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Opening Statement
Full Committee Hearing: 21st Century Communities: Expanding
Opportunity Through Infrastructure Investments
May 20, 2021 at 10:00 AM

Mr. Chairman, thank you. Secretary Fudge and Secretary Buttigieg, welcome to you both.

The topic of today's hearing is an important one: infrastructure. A week ago I met with President Biden and a group of my Republican colleagues to discuss a potential bipartisan infrastructure package. Secretary Buttigieg was also there. It was a constructive meeting, and I'm encouraged by the President's willingness to negotiate.

There are three features of an infrastructure package that should have broad, bipartisan support. First, it should responsibly boost support for real physical infrastructure. That's the platforms and systems we share and use to move people, goods, and services. That means things like roads, bridges, ports, airports, and transit.

Second, a package cannot undo the 2017 tax reforms that helped create the best economy of my lifetime. Before COVID, we were experiencing an economic boom. We had the lowest unemployment rate in 50 years, more jobs than people looking for work, a record low poverty rate, and wage growth across the board with wages growing fastest for the lowest income earners. That's the economy we should work to get back to.

Third, we should not pay for an infrastructure package by borrowing billions of more dollars. The good news is we have hundreds of billions of unspent COVID funds that Congress can repurpose to pay for infrastructure. According to CBO, over \$700 billion of the Democrats' March so-called COVID bill won't be spent until after 2021. In fact, the Biden administration itself has already begun repurposing unneeded COVID funds. HHS has diverted \$1.7 billion meant for COVID to its unaccompanied minors program.

What Congress shouldn't do is spend more taxpayer dollars to achieve liberal wish-lists that expand the welfare state. Take housing, for example.

The Biden administration is proposing almost a quarter-of-a-trillion dollars for housing in its infrastructure plan.

Let's be clear: housing is housing. People certainly need housing, but housing is not infrastructure. The Administration now wants this new spending after Democrats in March spent \$32 billion for housing. Democrats did that after Congress provided more than \$80 billion for housing in response to COVID in 2020, which was on top of the \$50 billion we annually spend on HUD programs alone, the billions we spend on other housing programs, and the tens of billions more we forgo in tax revenues to subsidize housing.

The same holds true for the administration's transit proposal. The Biden administration wants to spend \$85 billion for transit as part of an infrastructure bill. And the Administration is proposing this after Democrats in March spent \$30 billion for transit.

Democrats did that after Congress provided more than \$40 billion for transit in response to COVID in 2020, which was on top of the \$13 billion we annually spend on transit. That's a total of \$83 billion that Congress spent on transit over the course of one year. Amazingly, that number exceeds both the annual operating and capital costs of all the transit agencies in the U.S combined in 2019.

Democrats tried to justify this spending by saying that transit systems would collapse from declines in ridership and state and local government revenues. But ridership did not drop to zero and has improved. And, on the whole, state and local tax collections set a new record in 2020. For example, California has a budget surplus of over \$75 billion that it may use to send out "free" money to Californians. Plus, over the course of a year, we sent more than \$850 billion to states and local governments for COVID relief.

Some provisions in the administration's so-called infrastructure plan are so unrelated to infrastructure, it's hard to read them with a straight face. For example, \$400 billion for Medicaid caregiving services, \$100 billion in consumer rebates to purchase electric vehicles, and \$10 billion for a Civilian Climate Corps.

In fact, overall, less than 6 percent of the administration's \$2.2 trillion infrastructure plan goes to roads and bridges. This excessive government spending is not sustainable and is contributing to inflation that will harm average Americans. Inflation is essentially an extra tax they must bear because goods and services will cost more.

None of this should come as a surprise. Earlier this year President Obama's Treasury Secretary Larry Summers was warning us of the negative inflationary risks of excess spending. And that warning was regarding the Democrats' March \$1.9 trillion spending bill. But Democrats ignored his warning. And now the Democrats are coming back to spend hundreds of billions more.

Let me end where I began. In my view, it's possible for us to enact a bipartisan bill that responsibly boosts federal support for real physical infrastructure. If all sides are willing to negotiate in good faith, an agreement can be struck. Let's focus on that, rather than efforts to increase wasteful government spending that will harm Americans by contributing to inflation.

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