Rapid Response Webinar:
The House Surface Transportation Bill
1:15-2:00pm ET
Speakers: Jeff Davis and Alice Grossman, PhD.

Have you signed up for our next webinar?
Road to Recovery with Ed Emmett on June 10 at 1:15pm ET
H.R. 7095
“INVEST in America Act”
Released June 3
Introduced June 4
House T&I to mark up in mid-June

5-year bill (FY 2021-2025) making $495.4 billion in funding authorizations.

$412.2 billion in Highway Trust Fund contract authority, split 80.0%-20.0%

(HTF funding levels would require circa $140 billion in new HTF deposits/5 yrs.)

$83.0 billion in authorizations for general fund appropriations for rail and transit.
INVEST is a huge increase in funding

- $189 billion more than FAST Act (+62%)
- $178 billion more than FY20 flat-line (+56%)
- $153 billion more than CBO inflated baseline (+45%)
- Highway title is $32.8 billion above Senate bill (+11%)
Increased Spending Worsens HTF Gap

Receipt forecast does **not** include reduced fuel/truck purchases due to coronavirus.
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If you pay for filling the Trust Fund revenue gap, and if you pay entirely with gasoline and diesel tax increases...

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor fuels tax rate increase</td>
<td></td>
<td>+13.0¢</td>
<td>+1.0¢</td>
<td>+1.0¢</td>
<td>+1.0¢</td>
<td>+2.3¢</td>
</tr>
<tr>
<td>Beginning-of-FY Balance</td>
<td>32.9</td>
<td>19.0</td>
<td>24.0</td>
<td>21.8</td>
<td>16.8</td>
<td>10.6</td>
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<tr>
<td>Unified HTF Deposits (CBO Baseline)</td>
<td>43.6</td>
<td>43.4</td>
<td>43.1</td>
<td>42.8</td>
<td>42.6</td>
<td>42.4</td>
</tr>
<tr>
<td>Revenue from motor fuels tax increase</td>
<td></td>
<td>+23.9</td>
<td>+25.5</td>
<td>+27.1</td>
<td>+28.6</td>
<td>+32.4</td>
</tr>
<tr>
<td>CBO Baseline Outlays plus INVEST Act</td>
<td>-57.5</td>
<td>-62.2</td>
<td>-70.8</td>
<td>-75.0</td>
<td>-77.4</td>
<td>-80.2</td>
</tr>
<tr>
<td>End-of-FY Balance</td>
<td>19.0</td>
<td>24.0</td>
<td>21.8</td>
<td>16.8</td>
<td>10.6</td>
<td>5.3</td>
</tr>
</tbody>
</table>

...then you would need to double the gasoline tax over 5 years (from 18.3 cents/gallon to the HTF to 36.6 cents/gallon) and also increase diesel taxes by the same amount. And the Trust Fund would still go into default in 2026.

The above revenues would need to be split 72 percent to the Highway Account and 28 percent to the Mass Transit Account.
INVEST is really 4 bills in 1...

- Division A – FY 2021 only – a largely “clean” one-year extension of FAST Act FY 2020 highway/transit funding and policies, plus:
  - Additional $14.7 billion in FY 2021 highway contract authority.
  - Additional $5.8 billion in FY 2021 mass transit contract authority.
  - Additional $454 million in FY 2021 NHTSA/FMCSA contract authority.
  - Extra money can be used for capital projects, or salaries & admin. expenses.
  - Temporary federal share of 100 percent on all federal-aid highway and mass transit formula funds obligated in FY 2021.

- Division B – FY 2022-2025 – four-year highway/transit reauthorization with new programs and policies that take effect October 1, 2021.
INVEST is really 4 bills in 1...

Division C – Hazardous materials safety reauthorization for FY 2021-2025, with some new policies (lithium batteries, LNG rail cars).

Division D – Huge 5-year rail reauthorization for general fund appropriations over FY 2021-2025:

- Total FAST rail authorizations in FY 2020 were $2.2 billion.
- INVEST would authorize an average of $11.9 billion per year for FRA.
- Average of $5.9 billion per year for Amtrak (vs. $1.8 billion FAST FY20).
- New $3.8 billion/year intercity passenger rail grant program (40% min. on NEC, 40% min. off-NEC including high-speed rail, 90% max fed. cost share).
- Fourfold increase in CRISI authorization, new $500 million/year grade crossing separation grant program.
INVEST reverses the “program consolidation” trend


2009 – Chairman Oberstar’s bill would have consolidated 108 programs into maybe 20.

2012 – MAP-21 reduced the number of individual HTF programs by two-thirds.

INVEST Act would create at least 17 new programs and resurrect one that MAP-21 killed.
Highway “Core” Formula Funding

- $284.0 billion/5 yrs.
- 88.7% of total FHWA
- (Down from 92.1% under FAST Act)

- NHPP: $140.6 billion
- STP: $65.3 billion
- HSIP: $15.5 billion
- CMAQ: $14.5 billion

- New carbon reduction formula: $8.3 billion
- New pre-disaster mitigation formula: $6.9 billion

- NHFP: $8.6 billion
- Transportation Alternatives increases from $850 million/yr to $1.7 billion/yr
Highway “Core” Formula Funding – Still Stuck in the Past

$284 billion to be distributed to states and D.C. based on each state’s FY 2009 formula funding shares.

FY 2009 shares were based on population, VMT, lane-miles, tax payments, bridge deficiencies, and local air quality as they existed in 2007. (Plus all the 2005 SAFETEA-LU earmarks, and periodic Texas gas tax donor adjustments, are also built into the formulas.) This makes no policy sense.

However, sec. 1607 of the bill orders USDOT, AASHTO, and localities to study and report on how to make formulas better and fairer. (In the next bill.)
Major existing competitive grant programs...

INFRA - becomes PNRS - goes from $1.0 b/yr to $2.3 b/yr but loses freight focus and puts transit and intercity passenger rail projects on an equal footing with highway/bridge projects.

Regular bus grant program – goes from $289m/yr to $389 m/yr average.

No-Low emission bus grants – becomes ZEV bus grants, goes from $55m/yr to $500m/yr in FY25.
New highway competitive grant programs

- Community transportation
- EV charging stations
- Community climate innovation
- Gridlock reduction
- Rebuild rural
- Truck/bus parking
- Active transportation
- Metro performance
Major Themes of the Bill

“Fix it first” – asset preservation above new capacity
Climate, resiliency, and GHG reduction
Bridge improvements
Bike/ped/active access and safety
Major Themes of the Bill

- Mass transit funding increases (especially buses)
- Easing CIG rules and increasing fed. share
- Amtrak and the NEC (subject to appropriation)
- High-speed rail (again, subject to appropriation)