

**DEPARTMENT OF TRANSPORTATION**

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*Making Conservation  
a California Way of Life.*

September 4, 2018

The Honorable Mario Diaz-Balart  
Chairman  
Subcommittee on Transportation, Housing, Urban Development, and related Agencies  
Committee on Appropriations  
2358 A Rayburn House Office Building  
Washington, D.C. 20515

The Honorable David E Price  
Ranking Member  
Subcommittee on Transportation, Housing, Urban Development, and related Agencies  
Committee on Appropriations  
1016 Longworth House Office Building  
Washington, D.C. 20515

Dear Messrs. Diaz Balart and Price:

I am writing to express the California Department of Transportation's (Caltrans) appreciation for Congress' inclusion of increased resources for federal transportation programs in the Federal Fiscal Year (FFY) 2018 Omnibus Appropriations bill (P.L. 115-141). Caltrans urges Congress to again include additional resources for transportation programs in the FFY 2019 appropriations process in keeping with the *Bipartisan Budget Act of 2018* (P.L. 115-123). As the U.S. House and U.S. Senate work to finalize the FFY 2019 Transportation, Housing and Urban Development, and Related Agencies Appropriations (THUD) bills, Caltrans would like to offer a few observations and recommendations.

**Adopt the U.S. House FFY THUD 2019 FHWA Formula Funding Levels and Drop the U.S. Senate FFY 2019 THUD Formula Bridge Program:** The House Appropriations Committee-approved FFY 2019 THUD bill includes \$4.25 billion in additional general fund FHWA formula funding. The House position represents a higher level of supplemental general funds for FHWA programs than the \$3.3 billion in supplemental funds provided by Senate-passed FFY 2019 THUD bill.

Caltrans notes that within the Senate FFY 2019 THUD bill's lower, \$3.3 billion general fund supplemental funding level, the bill creates a new \$800 million formula program to improve and replace bridges in poor condition. This new program was not authorized by the FAST Act, and

did not benefit from thorough policy review by Congressional authorizing committees. It is Caltrans' understanding that California should expect to receive only \$13.2 million, or 1.65 percent, of this \$800 million program, despite having 7.8 percent of the nation's bridges that are rated to be in poor condition. Therefore, California recommends that Congress adopt the House position of providing an overall higher level of FHWA supplemental formula funding through existing FAST Act authorized programs, and drop the Senate's bridge program. Congress must ensure that any new bridge program distributes funding based on infrastructure needs.

**TIGER/BUILD Discretionary Grants:** Earlier this year, the U.S. Department of Transportation (U.S. DOT) announced \$500 million in discretionary Transportation Investment Generating Economic Recovery (TIGER) grants (replaced now by the Better Utilizing Investments to Leverage Development or "BUILD" Program). California received a single \$9 million TIGER/BUILD grant representing only 1.8 percent of the total funding from the 41 grants awarded nationwide.

California is the world's 5<sup>th</sup> largest economy. Measured by value, more international goods enter California than any other state, moving through its 12 seaports, 12 major cargo-handling airports, and 3 land ports of entry with Mexico. In addition, the State's agricultural sector is a critical source of goods for export and is the largest producer of food in the U.S. At the same time, the State of California is stepping up and making significant investments in infrastructure. California's Senate Bill (SB) 1, the *Road Repair and Accountability Act of 2017*, was recently signed into law and will generate \$54 billion over the next ten years, to be split between the state and our local partners. SB 1 doubles funding available for state highways and local roads, including the National Highway System and federal-aid highways, and adds substantial funding for transit and intercity passenger rail.

Therefore, California believes Congress must ensure that TIGER/BUILD discretionary grant awards are equitably distributed given the national economic significance of the state's transportation infrastructure and the major investments Californians are making in transportation assets. Caltrans supports the American Association of State Highway and Transportation Officials (AASHTO) recommendation that Congress evaluate how the three-fold funding increase it just provided for TIGER/BUILD discretionary grants in the FFY 2018 Omnibus bill is implemented before providing additional increases for the program as an alternative to increasing funding for existing FAST Act authorized formula grant programs.

Additionally, California is a geographically and economically diverse state, and we appreciate the House FFY 2019 THUD Appropriations bill's attempt to achieve balance by requiring that TIGER/BUILD projects be awarded evenly among projects in rural areas, projects around major seaports and projects around large urbanized areas. At the same time, the Senate FFY 2019 THUD bill directs the U.S. DOT to use selection criteria from the 2016 TIGER Notice of Funding Opportunity (NOFO); Caltrans would note that certain "economic competitiveness"

criteria in the 2016 TIGER NOFO would likely benefit California, including “improving the long-term efficiency of, reliability or costs in the movements of workers or goods” and helping “the U.S. compete in a global economy by facilitating efficient and reliable freight movement, including border infrastructure.” On a more technical level, Caltrans notes that the House FFY 2019 THUD bill directs U.S. DOT to prioritize “applications that demonstrate cost savings by bundling multiple rural bridge projects into a single proposal”; should Congress adopt this approach, Congress and the U.S. DOT should be cognizant of the additional time it may take for applicants to quantify and consolidate cost, benefit and other information for multiple projects.

**Rail and Transit Programs:** Caltrans supports the House FFY 2019 THUD bill’s \$800 million funding level for FAST Act authorized intercity rail grant programs, which represents a higher funding level for these programs than provided in the Senate FFY 2019 THUD bill. Caltrans also appreciates that both the House and Senate THUD bills provide \$800 million in general fund supplemental funding for Federal Transit Administration (FTA) programs, and Caltrans supports the funding and direction provided in both bills for the FTA to advance projects in the Capital Investment Grants (CIG) program. Additionally, construction is well underway on California’s high-speed rail system. It is a key component of the *2018 California State Rail Plan*,<sup>1</sup> which describes a future integrated rail system that provides comprehensive and coordinated service to passengers through more frequent service, and convenient transfers between rail services and transit. For this reason, Caltrans urges Congress not to include harmful policy riders from the House FFY 2019 THUD bill that would thwart the development and construction of California’s high-speed rail system.

**California FHWA Emergency Relief Needs:** I also wanted to provide an update regarding California’s transportation-related emergency relief needs, and to thank you for providing increased FHWA Emergency Relief (ER) funding in recent federal appropriations bills. This April, California received a \$241 million allocation of FHWA ER funding that included allocations to other states. California’s current total remaining FHWA ER need is approximately \$1.68 billion, almost 80 percent of which stems from major wildfire and storm events that have taken place over just the last two calendar years.

2018 has been an historic wildfire season in California. As of mid-August 2018, this year’s wildfires have caused \$48.6 million of estimated FHWA ER-eligible damage to the federal-aid highway system. We anticipate this estimate will increase significantly as we receive additional information; the FHWA has not yet allocated any ER funding for the damage associated with these fires. To date, the FHWA has allocated \$21.8 million of ER funding with a remaining need of \$301.5 million in ER-eligible damages associated with 2017 California Wildfires. Additionally, the FHWA has allocated approximately \$191.4 million in ER funding with a remaining \$944.1 million need for repairs associated with 2017 Storms.

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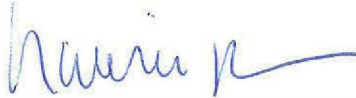
<sup>1</sup> 2018 California State Rail Plan: <http://www.dot.ca.gov/californiarail/>

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Finally, I want to express my support for including funding for the Regional Infrastructure Accelerator (RIA) Demonstration program. Section 1441 of the FAST Act authorized \$12 million for the RIA Demonstration program to assist entities in developing improved infrastructure priorities and financing strategies for the accelerated development of a Infrastructure projects. While Congress has not yet appropriated funding for this program, I believe it could be a valuable tool for accelerating infrastructure improvements needed to support major events such as the Los Angeles 2028 Summer Olympics.

Thank you for your consideration of these comments. For additional information, please contact me at (916) 654-6130, or Giles Giovinazzi, Chief of Staff, and Federal Transportation Liaison, Caltrans at (916) 214-6144 or by email sent to [giles.giovinazzi@dot.ca.gov](mailto:giles.giovinazzi@dot.ca.gov).

Sincerely,



LAURIE BERMAN  
Director

c: California U.S. Congressional Delegation