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June 21, 2022

The Honorable Pete Buttigieg
United States Secretary of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Secretary Buttigieg,

To ensure better stewardship of taxpayer dollars and encourage more accurate projections for the cost and time necessary to complete projects, Section 11319 of the Infrastructure Investment and Jobs Act (Public Law 117-58) directs the Department of Transportation (DOT) to identify every project supported by DOT that is \$1 billion or more over budget or five years or more behind schedule.

A report must then be produced containing the full listing of any such projects along with the following detailed information about each:

- (1) a description, including—
 - (A) the purpose;
 - (B) the location (or locations);
 - (C) the contract or award number;
 - (D) the year in which the project was initiated;
 - (E) the Federal share of the total cost of the project; and
 - (F) each primary contractor, subcontractor, grant recipient, and subgrantee recipient of the covered project.
- (2) an explanation of any change to the original scope of the project;
- (3) the original expected date for completion;
- (4) the current expected date for completion;
- (5) the original cost estimate for the project;
- (6) the current cost estimate for the project;
- (7) an explanation for a delay in completion or an increase in the original cost estimate; and
- (8) the amount of and rationale for any award, incentive fee, or other type of bonus, if any, awarded for the project.

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The report must be issued no later than one year after the enactment of the Infrastructure Investment and Jobs Act, which would be November 15, and updated and re-issued every year thereafter.

The intent of this provision, which I authored, is to establish an automatic alert system that will raise alarms about projects with ballooning budgets and missed deadlines so Congress and DOT can take whatever actions may be necessary to prevent financially mismanaged projects from becoming billion dollar boondoggles.

Over the past several years, I have called out a number of these money pits, including:

- The cost of California's 800 mile high-speed rail project has tripled from \$33 billion in 2008 to \$105 billion today and completion has been delayed 13 years, from 2020 to 2033. The federal government has already provided \$3.5 billion for the rail project, including a \$24 million DOT grant in November 2021. The California High-Speed Rail Authority is requesting nearly \$1.3 billion more from the department for the project. No tracks had even been laid yet as of February of this year.
- A 6.5-mile extension of the Bay Area Rapid Transit (BART) to San Jose was expected to cost under \$4.7 billion in 2018, but that price has nearly doubled to \$9.15 billion. The 2026 completion date of the project has also been delayed until June 2034. In October 2021, the Federal Transit Administration (FTA) committed to spending up to \$2.3 billion on the project and local officials have indicated they are looking for other new sources of federal funds.
- Back in 2012, completion of the 20 mile Honolulu High-Capacity Transit Corridor Project was planned for January 2020 at a cost of \$5.1 billion. Since then, the finish date has been delayed until 2031 and the cost has doubled to \$12.5 billion. The FTA committed nearly \$1.8 billion to the project, but froze the funding in 2015 due to the financial, management, and construction problems plaguing the project. The agency will decide before the end of this year whether or not to provide or cancel the remaining \$744 million pledged to the project. Local officials are now suggesting a change in the scope of the project to alter the original proposal and further delay completion in order to secure the federal dollars that had been frozen.
- The National Capital Purple Line, a 16.2 mile rail project in Maryland, is almost five years behind schedule and nearly \$1.5 billion over budget. The service, originally expected to begin in spring 2022, is now delayed until fall 2026. The construction costs have increased from \$2 billion to \$3.4 billion while the overall price tag to build, operate, and manage the system has ballooned from \$5.6 billion to \$9.3 billion. The federal financial commitment has grown, too. In addition to more than \$910 million in DOT grants, the department is providing a low-interest, taxpayer-backed loan totaling nearly \$1.8 billion.

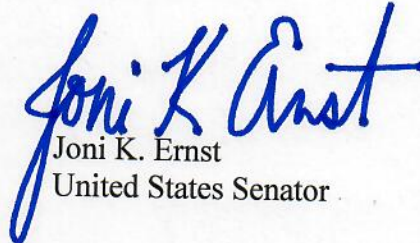
To put these numbers into perspective, Iowa is budgeting a total of \$835 million for road and bridge construction projects across the *entire* state for a *full year*!

Going a billion dollars over budget is not a rounding error and delays of five years or more are not inconsequential interruptions and should not be simply accepted as standard business practices, much less subsidized with blank checks from taxpayers.

I look forward to reviewing the findings of your report and hope we can work together to increase accountability to ensure projects promised to taxpayers start arriving on time and under budget.

In the meantime, if you would like to discuss this matter further, please do not hesitate to contact me or Roland Foster (Roland.Foster@ernst.senate.gov) of my staff at (202) 224-3254.

Sincerely,


Joni K. Ernst
United States Senator