process of finding a baseline for the analysis that captures helicopter flight tracks and compares them against existing routes. However, we continue to work with stakeholders to extract and refine data as needed for each particular region of interest. The complexity of airspace in the Los Angeles region requires multi-faceted solutions that ensure the highest levels of safety and avoid any unintended consequences.

The FAA will measure our progress by tracking activities required for implementing the six action items outlined in the report. For actions involving helicopter routes, compliance with existing routes will be the appropriate metric in some instances. Where we conclude that an existing route is better than potential alternative routes, we will measure adherence to that route, with the understanding that each helicopter has to get on and off a route to transit to and from departure and destination points. In some locations, we anticipate identifying modifications to a route to safely lessen the noise impacts of helicopter use.

It is important to note that the range and diversity of the six actions do not lend themselves to a single metric or measurement, and the effectiveness of actions is not necessarily determined by compliance. For example, the effectiveness of outreach efforts or of stakeholder engagement is not compliance oriented.

Currently, FAA is unable to provide a total for cost associated with this effort, since there is no mechanism in place for tracking purposes.

Question. Given FAA's limited resources, would you support the use of private contractors or other outside groups to develop a compliance monitoring system?

Answer. There is precedent for using private contractors or other outside groups to develop systems to collect noise complaints, monitor noise and track adherence to voluntary noise abatement measures. Such systems are established, funded, and operated by a number of airport proprietors, many of whom use private vendors to develop and maintain them. The State of California or Los Angeles County could establish an entity with the mission, funding and authority to establish and administer a helicopter noise system beyond the purview of a particular airport proprietor, as well as establish and support a helicopter noise roundtable. The FAA could support such efforts with operational expertise and technical analysis.

Question. Will you ensure that FAA begins a regulatory process before the end of January 2015 if it fails to identify a quantifiable metric for compliance with voluntary measures?

Answer. The FAA will assess the status of the six actions over the next 6 to 9 months. If we find that we are unable to demonstrate significant progress in implementing these actions, we will begin a regulatory process as the law requires. Based on experience, FAA continues to believe that voluntary measures developed collabo-

ratively with aircraft operators and community stakeholders are the most comprehensive and effective way to address helicopter noise concerns. Operators and community representatives have identified a myriad of issues and concerns in multiple locations that no single regulation can effectively address. We therefore expect that a regulatory process would be more challenging and time-consuming than pursuing the current voluntary approach.

COMMERCIAL AND GENERAL AVIATION AIRPORTS

Question. The FAA's Airport Improvement Program is the primary Federal program investing in runways, taxiways, and airport infrastructure. This program is critical for commercial airports, particularly large hub airports like Los Angeles International Airport (LAX) and San Francisco International Airport (SFO).

However, the FAA continues to award more than 30 percent of the program's funding to airports without any commercial service at all, even though the program is funded by taxes that collect more than 99 percent of their revenue from commercial operations and travelers.

I was dismayed to see that not only does the budget propose to cut funding for this program by \$450 million, it also seeks to eliminate, once again, dedicated funding for large hub airports, thereby directing an even greater percentage of funding to small airports with no commercial service.

Do you believe that the current distribution of Airport Improvement Grants is fair, given that commercial service accounts for 99 percent of the revenue for the Airport and Airway Trust Fund?

Answer. The current distribution is fundamental to the safety, efficiency and sustainability of the air transportation system. The perceived disparity between the source of Trust Fund revenues and the types of facilities supported reflects the fundamental structure of the overall U.S. system of airports. The Airport Improvement Program and its predecessors have demonstrated it is in the public's interest to support a national integrated aviation system, citing the benefits derived from maintaining a diverse geographic network of airports. Such a system facilitates rural and remote access, supports military and law enforcement needs, expedites emergency and disaster response, and ensures the timely transport and delivery of commercial goods. Moreover, many of the smaller, non-commercial facilities provide alternatives to airports handling commercial passengers, thereby reducing congestion and delay at commercial service airports.

The functions supported by these smaller airports are critical. In 2012, the FAA published a study outlining a broad range of critical roles and functions these smaller airports serve, from basic access to flight training, emergency response, agricultural support, aerial firefighting, and many others. The larger commercial airports, especially large hub airports, have access to other means of capital like airport bonds and Passenger Facility Charges (PFCs) that by nature do not generate much revenue at the smaller airports. On an annual basis, large hub airports collect nearly \$2 billion of the overall \$2.8 billion in PFC collections nationwide. This comprises between 20 and 25 percent of capital funding for large hub airports. In addition, large hubs rely on airport bonds (not including bonds backed by PFC revenue) for nearly 50 percent of annual capital funding needs (which average about \$7.7 billion per year).¹

Question. For more than 30 years, the Airport Improvement Program (AIP) has helped State and local governments plan, develop, improve, develop, and maintain a broad-based system of integrated airport facilities. The AIP provides capital funding to support 3,330 public use airports, heliports, seaplane bases, and landing areas included in the federally mandated National Plan of Integrated Airport Systems (NPIAS).

Would you support a provision requiring FAA to spend at least 75 percent of Airport Improvement Program funding on commercial airports?

Answer. I do not support either limiting the number of airports funded or reducing the minimum level of funding provided to airports that are classified as non-commercial service airports.

Question. Which investment is likely to benefit the greatest number of Americans: improving airports with commercial service or improving airports without any commercial service?

Answer. The national integrated system needs to be maintained as a whole, with both categories of airports (commercial and non-commercial) able to meet the needs of the users that rely upon them, both directly and indirectly. While people are most

¹Data from http://www.faa.gov/airports/pfc/monthly_reports/ and Airports Council, International—North America, Airport Capital Development Needs, 2013–2017.

familiar with the commercial air travel benefits offered at the 511 commercial service airports in the United States, nearly 3,000 smaller general aviation airports form an extensive airport network and make important social and economic contributions to society. In 2009, non-airline operators at general aviation airports flew an estimated 27 million flights for emergency medical services, aerial fire-fighting, law enforcement and border control, agricultural functions, flight training, time-sensitive air cargo services, and business travel. Many of these functions cannot be safely, efficiently, or economically supported at larger commercial service airports.

In addition to providing unique general aviation benefits, non-commercial service airports provide a critical safety and efficiency complement to commercial service airports. Because of their sheer number and geographic distribution, general aviation airports provide a safety net to support commercial operators in the event of emergency aircraft diversions, medical emergencies, deteriorating weather conditions, or mechanical failures. In high-density metropolitan areas, general aviation airports act as relievers for congested commercial service airports by supporting high-volume activity by smaller and slower aircraft. It is therefore crucial to our national economy that we continue to support both commercial service and general aviation airports. The Airport Improvement Program has evolved over more than 30 years to achieve precisely that goal.

QUESTIONS SUBMITTED BY SENATOR MARK L. PRYOR

HOURS OF SERVICE

Question. In July 2013, changes to the hours of service (HOS) rules for commercial motor vehicle operators went into effect. These changes included a restriction limiting use of the commonly referred to restart provision to once a week. Many in the trucking industry feel this restriction is unwarranted and has harmful impacts, including lost productivity and driver wages.

The HOS regulations are intended to address safety risks associated with fatigued driving by limiting the number of hours drivers may drive and work. Among the changes are rules prohibit driving more than 11 hours in a shift, or driving following the 14th consecutive hour after coming on duty, before taking a 10-hour break. Also, the rules now state that any qualifying restart must include two consecutive night time periods of 1 a.m.–5 a.m.

We have heard from constituents on the new hours of service rules and their impacts. Part of the benefits predicted was that the new rules would make drivers healthier and live longer. How is the Department of Transportation (DOT) going to continue to monitor the effects of the new rules to ensure that the stated goals of the rules are met?

Answer. Long hours of work are associated with a number of serious chronic health effects, many linked to chemical changes that result from sleep loss. Long hours of sedentary work are also associated with chronic health problems. Both sleep loss and sedentary work are associated with obesity; more than half of truck drivers are obese. Drivers suffer from the chronic health problems associated with sleep loss and obesity at a much higher rate than workers as a whole. Because these types of health effects do not develop nor fade quickly, long-term studies of the overall health of the commercial driver population will have to be conducted to evaluate the effectiveness on health problems of reducing hours of work. The DOT will collaborate in these studies with other Federal agencies that specialize in the study of health impacts.

Question. In the recent study on DOT's hours of service it showed that the changes will put more trucks on the road during daytime hours. Does the DOT have any plans to evaluate those daytime driving safety impacts?

Answer. The recent changes in the hours of service rules could result in some drivers switching from a nighttime driving schedule to a daytime schedule if their type of operation would permit that. The DOT estimates, though, that only a small fraction of commercial vehicle drivers would be impacted in that manner, and that any resulting potential increase in daytime commercial vehicle use would be not be significant.

ELECTRONIC LOGGING DEVICES

Question. The 2012 highway bill (the Moving Ahead for Progress in the 21st Century Act (MAP-21)) included a provision requiring electronic logging devices in commercial trucks. The rule has been repeatedly delayed but the Federal Motor Carrier Safety Administration (FMCSA) recently announced that their review was complete and the proposed rule would be announced on March 28, 2014.

The Electronic Logging Device rule has been delayed a few times since it was included in MAP-21. Recently, I saw that FMCSA announced the proposed rule will be published on March 28 and yesterday the Office of Management and Budget (OMB) said the draft rule will be published shortly. Do you anticipate any further delays in this process now that we are about to see a published draft rule?

Answer. The FMCSA published a supplemental notice of proposed rulemaking (SNPRM) in the Federal Register on March 28, 2014, proposing amendments to the Federal Motor Carrier Safety Regulations to establish: (1) minimum performance and design standards for hours-of-service (HOS) electronic logging devices (ELDs); (2) requirements for the mandatory use of these devices by drivers currently required to prepare HOS records of duty status; (3) requirements concerning HOS supporting documents; and (4) measures to address concerns about harassment resulting from the mandatory use of ELDs.

Comments must be received on or before May 27, 2014. The Agency will consider all public comments submitted in response to the SNPRM and, absent any substantive issues or concerns that cannot be resolved within the scope of the current rulemaking, work toward publishing a final rule in 2015.

RAILROAD REHABILITATION AND IMPROVEMENT FINANCING: NORTH LOUISIANA &
ARKANSAS RAILROAD

Question. The North Louisiana and Arkansas Railroad has applied for a Railroad Rehabilitation and Improvement Financing (RRIF) and was not able to meet the eligibility because a large amount of capital was required. The eligibility standards are so high that very few can actually get a loan through this program.

We know the Railroad Rehabilitation and Improvement Financing was being audited by the Inspector General to make the loans more user friendly. In Arkansas, there are several short line railroads that are interested in this loan program, but the program's eligibility requirements do not allow many short line companies to qualify. Do you have any ideas on how we can improve the application and eligibility so that this program can be used by those the program was made to help?

Answer. The statute at 45 U.S.C. § 822 authorizing the Railroad Rehabilitation and Improvement Financing (RRIF) Program describes both the entities and the types of projects that are eligible for RRIF funding. However, the Federal Railroad Administration (FRA) has made significant efforts to streamline aspects of the application process over which the agency has authority. Over the last year, FRA has implemented numerous changes in its administration of the RRIF Program. These changes aim to improve overall efficiency and effectiveness of the Program and build greater transparency and accountability for all stakeholders. One such improvement is that FRA is now holding formal Draft Application Review Meetings with potential applicants during which subject matter experts (financial analysts, engineers, and environmental protection specialists) provide feedback on draft application materials. Engineers and environmental protection specialists assist applicants with necessary aspects of engineering and environmental review of proposed projects. Financial analysts review applicant financial history and projections in an effort to identify any potential concerns regarding ability to repay the loan. This continuous feedback is intended to further enhance the quality of the final application package submitted for review and lay the groundwork for a successful RRIF application. In addition, FRA is issuing detailed technical guidance that provides an overview of the application process for potential applicants. These changes are expected to improve the application process and make the RRIF Program a more attractive option for eligible entities pursuing infrastructure financing. Prospective applicants can view these updated materials on FRA's Web site. Finally, FRA is exploring other options for improving the attractiveness of RRIF financing, including options for providing assistance to shortline railroads for the cost of the credit risk premium.

QUESTION SUBMITTED BY SENATOR SUSAN M. COLLINS

NEXTGEN DELAYS

Question. An Office of the Inspector General (OIG) report issued just last month identified a number of the underlying causes for NextGen delays. The report highlights longstanding programmatic and organizational challenges that undermine NextGen's progress, and citing the Federal Aviation Administration's (FAA's) initial target completion for 2025 at a cost of \$40 billion as overly ambitious.

What is the Department doing to ensure the FAA has an executable plan in place that sets realistic expectations and priorities to ensure prudent use of taxpayer investments?

Answer. The FAA's Department is ensuring an executable plan by shifting from ground-based radar air traffic management systems to more effective satellite-based systems. FAA's Deputy Administrator is also the Chief NextGen Officer, and the Assistant Administrator of NextGen within FAA is responsible for the day-to-day implementation and execution of NextGen activities. Since NextGen implementation relies on the coordination of multiple different stakeholders, both of these individuals are constantly engaged in discussions with relevant parties. As you are aware, the NextGen Advisory Committee prepared and submitted a list of NextGen priorities to FAA, and we, along with FAA, are reviewing those results and making tough decisions.

As you also may have noticed, the fiscal year 2015 budget restructures Facilities and Equipment account budget line items for NextGen to align with the publicly available NextGen Implementation Plan (NGIP). We have made this transition to give a clearer line-of-sight across all NextGen communications and plans, so that stakeholders can transparently track funding while also seeing when certain capabilities will be deployed and operational.

QUESTIONS SUBMITTED BY SENATOR MARK KIRK

Question. What innovative financing mechanisms has the Department considered to encourage private investment in infrastructure projects?

Answer. The Department continues to promote and use innovative financing tools such as the Transportation Infrastructure Finance and Innovation Act (TIFIA), Private Activity Bonds (PABs), and the Railroad Rehabilitation and Improvement Financing (RRIF) program as a means to attract private investment into the Nation's transportation projects. Nearly every major transportation public-private partnership (PPP) project of the last decade has taken advantage of TIFIA financing. The availability of low-cost, long-term, flexible financing provided by the TIFIA program has proven to be a major catalyst for leveraging private investment in delivering major infrastructure projects. For example, the Goethals Bridge Replacement Project, connecting Staten Island with New Jersey, was able to attract \$106.8 million in up front private equity investment at least in part due to the cost savings provided by a \$473 million TIFIA loan. The President's fiscal year 2015 budget requests \$1 billion for the TIFIA program, which can provide up to \$10 billion in direct credit assistance and potentially leverage as much as \$30 billion in infrastructure investment.

The Department has extensive experience combining Federal credit assistance with other sources of funding and financing to complete complex infrastructure projects, and has made nearly a dozen loans to private entities engaged in public-private partnerships. The PABs program has supported a number of PPP projects and leverages significant up front private equity, particularly when combined with TIFIA credit assistance. PABs allow the Department to allocate authority to private entities to issue tax-exempt bonds for eligible highway and freight transfer facilities. This helps put private sector developers on a level playing field with public sector developers who already have access to tax-exempt debt for these facilities. PABs and TIFIA credit assistance for the Regional Transportation District's (RTD's) Eagle Project in Denver, Colorado leveraged \$54.3 million in private equity; similarly, \$348 million in private equity was leveraged for the I-495 Capital Beltway High-Occupancy Toll (HOT) Lanes Project in Northern Virginia. As a result of a growing interest in PABs, the Department currently anticipates hitting the current \$15 billion cap in the next 2 to 3 years. The President's fiscal year 2015 budget requests lifting the nationwide cap on PABs from \$15 billion to \$19 billion. The Department supports raising the cap to provide longer range certainty to project sponsors that private activity bonds will remain a viable tool for financing PPPs.

The RRIF program is a valuable tool for providing Federal credit assistance to support the Nation's railroad projects. RRIF is authorized to make up to \$35 billion in low-cost flexible direct loans to public agencies and private railroads for rail infrastructure projects. Direct loans can fund up to 100 percent of a railroad project with repayment periods of up to 35 years and interest rates equal to the cost of borrowing to the Government. RRIF has executed 33 loans worth over \$1.7 billion, with active loans in 26 States. 72 percent of the loans have been provided to the Nation's private class II and class III railroads. Looking forward, the Department will continue to explore and evaluate potential program changes to encourage more use of RRIF loans and to improve the program's application process.

RAILROAD HIGHWAY GRADE CROSSINGS

Question. Railroad grade crossings continue to be the cause of hundreds of injuries and fatalities each year. Oftentimes the infrastructure improvements necessary to alleviate the safety risks at railroad-highway crossings cost State and local communities millions of dollars. What is the Administration doing to help local communities address the infrastructure and funding challenges associated with improving and maintaining the safety of grade crossings?

Answer. Currently, Federal funding for improvements at highway-rail grade crossings is provided by the section 130 program. Section 130 refers to section 130 of title 23 of the United States Code, and the section 130 program is part of the Highway Safety Improvement Program as established in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) and carried forward in the Moving Ahead for Progress in the 21st Century Act (MAP-21). A total of \$220 million annually is provided to the States for this program. The States determine crossings to improve and the type of improvements to make. States must make selections on a safety priority basis.

The Federal Railroad Administration (FRA) provides several Web-based software programs designed to help State and local governments evaluate which crossings should be improved. Additionally, FRA has 18 regional crossing managers who will provide assistance when highway-rail grade crossings are being selected for improvement. FRA promotes the use of additional safety measures such as traffic channelization to enhance the effectiveness of the flashing lights and gates at the grade crossing.

In addition, in the fiscal year 2014 appropriations act, Congress redirected \$41.8 million from a Maglev SAFETEA-LU set aside to rail planning, rail technology grants, and Intercity Passenger Rail Grants. FRA will solicit project applications for these funds later this year and grade crossing improvements will be an eligible activity.

For fiscal year 2015, FRA has requested \$500 million over 4 years for a new Local Rail Facilities and Safety grant program. Eligible activities include improvements to highway-rail grade crossings, relocation of rail lines that run through residential areas, and training and technical assistance to help local governments coordinate with railroads on operations and safety challenges.

In general, FRA considers crossing safety when evaluating applications for grants and loans that it has available for other railroad projects.

INTERNATIONAL AVIATION SAFETY

Question. The circumstances surrounding the missing Malaysian aircraft raise many questions regarding aviation safety and the safety of all our travelers.

Knowing the Federal Aviation Administration (FAA) cannot be in every country at all times, how does FAA work with other countries to ensure the safety of their general aviation systems? To what extent does the FAA coordinate with other agencies, including the Department of Homeland Security and the Department of State to inform Americans, business people and tourists, about the level of safety while flying?

Answer. The FAA works through international organizations, international safety assessments, and bilateral agreements to promote and improve aviation safety around the world.

The FAA works on a regular basis with the International Civil Aviation Organization (ICAO), the European Aviation Safety Agency (EASA), and a number of other international aviation entities, with a common goal of furthering aviation safety and identifying any significant safety issues that may warrant additional attention by all parties.

FAA's International Aviation Safety Assessment (IASA) Program is a key means by which the FAA assesses whether a country's Civil Aviation Authority (CAA) is overseeing the safety of aviation activities under its authority in accordance with minimum ICAO standards. If assessed, the FAA assigns category 1 status when a CAA is found to be overseeing the safety of aviation activities in accordance with ICAO standards, and a category 2 rating when a CAA is not conducting oversight in accordance with ICAO standards. In category 2 status, the FAA freezes the operations approved for that country's air carriers operating to the United States.

The category 2 rating also results in the Department of Transportation (DOT) deferring action on any request for new or expanded economic authority for service to the United States, with certain specific exceptions that do not compromise safety.

The FAA maintains a number of bilateral agreements to facilitate reciprocal certification of civil aeronautical products imported/exported between two signatory countries. A Bilateral Aviation Safety Agreement (BASA) with Implementation Pro-

cedures for Airworthiness (IPA) addresses specific areas such as design approvals, production activities, export airworthiness approval, post-design approval activities, and technical cooperation. In addition, these agreements provide for bilateral cooperation in a variety of aviation areas, including safety, maintenance, flight operations, and environmental certification.

Information on specific countries is available to the public through the U.S. Department of State (DOS) Web site. IASA information, category 1, category 2, or not assessed by the FAA, is contained in the specific information sheet for that country.

The Department of Defense also utilizes IASA information. In general, air carriers from states with a category 2 rating are placed on its non-use list.

The FAA does publish information on its public Web site concerning safety of flight restrictions, related to specific regions and/or States, based on concerns over procedures, airspace restrictions and/or prohibitions, as well as potentially unsafe or hazardous situations (i.e., Notice to Airmen (NOTAMS), Special Federal Aviation Regulations (SFARS)).

QUESTIONS SUBMITTED BY SENATOR JOHN BOOZMAN

NATIONALLY SIGNIFICANT PROJECTS

Question. Mr. Secretary, as you know, major interstate projects of national significance, like I-49 and I-69 in Arkansas, are vital to improving north-south connectivity and transportation in the interior of our country.

As we begin to work on the next highway bill, do you commit to work with the Arkansas delegation to attempt to identify policies and funding mechanisms that would advance these nationally significant projects?

Answer. The Administration recognizes the importance of infrastructure projects of national and regional significance, and the Department will continue to highlight opportunities available to States under current law to advance such projects. In his fiscal year 2015 budget, the President has proposed \$5 billion over 4 years to fund these types of projects through a continuation of the Department of Transportation's Transportation Infrastructure Generating Economic Recovery (TIGER) program. In addition, the budget request proposes a new \$10 billion multi-modal freight program. These competitive grants will be made available to projects identified by States, communities, and ports working in collaboration with shippers, truckers, maritime providers, railroads, and other transportation stakeholders to identify infrastructure projects that serve a public and immediate need to improve the safe and efficient movement of freight. In the coming weeks, the administration plans to submit to Congress a full legislative proposal to reauthorize surface transportation programs. As the legislative process continues, the Administration will work closely with the Congress to reauthorize these vital programs.

UNITED STATES MERCHANT MARINE ACADEMY

Question. Were funds appropriated for academics or other non-security related programs in fiscal year 2014 diverted internally with United States Maritime Administration (MARAD) approval to enhance force protection efforts at the United States Merchant Marine Academy (USMMA); and if so, in what amount?

Answer. Funding for security enhancements and an enhanced guard force were requested and approved through the normal Department of Transportation (DOT) budget process for fiscal year 2014. These programs address security requirements identified in the DOT Physical Security Assessment conducted in July 2012 and are part of an ongoing effort started in the fall of 2012 to provide appropriate levels of security for the midshipmen, faculty and staff, and visitors.

Question. Does MARAD's budget submission for USMMA adequately fund both (1) new force protection requirements, and (2) academic programs?

Answer. Yes, sufficient funds are available to conduct the Academy's current core requirements.

Question. If funds were transferred from another program in fiscal year 2014, does this budget seek to restore the accounts from which funding was transferred; and if not, why not?

Answer. No funds were transferred or redirected from fiscal year 2014 programs.

Question. Mr. Secretary, MARAD's fiscal year 2015 budget request does not appear to include funds to renovate or reopen the Melville Hall Officer's Club and reception facility at USMMA. Prior to MARAD's closure of this facility, it was an extremely important component of the USMMA community, providing a venue for midshipmen and alumni to host significant events, such as weddings, celebrations, and memorial services.

Does the USMMA's Capital Improvement Program (CIP) include plans to reopen Melville Hall?

Answer. Melville Hall is still open and in use. The catering and kitchen operation funded by a Non-Appropriated Fund Instrument (NAFI) was terminated on September 30, 2012 following a comprehensive review of NAFI activities at the Academy as recommended by the Government Accountability Office (GAO) in its 2009 report on Academy operations. There were 16 requests to use Melville Hall in 2013, with 4 of those requests from the U.S. Merchant Marine Academy Alumni Association and Foundation (USMMAAAF). To date, there have been six requests in 2014. Additionally, the Academy still uses Melville for its own internal functions and activities. Significantly, Melville Hall was the location for live nationwide broadcast of ESPN's Salute to Veterans in November 2013. The current CIP anticipates architectural design and construction in fiscal year 2016.

Question. If so, when will the Melville Hall facility reopen and how much will it cost?

Answer. Melville Hall will remain open until renovation construction takes place. Current estimates for a potential renovation are approximately \$4 million.

Question. What legal obstacles, if any, has MARAD faced in its efforts to reopen the Melville Hall facility, and has MARAD sought legislative authority to remove legal obstacles that it may have encountered?

Answer. While food preparation and on site lodging have been terminated, the facility never closed. MARAD has not faced any legal obstacles to reopen Melville Hall.

Question. Would you please provide a legislative proposal, or (at a minimum) a drafting service, that would authorize MARAD to: (1) accept non-Federal funds for the renovation and/or operation of the Melville Hall facility, and (2) partner with the USMMA Alumni Association and Foundation, or other non-Federal entities, to restore operation of this important facility?

Answer. Melville Hall remains in operation, hosting events as requested by the USMMAAAF and others. Gift funds could be accepted after a potential renovation is completed for margin of excellence improvements. The Melville Hall flooring and awning are examples of improvements to the building that were funded through gift money.

Question. Mr. Secretary, I am interested in the status of the Fitch Building and where it fits into MARAD's CIP.

Does MARAD's fiscal year 2015 budget request include funds to renovate the Fitch Building at USMMA? If so, for what uses?

Answer. The Fitch building architectural design and renovation is included in the Five-Year Planned Capital Improvement Program. In the short term, Fitch has undergone cleaning, painting, carpeting and wiring for phones and information technology. The Fitch Building will serve as space for faculty offices, classrooms and some staff from the Department of Information Technology during the renovations of Samuels Hall and other academic facilities.

Question. Mr. Secretary, I am interested in the status of the Academy's affiliated Alumni Association and Foundation which provides private fundraising and fraternal support to the Academy.

Will the Alumni Association and Foundation be returned to Federal office space on USMMA, and if so where will it be located and when will it occur?

Answer. At present there are no plans to provide Federal office space for the USMMAAAF. Both the USMMA and USMMAAAF had expected that private property within the Academy grounds known as the Lerner House, which the USMMAAAF purchased in 2009 for several million dollars, would have been the USMMAAAF headquarters by now. In the Summer 2010 alumni magazine, the president of the USMMAAAF referred to the property as "the future home of the Association" and wrote that the property would be "used as alumni offices, an alumni center, and an Academy visitor's center." Due to zoning restrictions from the Village of Kings Point, the USMMAAAF did not obtain the necessary building permits to renovate the Lerner House.

Early in 2012 officials from DOT, MARAD, USMMA and the USMMAAAF traveled together to the United States Military Academy, to explore the West Point model, in which the alumni foundation donates the land or property to be used as an alumni center to the academy. Our understanding from discussions with USMMAAAF officials is that they now view the Lerner property as something of a white elephant and that it would be cost-prohibitive for them to convert it from residential to commercial use.

Question. If there are obstacles to restoring the Alumni Association and Foundation to Federal office space on the campus in the near future, please provide a plan for removing or overcoming such obstacles.

Answer. For many years, the USMMAAF occupied Government-provided office space in one of the buildings on the Academy's campus without paying rent or signing a lease. This was a unique arrangement among the service academies. Alumni organizations for other academies generally have offices off campus, or in buildings or on land that they have donated to their academy.

In November 2012, the Academy approached the USMMAAF to ask that they find new office space off campus because the Academy space the USMMAAF then occupied rent-free was needed during upcoming classroom renovations. Given the current budget environment and to avoid concerns about preferential treatment, the Academy also asked the USMMAAF to enter into a lease and begin paying rent in the interim. During the ensuing 5 months, the then-leaders of the USMMAAF declined to pay rent or work with the Academy in good faith to find an acceptable alternative.

The USMMAAF filed suit against the Academy on April 29, 2013 and, after a hearing, the U.S. District Court for the Eastern District of New York denied the USMMAAF's motion for a preliminary injunction, which would have allowed the USMMAAF to remain on campus. Subsequently, the USMMAAF vacated its offices and withdrew its lawsuit against the Academy.

The USMMAAF has chosen to be a public critic of actions of DOT, MARAD and the Academy. The USMMAAF has campaigned to overturn decisions made within the Executive Branch on management of the Academy, and to lobby Congress to reverse policy and resource decisions. While these steps are fully within the rights and prerogatives of the USMMAAF, it would be inappropriate to provide them with Federal office space from which to conduct these activities. Senior leadership from MARAD and the Academy recently conveyed this message to leadership of the USMMAAF. The USMMAAF selected a new leadership team in September 2013. We have committed to working with them to try to find a path forward. The Superintendent has offered to meet monthly with the USMMAAF president to work through these issues.

Question. Mr. Secretary, I have several questions pertaining to the relationship between the USMMA and the Department of the Navy.

How many active duty and reserve officers have been commissioned into the United States Navy and Marine Corps from USMMA since September 11, 2001?

Answer. From the class of 2002 to the present, 219 graduates received active duty commissions in the U.S. Navy and 68 in the U.S. Marine Corps, for a total of 287 active duty commissions. Additionally, 1,830 graduates received U.S. Navy Reserve commissions.

Question. How much funding will MARAD receive for USMMA operations or capital improvements from the Department of the Navy under the administration's fiscal year 2015 budget request?

Answer. The Academy does not receive funding from the Department of the Navy for operations or capital improvements. Active Duty Navy Officers in the Naval Science Department and the Marine Corps Liaison Officer assigned to the Academy are paid by their respective services as they are filling Active Duty training officer billets.

Question. What is the present funding arrangement between the Department of the Navy and MARAD regarding the active duty Navy, Strategic Sealift Officer, assigned as a company officer at USMMA; and is this program of benefit to USMMA's mission?

Answer. The Academy has a Memorandum of Understanding with the Navy under which the Academy funds the salary and housing allowance for the Strategic Sealift Officer assigned as a company officer. The program benefits the Academy by providing a recent King's Point graduate with current military and industry experience to the Commandant's staff.

Question. If funding were available, would MARAD seek additional active duty Strategic Sealift military officers for similar positions as company officers at USMMA?

Answer. If funding and qualified and interested officers were available, the Academy would consider adding mobilized Strategic Sealift Officers to the Commandant's staff.

Question. Mr. Secretary, I have several questions pertaining to gifts and bequests to the USMMA. MARAD's fiscal year 2015 budget request makes mention of Gifts and Bequests to MARAD and further alludes to the fact that many of these donations are for USMMA.

Would you please describe the process by which money donated to MARAD for USMMA is received, processed, and allocated to the Academy?

Answer. (1) Donors tender gifts to the Academy through the Academy Counsel Office.

(2) All gift checks are secured in the Office of Academy Operations and all tangible gifts are secured with the Academy's property custodian during the acceptance process.

(3) Academy Counsel consults with the Superintendent to determine if the Academy should process the gift offer.

(4) If the Superintendent rejects the gift, the check or tangible gift is returned to the donor with an explanatory letter.

(5) If the Superintendent supports the gift, the gift acceptance form (1099) is completed by the Academy Counsel, signed by the Superintendent and forwarded to MARAD Headquarters for review. At MARAD, the Chief Financial Officer (CFO) office and Office of Chief Counsel review the gift offer and supporting documentation and recommend acceptance or rejection. For tangible gifts, potential future costs that would be associated with the item are considered throughout the review process.

(6) Once MARAD completes its review and the gift is accepted, the 1099 form is signed by the appropriate authorizing officials. If the gift is not accepted, a memorandum is prepared explaining the reason for the rejection and forwarded to the Superintendent for concurrence.

(7) The Office of Academy Operations/Assistant Chief Financial Officer (ACFO) and the Academy Counsel are both notified of the gift acceptance or rejection via e-mail from the MARAD CFO, which includes copies of all documentation relevant to the gift (including donor intent). This documentation is also maintained on a SharePoint site, to which MARAD Counsel and CFO office staff have access.

(8) Upon notification of gift check acceptance, the Office of Academy Operations/ACFO prepares the gift check for deposit. If the gift requires a new accounting code which tracks how the funds are utilized, one is created. The name of the accounting code reflects the donor intent for the gift.

(9) Prior to formal release of funds to the USMMA from MARAD headquarters, Gift funds must be allotted by the DOT CFO per a statutory requirement in the annual Appropriations Act. This process includes formal sign-off on the allotment advice of funds document by the DOT CFO allotting funds to the Maritime Administrator. Once funds are allotted, the MARAD CFO then notifies the USMMA that funds are available as tangible gifts and funds are posted in the Delphi accounting system budget execution module making budget authority available for obligation by Academy officials.

(10) Upon notification of tangible gift acceptance, tangible gifts are given an inventory control number and delivered to the appropriate Academy department for use or display.

(11) When a program manager wants to utilize gift funding, they obtain the accounting codes from finance and requisition the funds in Performance and Registration Information Systems Management (PRISM). The Department head approves the use of the gift funds requested. The Office of Academy Operations/ACFO certifies fund availability and that the use of the funds is in accordance with appropriations law. Once funds certification is provided, the requisition is sent to the Procurement Department to complete the acquisitions process.

Question. What is the time line for this process?

Answer. For gifts accepted during fiscal year 2014 through the end of March, we have averaged 7.4 days to process gift acceptance (from the date the USMMA receives a complete gift offer to the date of acceptance).

Question. How are restricted funds tracked to ensure they are allocated to the appropriate program at USMMA?

Answer. After gifts have gone through the approval process; documentation for a particular gift is forwarded to the Office of Academy Operations. This documentation includes:

- FORM MA-71 Concurrence Record
- FORM MA-1009 Request for Acceptance of Gift or Payment of Travel
- Correspondence from Donor
- Correspondence generated by MARAD headquarters during the approval process

The Office of Academy Operations is responsible for certification of fund availability. The Department where the gift is administratively controlled is responsible for ensuring that the funds are being utilized according to the donor intent. However, the Office of Academy Operations also reviews use of funds during certification of fund availability based on the documentation received. Any questions are forwarded to the department head in which the gift resides.

Within the Office of Academy Operations, each gift source has an accounting code to identify the purpose of the gift. The Office of Academy Operations maintains a

file on its shared drive with a list of all the accounting codes for gifts with the donor name, code name, and date of receipts.

Question. How are donations made directly to the Academy's Superintendent tracked and allocated, and who audits this processes?

Answer. Donations made directly to the Superintendent follow the same process described in an answer above. The review of the process is included in MARAD's Internal Control Program which is compliant with the Department's and Office of Management and Budget (OMB) Circular No. A-123, Management's Responsibility for Internal Control. Additionally, the USMMA Gifts and Bequests is identified has a separate assessable unit within the MARAD Internal Control Program.

FUEL TAXES

Question. Mr. Secretary, Congress consistently rejects aviation user fees hikes. We already have fuel taxes, and now, once again the budget request includes a proposal to impose increased per flight fees on commercial and general aviation. I am concerned about how this will harm pilots in Arkansas, including pilots of small aircraft, agricultural aviation, and many others. Sometimes we encounter the perception that pilots can afford these fees, but often that is not the case. Instead, we should make flying easier for people of limited means. The administration's user fee would raise \$725 million next year. That's a lot of money.

What will the administration do with such a large infusion of new funding?

Answer. According to Treasury Department estimates, the proposed air traffic service fee would generate approximately \$8.5 billion in additional revenue over the next 10 years. The surcharge for air traffic services is being proposed to more equitably share the cost of air traffic services across the aviation user community and to reduce the deficit. The Federal Aviation Administration (FAA) recognizes the critical role aviation plays in supporting jobs and generating significant economic activity for the country and looks forward to working with Congress and aviation stakeholders on studying the funding issue as part of the upcoming reauthorization.

Question. If you raise fees, would you consider reducing fuel taxes?

Answer. The President's fiscal year 2015 budget does not propose changing aviation fuel taxes. FAA looks forward to working with Congress and aviation stakeholders on funding the FAA. There is an opportunity to study funding options during the period before FAA's current authorization expires at the end of September 2015.

AGRICULTURAL AVIATION

Question. Previous user fee proposals have included numerous exemptions. Does the administration support carving out an explicit exemption for agricultural aviation, which can involve dozens of flights over the course of a single working day?

Answer. This proposal would create a per flight fee for aviation operators who fly in controlled airspace. However, there are exceptions; aircraft conducting aerial application activities and those that fly outside of controlled airspace would not be subject to the flight surcharge fee. The proposal would also exempt military aircraft, public aircraft, piston aircraft, air ambulances, and Canada-to-Canada flights.

MAKING FLYING EASIER FOR PEOPLE OF LIMITED FINANCIAL MEANS

Question. What proposals does the Administration support to make flying easier for people of limited financial means?

Answer. The FAA operates and regulates the safest and most efficient airspace system by global standards. Apart from providing safety oversight and air traffic control services, it provides financial assistance to airports, all of which benefit our aviation stakeholders. FAA does not directly regulate rates or services of airlines or general aviation.

COMMERCIAL AND GENERAL AVIATION AIRPORTS

Question. Mr. Secretary, the budget request includes a significant cut to the Airport Improvement Program (AIP). This is a concern, but I am pleased that the AIP program would direct grants to smaller commercial and general aviation (GA) airports that really form the backbone of our nationwide system.

How will support for GA and small commercial airports in the fiscal year 2015 proposal compare to current funding levels?

Answer. While the fiscal year 2015 budget proposal reflects a smaller funding amount for the overall Airport Improvement Program, when compared to current funding levels, the proposal is intended to better focus that investment on the highest priority improvements throughout the system. The budget proposes to lower AIP

by eliminating passenger and cargo entitlement funding for large hub airports. In return, Passenger Facility Charges (PFCs) would be increased for all airports from \$4.50 to \$8. This means that a larger share of the remaining AIP grant funds will be allocated to smaller airports. By providing more focused investments at smaller airports, we can continue to ensure that the most critical safety and capacity needs of the national airport system are met. We remain committed to supporting the needs of smaller airports through the AIP and the fundamental structure proposed under the fiscal year 2015 budget proposal continues to reinforce that support.

Question. Would general aviation airports receive more AIP funding under the President's proposal?

Answer. It is possible that general aviation airports could receive more in AIP funding under the President's fiscal year 2015 budget proposal. The amount of AIP discretionary funding available would increase under the proposal, which would provide more opportunity for all small airports, including general aviation airports, to secure AIP funding.

Based on the average over the last 5 years, general aviation airports have received approximately 18 percent of the available AIP funding through entitlement and discretionary grants. Using this average, the FAA estimates that general aviation airports will receive approximately \$606 million of the \$3.2 billion in AIP grant funding available for entitlement and discretionary grants in fiscal year 2014.

Under the fiscal year 2015 budget proposal, general aviation airports will have \$601 million (22 percent) in formula funds available to them from the \$2.7 billion in total AIP grant funding. While we cannot project the amount of discretionary funds that general aviation airports would receive in fiscal year 2015, it is reasonable that general aviation airports would receive a sufficient amount of discretionary funding to keep the overall funding level for the category comparable to previous years.

The programmatic changes recommended in the fiscal year 2015 budget would increase the amount of the small airport fund and discretionary dollars available to small airports, which includes general aviation airports. Small airports would also have access to a larger pool of fiscal year 2015 discretionary funding. That is because, under current law, if the total AIP program drops below \$3.2 billion, entitlements are reduced and the amount of discretionary funding available increases. Therefore, it is possible for general aviation airports, or other individual categories of small airports, to receive more funding under the proposal.

AIRCRAFT PART CERTIFICATION REFORMS AND EFFICIENCY IMPROVEMENTS

Question. Mr. Secretary, in Arkansas, we are proud to be the home of a significant aviation and aerospace industry. Companies like Dassault-Falcon are creating great products with a high-skills workforce. Aviation products are a tremendous U.S. export, and we need to be globally competitive. That means we must reform and make our certification and regulatory process more efficient, so that our manufacturers can compete on a level playing field.

Are aircraft part certification reforms and efficiency improvements a priority for you, and what steps are the Department and FAA taking to achieve these critical reforms?

Answer. Improving the effectiveness and efficiency of the aircraft certification process is a key focus area for the FAA. The aircraft certification process must be effective in order to ensure the continued safety of the U.S. civil aircraft fleet. To accomplish this, the FAA is using risk-based decisionmaking for oversight of aircraft design and manufacturing while still being flexible to allow insertions of new technologies and efficiencies that meet the needs of industry stakeholders.

Section 312 of the FAA Modernization and Reform Act of 2012 identified six areas for assessment and improvement. The FAA developed an implementation plan consisting of 14 initiatives to address the six areas. The FAA posts semiannual updates to the section 312 implementation plan on its Web site which include the status of the reform initiatives. One of the initiatives seeks to improve the process and timeliness to initiate certification projects. The FAA developed the new process based on industry comments that better balances industry needs with FAA priorities and resources.

The FAA is also implementing initiatives that streamline our certification and oversight regulations and policies. With these improvements, we are promoting a risk-based approach to how, where, and when we use our resources. We are directing our oversight to those points with the greatest risk, as opposed to using a one-size-fits-all approach. Additionally, we are strengthening our international partnerships to encourage the seamless and efficient transfer of products and approvals across borders through shared safety initiatives and policy improvements.

The FAA continues revising regulations for certification and production of general aviation aircraft that should allow industry to more readily introduce new safety technologies and remain competitive within the aviation industry. For instance, the FAA is proceeding with rulemaking for the complete reorganization of part 23 for general aviation. Overall, the initiatives balance risk and safety requirements to focus resources in a manner consistent with the public's expectations. The agency is working to tailor certification requirements based on the performance, complexity, and usage of the aircraft. This activity is directed at achieving the next level of safety while improving efficiency and reducing cost.

NEXTGEN PROGRAM STATUS

Question. Would you please provide me your perspective on the status of the NextGen program?

Answer. NextGen is complex deployment of new systems, technologies and procedures to achieve additional operational capabilities, but it must be done while also simultaneously managing the safest, yet most complex airspace in the world. Implementing NextGen is like changing a tire on a vehicle while still being in highly congested traffic and traveling at highway speeds.

NextGen was envisioned to be implemented in segments. Segment Alpha, which will be complete at the end of 2015, builds the foundation for other programs to leverage when adding future capabilities. Segment Bravo, which is from 2016–2020, adds to that foundation and delivers some of the more substantial transformation to the National Airspace System (NAS).

Below are some of the programs and their statuses.

Automatic Dependent Surveillance-Broadcast.—Automatic Dependent Surveillance-Broadcast (ADS-B) utilizes GPS technology to determine and share precise information on an aircraft's location, and streams additional flight information to aircraft cockpits that have the proper avionics equipment. Aircraft are required to be equipped for ADS-B signal transmission out of the aircraft by January 1, 2020, as detailed in FAA Advisory Circular 90114. In 2014, the FAA completed the deployment of ground radio infrastructure and deployment of National Airspace System (NAS)-wide Pilot Advisory Services. To ensure that equipped aircraft get the anticipated benefits on or before January 2020, FAA still needs to complete the integration of ADS-B into all its terminal separation automation.

Data Communications.—Data communications (DataComm) provides data communications between Air Traffic Control (ATC) facilities and aircraft and will allow for more efficient strategic management of the airspace while enabling the FAA to meet the growing demand for air travel. The messages being sent from DataComm will allow controllers to send routine instructions, such as revised departure clearances, via electronic messages directly to pilots. This timely communication will reduce frequency congestion and the potential for voice read-back errors.

NAS Voice System.—Today, 17 different voice switches are used in the NAS and many are already experiencing severe obsolescence issues. The NAS Voice System (NVS) will replace the current inventory of switches with a nationwide network to standardize the voice communication infrastructure among air traffic facilities. NVS is designed to use Voice over Internet Protocol (VoIP) technology. NVS will provide the flexibility to reroute voice communications to controllers in different facilities during busy periods or service interruptions. The FAA will complete the initial demonstrations of NVS and achieve final investment decision in 2014.

System Wide Information Management.—System Wide Information Management (SWIM) is the digital data-sharing backbone of NextGen. SWIM develops and implements the standards, infrastructure, and governance that enable the management of Air Traffic Management (ATM)-related information and its exchange between qualified parties via interoperable services. SWIM has been distributing weather and flight planning information to NAS users, mainly airline operations centers, since 2010 and will continue to develop and add services. In 2014, the FAA will complete implementation of the Terminal Data Distribution System to support user preference for surface data sharing and will achieve the final investment decision for the next segment of SWIM.

CONTRACT TOWERS

Question. Mr. Secretary, contract towers provide vital safety enhancements at several airports in Arkansas. Does the fiscal year 2015 budget request support continued operation of the contract tower program at current levels?

Answer. Yes. The fiscal year 2015 budget request supports continued operation of the 252 Federal Aviation Administration Contract Towers.

Question. Do you believe that the contract tower program enhances safety and provides value to our airports and communities?

Answer. The Department of Transportation Inspector General's 2012 audit of the Federal Aviation Administration Contract Tower (FCT) Program and subsequent report validated the cost effectiveness, safety, and user satisfaction. The findings reflected that contract towers provide services that are comparable to those provided at FAA staffed towers, with little difference in safety or quality.

Given a flat or declining budget and the cost of maintaining FAA's services and facilities that are part of the NAS, focusing on building the NAS of the future is a challenge. Building a more efficient NAS of the future will require difficult decisions for redefining services and rebalancing resources to align with future air traffic demands.

BUSINESS AVIATION

Question. Mr. Secretary, I remain concerned about political rhetoric that castigates business aviation and general aviation to score cheap political points.

Do you believe that business aviation is essential to economic strength and job opportunities in our country, and do you believe that it should not be unfairly targeted as an activity deserving disparate treatment under Federal law?

Answer. The department recognizes the role business aviation plays in the Nation's air transportation system. Business aviation provides benefits for companies and communities, supports jobs, and generates significant economic activity.

The administration has a goal to improve the Nation's transportation infrastructure and this investment will benefit the general aviation community. The U.S. Department of Transportation and the Federal Aviation Administration continue to invest in and improve general aviation and the airports that serve general aviation through ongoing initiatives including grants to eligible airports through the Airport Improvement Program, safety and technical enhancements, and improving access to data.

SUBCOMMITTEE RECESS

Senator MURRAY. And this hearing is now adjourned until Wednesday, April 2, at 10 a.m. We will hold a hearing on HUD's budget request.

[Whereupon, at 11:23 a.m., Thursday, March 13, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, April 2.]