



SENATE APPROPRIATIONS COMMITTEE

“THE AMERICAN JOBS PLAN: INFRASTRUCTURE, CLIMATE CHANGE, AND INVESTING IN OUR NATION’S FUTURE”

April 20, 2021 – 10:30AM

OVERVIEW

On Tuesday, April 20, 2021, the Senate Appropriations Committee held a hearing entitled, “The American Jobs Plan: Infrastructure, Climate Change, and Investing in our Nation’s Future.” During the hearing, senators questioned the witnesses on a wide range of topics, including: the definition of “infrastructure;” how to fund infrastructure investments; resiliency issues; highways; rail; broadband; domestic manufacturing and supply chain issues; contamination from per- and polyfluoroalkyl substances (PFAS); carbon storage; charging infrastructure; fuel economy standards; methane emissions; efficient homes; and affordable housing.

OPENING STATEMENTS

- [Chairman Pat Leahy](#) (D-VT)
- [Vice Chairman Richard Shelby](#) (R-AL)

WITNESS PANEL

- [The Honorable Pete Buttigieg](#) – Secretary, Department of Transportation
- [The Honorable Michael Regan](#) – Administrator, Environmental Protection Agency
- [The Honorable Gina Raimondo](#) – Secretary, Department of Commerce
- [The Honorable Marcia Fudge](#) – Secretary, Department of Housing and Urban Development

QUESTION AND ANSWER SUMMARY

Defining “Infrastructure”

Chairman Pat Leahy (D-VT) stated, “We can no longer view infrastructure as just roads and bridges and rail and highways. It’s about our capacity to grow in a global economy and actually be able to compete and not fall way behind the rest of the world.” He asked Secretary Buttigieg to respond to assertions that the American Jobs Plan (AJP) has little to do with infrastructure. Secretary Buttigieg pointed out that as Transportation Secretary, he is “especially enthusiastic” about the plan’s implications for roads, bridges, ports, waterways, airports, rail, and transit, but he cautioned, “It would be a terrible

mistake for us to suppose that is all there is to infrastructure.” Further, he argued American infrastructure investments have “always included decisions that expand the horizon,” noting both the interstate highway system and railroads were not considered “traditional” when first built.

Funding Infrastructure Investments

Ranking Member Richard Shelby (R-AL) argued many of the shovel-ready projects promised by the American Recovery and Reinvestment Act (ARRA) never materialized, and he questioned whether this time would be different. Secretary Buttigieg pointed out the AJP is not about short-term economic stimulus; instead, it is about long-term economic competitiveness. He acknowledged there is a backlog of shovel-ready projects, and the AJP aims to support planning, development, and the necessary steps that will ensure projects are “ready to go.” Ranking Member Shelby emphasized the need to build new infrastructure while responsibly investing in existing infrastructure and inquired whether the government should invest in a combination of the two. Secretary Buttigieg concurred, noting DOT believes in “fix it first” as well as “fix it right.” He underscored the importance of focusing on resilience. The Ranking Member then suggested the government should embrace public-private partnerships (PPPs) to address funding shortfalls and access more capital. Secretary Buttigieg confirmed additional private capital should be invested, and pointed out DOT can utilize programs and authorities such as Private Activity Bonds (PAB) to mobilize private-side capital.

Senator Susan Collins (R-ME) expressed her support for Secretary Buttigieg’s “fix it first” approach, but argued President Biden’s proposal does not embody that philosophy. Specifically, she noted the plan would spend \$174 billion on new electric vehicle (EV) infrastructure, compared to \$157 billion on roads, bridges, ports, airports, and waterways. She asked why the plan calls for spending billions of dollars more on subsidies related to EVs than on the roads and bridges on which they will travel. Secretary Buttigieg explained the country’s roads and bridges already have a multi-layered set of resources to support them while EVs are “much earlier in their story.” He argued robust public investment is needed to ensure America leads the world in EV deployment.

Senator John Hoeven (R-ND) emphasized the need for a bipartisan bill and argued infrastructure pay-fors should be focused on user fees rather than tax increases. He asked Secretary Buttigieg to discuss his view of this approach relative to the Administration’s proposal. Secretary Buttigieg highlighted the Administration’s goal of achieving a bipartisan package, and acknowledged the Environment and Public Works Committee’s bipartisan surface transportation bill from the 116th Congress. He argued the scale and scope of the AJP differ from the Committee’s previous bill, but many of the principles are similar. Further, the Secretary stated, “I want to quickly delineate between a regular surface transportation bill and what we’re seeking to do here with the jobs plan in terms of a once-in-a-lifetime investment.” Senator Hoeven cited discussions around crafting more than one bill, including a bill targeted toward more “traditional” infrastructure. Secretary Buttigieg confirmed he would be open to determining how to gain the most bipartisan support. Senator Hoeven then highlighted the Move America Program, which would provide \$226 billion in tax exempt bonds or tax credits for states. Secretary Buttigieg pointed out the AJP is fully paid for by adjustments to the corporate tax structure, but acknowledged the large amount of interest in sustainable funding patterns for transportation infrastructure. He noted PABs can be used to mobilize private dollars to benefit public policy purposes.

Senator Mike Braun (R-IN) asked the panelists whether they would support additional public-private partnerships and other “creative” ways of paying for infrastructure investments. Secretary Buttigieg stated DOT views PPPs as “part of the bigger picture” for transportation. Administrator Regan confirmed EPA also views PPPs as part of the solution, particularly for water infrastructure, and recognized the government “cannot do it alone.” Secretary Raimondo concurred, noting the AJP funds alone are not enough and need to be leveraged through PPPs. Secretary Fudge pointed out HUD is already utilizing PPPs through Rental Assistance Demonstration (RAD).

Senator Joe Manchin (D-WV) asked which pieces of the AJP have the most bipartisan support. Secretary Fudge pointed to provisions that would bring existing properties up to code. Secretary Raimondo highlighted the \$50 billion CHIPS Act investment for semiconductors. Administrator Regan discussed the water infrastructure portions of the bill. Secretary Buttigieg indicated the surface transportation needs are “well-understood.”

Senator Dianne Feinstein (D-CA) inquired how to ensure the money provided by the AJP goes to where it is needed. Secretary Buttigieg stressed the importance of ensuring the funds are equitably distributed, with a focus on sustainability.

Infrastructure Resiliency

Senator Tammy Baldwin (D-WI) inquired about the significance of placing resiliency at the center of infrastructure investments. Secretary Buttigieg noted DOT is already incorporating resiliency into its discretionary work as much as the existing statutes allow, but argued resiliency should be an even more central component moving forward. Secretary Raimondo pointed out Commerce can play a central role in resiliency efforts by collecting essential data at the National Institute of Standards and Technology (NIST) and the National Oceanic and Atmospheric Administration (NOAA).

Senator Brian Schatz (D-HI) asked how the Administration would utilize the resiliency funds provided by the AJP and work to coordinate across its agencies on these efforts. Secretary Fudge pointed out HUD and DOT work closely on resiliency issues and underscored the importance of these efforts to prepare for the future. Secretary Buttigieg concurred DOT and HUD would work “side-by-side,” noting transportation and housing are extremely integrated.

Highways

Senator Roy Blunt (R-MO) questioned how the current Highway Trust Fund (HTF) fits into the President’s plan. Secretary Buttigieg explained the level of investment proposed by the AJP was based on the expectation that it would be provided along with the work that needs to take place through the regular appropriations and authorization process. Senator Blunt pointed out the HTF produces approximately \$300 billion over eight years but spends approximately \$500 billion under the current formula and asked whether this gap would be acceptable in the future, particularly as the country moves toward using more EVs. Secretary Buttigieg noted the gap is currently met through general fund transfers, and stated, “Whether that is to become policy...is something that we would need to discuss with Congress.” He stressed the AJP funds many of the capital investments on their own terms and reiterated the President’s promise not to raise taxes on Americans making less than \$400,000 per year.

Senator Braun also asked whether annual surface transportation funding would be addressed in the plan. Secretary Buttigieg again pointed to the “once-in-a-generation” investment proposed by the AJP, but noted it could move parallel to surface transportation reauthorization.

Senator Jeanne Shaheen (D-NH) inquired how the Administration plans to address the lack of parity in the federal highway funding formula. Secretary Buttigieg acknowledged the importance of maintaining the equitable distribution of funds in these programs and ensuring the terms of discretionary programs reflect public policy priorities around economic security and climate readiness.

Rail

Senator Chris Coons (D-DE) highlighted the importance of investing in climate resiliency for rail infrastructure and cited the large capital maintenance backlog in the Northeast Corridor. He inquired how DOT and Amtrak will be able to deploy the new capital included in the AJP in a timely way. Secretary Buttigieg noted many projects throughout the national rail system are well-defined and thoroughly designed, while others are still be in various stages of the pipeline. He stated both the AJP and the Department’s discretionary funding request include resources for funding Amtrak and passenger rail writ-large.

Senator Chris Murphy (D-CT) pointed out it takes approximately four and a half hours to travel from Beijing to Shanghai via train, while it takes approximately seven hours to travel from Washington, DC to Boston. He then noted the backlog of State of Good Repair projects and stressed the need to “not just fix what is broken but to actually improve performance.” He inquired about the underlying goal of transit funding, specifically for Northeast rail. Secretary Buttigieg stated, “We’re not going through all this trouble just in hopes of remaining 13th in infrastructure globally. This is about looking after what we have and making sure we get better.” Senator Murphy discussed the complicated financing structure of the existing rail system and inquired how to ensure this federal investment becomes an incentive for states and commuter rail to also invest in their systems. Secretary Buttigieg pointed to the funds in the AJP as well as DOT’s discretionary budget request to

establish a Passenger Rail Improvement, Modernization, and Expansion (PRIME) program, which would reward and encourage local and other bodies that are stepping up.

Broadband

Chairman Leahy questioned how the Administration plans to ensure broadband infrastructure is built out quickly and reaches the places where it is most needed. Secretary Raimondo noted the AJP calls for all Americans to have access to high-quality, affordable broadband, and asserted, “There is no compromise with respect to the fact that all means all.” She noted Commerce is working to implement the \$1.5 billion for tribal broadband from the last legislative package, with an emphasis on speed and quality, and noted this figure represents a “down payment” on the \$100 billion included in the AJP. Secretary Raimondo stated the Commerce Department would work in conjunction with the Federal Communications Commission (FCC) and the U.S. Department of Agriculture (USDA) to ensure this plan becomes a reality. Chairman Leahy then pointed out the FCC’s Rural Digital Opportunity Fund gave auction winners seven years to construct their network but did not include penalties if they failed on their commitments. He raised concerns that this bidding model could subsidize corporations or satellite technology. Secretary Raimondo noted the Department has studied and learned from prior programs and will ensure the same mistakes are not made again. She pointed out the AJP is clear that the Administration will work with the entities that are in the best position to provide broadband, including nonprofits, co-ops, and municipal operations, and will consider alternatives to fiber if they are the best way to provide broadband.

Senator John Tester (D-MT) stressed the need to target rural, underserved areas with any new broadband deployment, and stated, “Connecting folks in rural America is going to take more than money. It’s going to take maps; it’s going to take a workforce to put in the infrastructure; it’s going to take identifying carriers with the best solutions and a commitment to building out the hardest to reach areas.” Secretary Raimondo concurred with the need for “more than money,” noting broadband deployment will require consultation with the communities, better maps, flexibility to work with different carriers, and an openness to utilizing different technologies. Senator Tester then inquired how to address workforce issues, and Secretary Raimondo noted the Commerce Department is planning to use some of the money for workforce training and putting people to work in the process of providing the broadband.

Senator Blunt echoed Senator Tester’s comments and stressed the need for greater access and affordability. Secretary Raimondo agreed that the priority is to provide access to the unserved and underserved. She stated the decisions need to be based on the best data available, and pointed out the National Telecommunications and Information Administration (NTIA) is already working with the FCC on mapping. She also noted the Administration is calling for more competition, more transparency, and short-term subsidies to address affordability issues.

Senator Manchin questioned whether co-op models can still be utilized to bring broadband to hard-to-reach areas. Secretary Raimondo reiterated the \$100 billion included in the AJP is to ensure that 100 percent of Americans, including those in hard-to-reach areas, have access to high-speed, affordable broadband. She again noted the funding will go to the entities that are in the best position to provide that service, including non-profits, co-ops, and municipal entities.

Domestic Manufacturing and the Supply Chain

Ranking Member Shelby pointed out the AJP promises to position the U.S. to out-compete China by providing “massive subsidies” to grow domestic manufacturing capabilities in certain segments of the economy. He questioned the sustainability of such an approach, arguing it emulates – rather than defeats – China. Secretary Raimondo asserted the United States faces a supply chain crisis. She stated, “Not that long ago, America led the world in making leading-edge semiconductor chips; today, we produce zero percent of those chips in America...That’s a national security risk and an economic security risk.” She acknowledged the plan may look like a subsidy to profitable companies, but argued it is, instead, an investment in research and development (R&D) to ensure the U.S. can protect its supply chains. Further, Secretary Raimondo pointed out the Administration will implement the program in a way that requires companies to have “skin in the game” by making their own investments through public-private partnerships.

Ranking Member Shelby also noted the AJP proposes \$50 billion for a new office at the Commerce Department dedicated to monitoring domestic industrial capacity, and he questioned how the new office would benefit the supply chain in a way that is not already done by existing authorities, such as the Defense Production Act (DPA). Secretary Raimondo pointed to

major declines in manufacturing in a number of critical areas, including metals, critical minerals, semiconductors, medicine, and pharmaceuticals. She explained the Departments of Commerce and Defense (DOD) would take an extensive look at where the country's domestic vulnerabilities are and rebuild those sectors, both to create jobs and to protect national security.

Senator Coons inquired about the role of NIST in overseeing the Manufacturing USA network and how this will help revitalize the economy. Secretary Raimondo stated she expects NIST to play a very active role. She pointed out the U.S. has lost about one-quarter of its small and medium-sized manufacturers since 1997, and NIST's Manufacturing Extension Partnership (MEP) program is "absolutely vital" in providing job training, collaboration between R&D institutions and small manufacturers, and small business loans.

Senator Baldwin highlighted the Made in America Act, which would require that all federal programs that fund or finance infrastructure projects use materials manufactured in the United States. She asked each agency head whether they would support adding Buy America provisions to programs in their respective agencies, including materials used in construction funded or financed by: the Public Housing Capital Fund and the Community Development Block Grant (CDBG); the Water Infrastructure Finance and Innovation Act (WIFIA), the Drinking Water State Revolving Fund (DWSRF), and the Clean Water State Revolving Fund (CWSRF); and the Federal Highway Administration (FHA), the Federal Transit Administration (FTA), the Federal Railroad Administration (FRA), and the Transportation Infrastructure Finance and Innovation Act (TIFIA). Secretary Fudge, Administrator Regan, and Secretary Buttigieg replied in the affirmative regarding these programs, respectively. Senator Baldwin then asked Secretary Raimondo whether she agrees that more manufacturing in the United States translates into more American Jobs, and she replied in the affirmative.

Senator John Kennedy (R-LA) stated China produces approximately 28 percent of the world's carbon emissions, and expressed skepticism that the AJP would "slow the progression of CO₂" and "lower the world's temperature" if China does not also participate in climate change mitigation efforts. Administrator Regan argued China is already investing in renewable energy and battery storage and is increasing its global competitiveness in the areas addressed by the AJP.

PFAS Contamination

Senator Shaheen pointed out the AJP includes \$10 billion to address PFAS pollution in drinking water and inquired how this funding would be used and whether it would be available to households that utilize private wells. Administrator Regan explained the funding will focus on monitoring and remediating this problem throughout the country, and noted EPA has prioritized the PFAS issue and will set a drinking water standard. Further, Administrator Regan stated EPA will continue to work with communities throughout the country on how to best monitor the contamination and focus on areas that are most in need of remediation. He acknowledged the problem has been particularly harmful in rural communities, which have a large amount of private well owners. Senator Shaheen then noted the Air Force has been helpful with remediation efforts, but pointed out the EPA standard of 70 parts per trillion is higher than the standard set by the New Hampshire Department of Environmental Services. She inquired how EPA plans to determine a standard that is "more in keeping with what's happening across the rest of the country." Administrator Regan confirmed the federal government is "playing catch-up," and EPA is moving as aggressively as possible to set a more level playing field.

Carbon Storage

Senator Coons highlighted the Storing CO₂ and Lowering Emission (SCALE) Act, which provides financing and programmatic support for large-scale carbon dioxide transport and storage infrastructure. He inquired how EPA is prioritizing actions to move the country towards its climate goals while also supporting job recovery from COVID-19. Administrator Regan underscored the importance of utilizing all of the available tools and technologies to address climate change. He cited conversations with Energy Secretary Jennifer Granholm about how to best support R&D for carbon storage along with all of the technologies that are already commercially available to reduce and mitigate the impacts of climate change. Administrator Regan asserted, "These are opportunities to demonstrate climate-level discipline domestically while developing emerging technologies by home-grown American jobs and talent that we can export internationally."

Senator Hoeven pointed out enhancements to the 45Q tax credit could help commercialize carbon capture, utilization, and storage (CCUS) technologies. Administrator Regan stated the AJP proposals complement what is already being done in terms of CCUS demonstration and indicated he would continue to support these developments.

Charging Infrastructure

Senator Martin Heinrich (D-NM) stressed the need to focus on expanding EV charging infrastructure to more rural states. Secretary Buttigieg concurred with the importance of the issue, noting, “It’s often rural and more spread out states where Americans would have the most to gain from the fuel savings associated with electric vehicles. But it doesn’t do you any good if you can’t get charged on those longer distances, and that’s why the electric charging infrastructure is part of this vision.”

Fuel Economy Standards

Senator Schatz inquired about the Administration’s progress on Corporate Average Fuel Economy (CAFE) standards. Secretary Buttigieg explained the President’s Executive Order (EO) directed DOT to review Part One and Part Two of the Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule, and they are currently working through SAFE 1 and expect a notice to be put out in the spring. Administrator Regan stated EPA is looking to put out a notice of proposed rulemaking on tailpipe emissions by this July, with a more aggressive and comprehensive proposal to follow.

Methane Emissions

Senator Heinrich inquired how the AJP could help stop methane emissions while creating place-based, good-paying jobs. Administration Regan stated, “It positions us to partner with organizations like the American Petroleum Institute and Edison Electric, who are calling for methane regulations. I think we’ll use these resources to capitalize on the advanced technologies that we have at our fingertips right now to quantify methane emissions and significantly reduce those emissions.”

Efficient Homes

Senator Heinrich underscored the importance of electrifying homes by installing energy-efficient heat pumps and induction stoves, noting doing so would have an added benefit of improving indoor air quality. He asked how the AJP can help Americans electrify their homes and clean up indoor air quality. Administrator Regan noted EPA utilizes the Energy Star program to encourage more energy-efficient home appliances, and stated the AJP sets up an opportunity for EPA and the Department of Energy (DOE) to quantify how deploying technologies can help reduce emissions and put more Americans to work.

Affordable Housing

Senator Feinstein noted the AJP includes \$213 billion to address the shortage of affordable housing, and questioned whether the proposal includes resources for emergency shelters and transitional housing in order to meet the needs of families currently experiencing homelessness. Secretary Fudge replied in the affirmative, noting the ARP set aside \$5 billion for those who are homeless or at risk of being homeless as well as an additional \$5 billion to address emergency housing.

Senator Collins raised concerns that the Administration is taking a “very heavy-handed” approach to achieving the goal of affordable housing, noting it includes \$5 billion for a new grant program to be awarded to jurisdictions that make changes to local zoning laws. She also pointed out this \$5 billion proposal is larger than the entire CDBG program. She asked whether the Administration would tie access to other federal funding to changes in local zoning laws and land use policies. Secretary Fudge explained the \$5 billion is not mandated, and HUD plans to engage in conversations with communities about how to make zoning more inclusionary. She stressed the importance of ensuring the cost associated with retrofitting new housing is not increased by making zoning more restrictive.

Senator Jeff Merkley (D-OR) asked whether supporting a regular, annual investment of approximately \$45 billion for the Housing Trust Fund is a possibility. Secretary Fudge confirmed the President’s team has put together a proposal for \$45 billion.

Please click [here](#) for the archived hearing.