



To: WSW Clients
FROM: WSW Team
DATE: January 11, 2017

On January 11, 2017, Elaine Chao appeared before the Senate Commerce Committee for her confirmation hearing to serve as Secretary of Transportation. Below please find a brief review of the hearing.

HIGHLIGHTS/KEY POINTS:

The hearing was largely congenial and not contentious. Several Senators asked Ms. Chao to travel to their home states to view projects or needs.

NOMINEE INFORMATION & LINK TO TESTIMONY

Chairman John Thune's opening statement

Ranking Member Bill Nelson's opening statement

Elaine Chao's testimony

MEMBER INTERESTS/TOPICS RAISED

- Chao would not go into any specifics on what the President's infrastructure plan will look like. She did emphasize the need for new funding streams and P3 initiatives, on many occasions. Several senators expressed support for expanded P3 initiatives; on the Democratic side these included Klobachar, and Blumenthal. Support for greater P3 emphasis was more uniform on the Republican side. Capito focused on the need for incentives to promote P3 investments in rural markets. Senator Fischer (NE) spoke about the need to streamline the regulatory process to bring specific project to competition. This sentiment was echoed by Senators Sullivan, Gardner, Blunt, Cruz, Young.
- Cory Booker was most focused on investment needs for the tunnels connecting NY-NJ and the "gateway" project in particular. He made a point on the need for "direct" federal investments vs. tax credits. Senator Nelson pressed the hardest on the nuts and bolts of the "plan" he described Chao as being "shackled" by the incoming team on her willingness to discuss the details. Chao alluded to the formation of a National Task Force on infrastructure, which would be rolled out after January 20th. Chairman Thune, was polite but firm in his determination on getting more specifics. Nelson reminded the Sec designate on the need for bi-partisan agreement on future funding streams and pressed her hard to work cooperatively with him and the Chair on the specific roll out.
- Thune further pressed, on several occasions, on the need for balance between rural and urban funding streams. Cruz pressed for a more equitable distribution of funds based on

updated census data, as did Gardner, Heller, and Cortez Masto...all self-described representatives of “fast growing” states.

- So in summary, there were no details offered, but there was a strong push by both the ranking member and Chair on being part of the process and not caught off guard.
- A lot of talk about drones and driverless cars. Hassan stated support for driverless cars to help handicapped and elderly drivers, which Chao embraced.
- A lot of talk about safety...airlines, drunk driving, pedestrian safety, etc. Chao always stated that safety was a foremost goal of DOT.
- Cortez-Masto & Duckworth pushed on the need to support minority contracting programs.
- Sullivan and Inhofe talked about bringing more pipelines “on-line” and streamlining the approval process.
- Cruz and Nelson spoke about the “commercial space launch” office and the need for a great focus on that agency.
- There was strong support for the Jones Act.
- Duckworth talked about an MPO (metropolitan planning organization) consolidation program that was harmful to Chicago.
- Maggie Hassan expressed support for the TIGER grants and TIFIA loan programs...Chao was enthusiastic about both.
- Intermodal was a watch word and got bi-partisan support, conceptually.
- Udall and Markey talked about emissions and greenhouse gases. Most of the conversations were parochial, specific needs for airports, both urban and rural, and road projects in home states.
- Strong opposition to privatizing the air traffic controllers and need to implement “Next Gen” technology in that area.
- Whenever Chao didn’t want to get pinned down, she would default to the position that she needed an updated briefing, if confirmed, but always offered to work with the Committee on specific needs.