



Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington DC 20515

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January 27, 2017

SUMMARY OF SUBJECT MATTER

TO: Members, Committee on Transportation and Infrastructure
FROM: Staff, Committee on Transportation and Infrastructure
RE: Full Committee Hearing on “Building a 21st Century Infrastructure for America”

PURPOSE

The Committee on Transportation and Infrastructure will meet on Wednesday, February 1, 2017 at 10:00 a.m. in 2167 Rayburn House Office Building to receive testimony concerning the challenges facing our Nation’s current transportation infrastructure and a vision for a modern, 21st century transportation infrastructure. The Committee will hear from the leaders of FedEx Corporation, Cargill, BMW North America, Vermeer Corporation, and the AFL-CIO.

BACKGROUND

The Importance of Transportation Infrastructure

Transportation infrastructure provides a strong physical platform that facilitates economic growth, ensures global competitiveness, creates American jobs, and supports national security. In addition, it affords Americans a good quality of life by enabling them travel to and from work, to conduct business, and to visit family and friends.

The Nation’s transportation infrastructure is an extensive network of highways, airports, railroads, public transit systems, waterways, ports, and pipelines. It includes over 4 million miles of public roads, nearly 20,000 airports, over 140,000 miles of railroad, over 272,000 miles of public transit route miles, over 2.6 million miles of pipeline, over 25,000 miles of navigable waterways, and 360 commercial ports.¹

¹ U.S. Department of Transportation, Bureau of Transportation Statistics, *2015 Pocket Guide to Transportation*; Federal Railroad Administration, *The Freight Rail Network*; Federal Transit Administration, *National Transit Database*; American Association of Port Authorities, *U.S. Public Port Facts*.

Our Nation's transportation infrastructure is the backbone of the U.S. economy. In 2015, all modes of transportation moved an estimated 18.1 billion tons of goods worth about \$19.2 trillion on our Nation's transportation network. On a daily basis, 49 million tons of goods valued at more than \$53 billion are shipped throughout the country on all transportation modes.² In addition, nearly 13 million Americans, approximately nine percent of the U.S. workforce, are directly employed by transportation related industries.³ In 2015, Americans drove 3.1 trillion miles commuting to and from work and conducting other activities.⁴

Future Needs for Transportation Infrastructure

Over the next 30 years, our Nation's transportation infrastructure will need to keep pace with anticipated increases in population and demand for freight transportation. Forecasts predict that America's population will grow from 319 million in 2014 to approximately 400 million in 2051.⁵ The movement of freight is expected to increase by 40 percent over the next 30 years.⁶ U.S. trade volume is expected to double by the year 2021, and double again by the year 2030. By 2030, large "post-Panamax" ships are expected to comprise a majority of the world's container ship capacity, although, fewer than 10 of America's 360 ports are now capable of receiving ships of this size. Air travel demand is expected to increase from 750 million passengers annually to nearly one billion passengers annually by the end of the next decade.⁷ New forms of air transportation, including drones and commercial space transportation will also need to be integrated into the aviation system. In terms of highway usage, vehicle miles traveled are projected to increase by nearly 20 percent by 2035.⁸ Between 2015 and 2045, freight rail tonnage will increase by 24 percent, from 1.7 billion tons to 2.1 billion tons.⁹

The Federal Role in Transportation Infrastructure

Adam Smith, the father of modern economics and author of *The Wealth of Nations*, argued the three essential duties of government are to (1) provide for the national defense, (2) preserve justice, and (3) erect and maintain public works to facilitate commerce. However, one of the reasons why the Articles of Confederation failed as America's first doctrine of government was because they provided no means for Congress to regulate commerce between the states. The Founding Fathers realized the importance of the federal role in infrastructure, and wisely remedied this critical flaw in the Articles when they directed Congress, in Article 1, Section 8 of the Constitution, to establish post roads and to regulate interstate commerce. In doing so, they laid the fundamental groundwork for connecting the country through trade and travel.

² U.S. Department of Transportation, Bureau of Transportation Statistics, DOT releases 30-Year Freight Projections, March 3, 2016.

³ U.S. Department of Transportation, Bureau of Transportation Statistics, Transportation in the United States: Highlights from 2015 Transportation Statistics Annual Report.

⁴ U.S. Department of Transportation, *U.S. Driving Tops 3.1 Trillion Miles in 2015, New Federal Data Show*, 2016.

⁵ U.S. Census Bureau, *Projections of the Size and Composition of the U.S. Population: 2014 to 2060*, 2015.

⁶ U.S. Department of Transportation, Bureau of Transportation Statistics, *DOT Releases 30-Year Freight Projections*, 2016.

⁷ U.S. Department of Transportation, *FAA Aerospace Forecast, Fiscal Years 2016-2036*, 2016.

⁸ Federal Highway Administration, *FHWA Forecasts of Vehicle Miles Traveled (VMT): Spring 2016*, 2016.

⁹ U.S. Department of Transportation, Bureau of Transportation Statistics, *DOT Releases 30-Year Freight Projections*, 2016.

From the Transcontinental Railroad, to the Panama Canal, to the Interstate Highway System, to the Nation's airports, the federal government invested in infrastructure to ensure the connectivity of the American people and to support the needs of the American economy. Today, with the changing landscape of transportation infrastructure needs and demands, the federal government must identify and understand the best means of supporting a 21st century infrastructure that connects American consumers, manufacturers, and farmers to domestic and global markets.

WITNESS LIST

Mr. Frederick W. Smith

Chairman, President, and Chief Executive Officer
FedEx Corporation

Mr. David W. MacLennan

Chairman and Chief Executive Officer
Cargill, Incorporated

Mr. Ludwig Willisch

President and Chief Executive Officer
BMW of North America, LLC

Ms. Mary V. Andringa

Chair of the Board
Vermeer Corporation

Mr. Richard L. Trumka

President
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