

Federal Reauthorization/Infrastructure Proposals

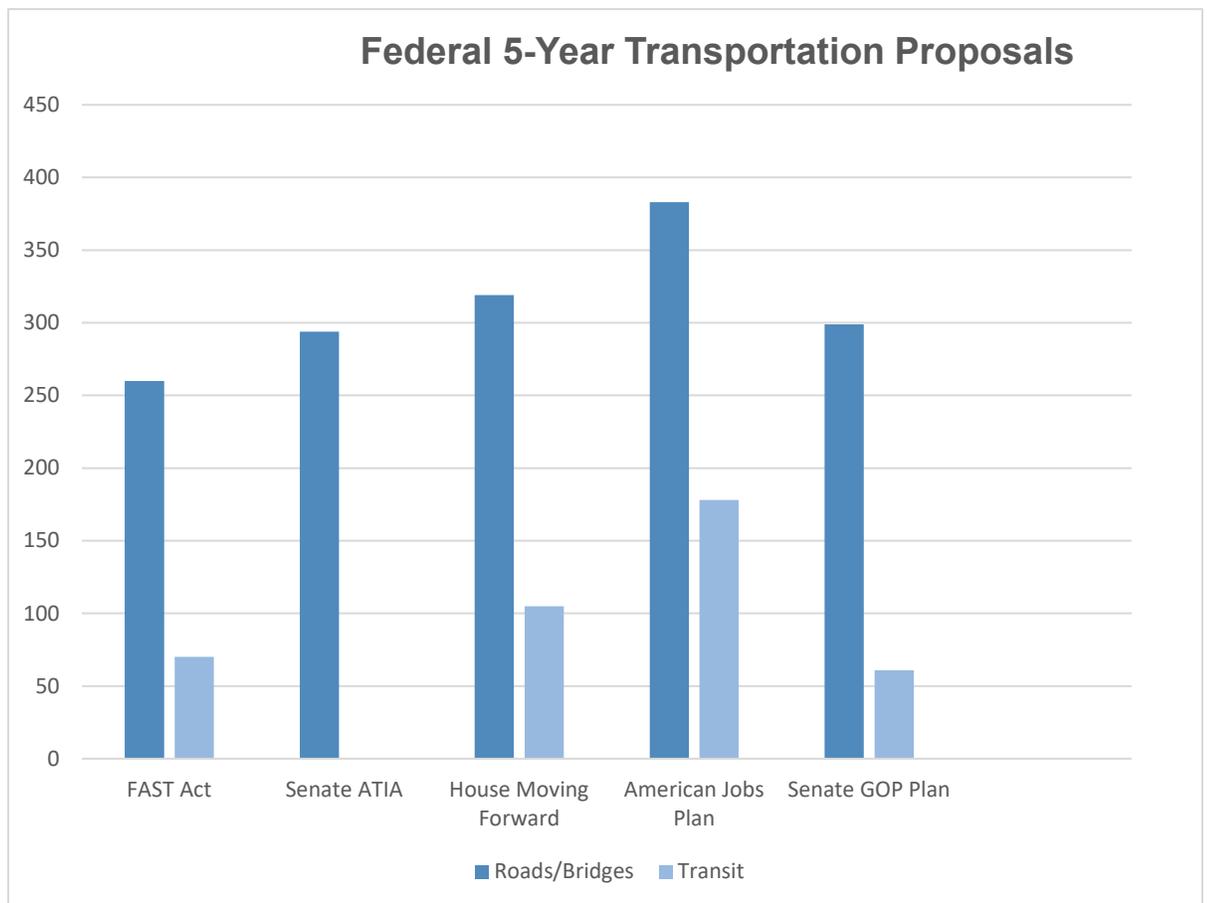
The Fixing America's Surface Transportation Act, or "**FAST Act**" was signed into law in December of 2015. This 5-year surface transportation authorization provided funding stability along with some new policies including streamlining project delivery.

The FAST Act was extended for one year in 2020. The current extension is set to expire when the federal fiscal year ends on September 30, 2021.

In anticipation of the expiration of the FAST Act, committees in Congress worked to put together various plans that could develop into a new 5-year surface transportation authorization act. The Senate Environment and Public Works Committee passed the "America's Transportation Infrastructure Act (**ATIA**) of 2019" which provided funding from FY 2021 through FY 2025. In the Senate, EPW only has jurisdiction over the highway title and no other committees with jurisdiction over reauthorization acted in 2019 to propose their portion of a 5-year plan.

The House Transportation and Infrastructure Committee (T&I) passed the **Moving Forward Act** in 2020 which provided a new 5-year authorization for surface transportation. The Moving Forward Act, was a more than \$1.5 trillion plan to rebuild American infrastructure—not only roads, bridges, and transit systems, but also schools, housing, broadband access, and more.

President Biden laid out vision for an infrastructure plan as a candidate and has now released the **American Jobs Plan** with a more specific blueprint for investing in infrastructure that includes not only roads, bridges, transit, rail, aviation, safety, broadband, and ports and waterways but also includes vehicle electrification,



drinking and waste water upgrades, modernizing schools and federal buildings, creating affordable housing and workforce development investments.

Republicans in the Senate have released a counter-proposal with their latest plan for infrastructure. The chart shows roughly how the funding levels in these plans compare. The comparison is not totally clear as the American Jobs Plan was presented as an eight-year plan and the other proposals

are five-year plans. The American Jobs Plan has been proposed as funding that would be in addition to current funding levels while the other plans are inclusive of current funding levels. The chart shows roadway and transit funding for a 5-year period for comparison purposes.

American Jobs Plan 8 years, over current funding

\$115 billion for Roads and Bridges

- \$50 billion would go toward modernization
- \$40 billion for bridges
- \$5 billion for Community Transportation Block Grants
- \$5 billion for transportation alternatives
- \$10 billion for a carbon reduction program
- \$5 billion for congestion mitigation and air quality

\$85 billion for Transit

- \$55 billion for transit state of good repair
- \$25 billion for transit expansion
- \$5 billion for Americans with Disabilities Act implementation

\$80 billion for Rail would include

- \$16 billion in grants for Amtrak's National Network and
- \$39 billion for its Northeast Corridor Modernization.
- \$20 billion for Intercity passenger rail would receive while
- \$5 billion freight rail and safety grants

\$20 billion Safety programs

- \$10 billion for the Safe Streets for All Fund

\$25 billion for Aviation

- \$10 billion for the Airport Improvement Program and
- \$10 billion for airport terminal renovation grants.
- \$17 billion for Ports and waterways would receive

\$111 billion for Drinking Water and Wastewater

- \$45 billion Drinking Water
- \$56 billion loans to states and local govt
- \$10 billion remediate PFAS

\$17 billion Ports and Waterways

\$100 billion Broadband

\$50 billion Resilience Investments

\$174 billion Vehicle Electrification

\$25 billion Equity Program

\$44 billion "Accelerating Transformative Projects"

Senate Republican Plan 5 year total

\$299 billion for Roads and bridges

\$61 billion for Transit

\$20 billion for Rail

\$13 billion for Safety

\$44 billion for Airports

\$35 billion for Drinking and Waste Water

\$14 billion Water Storage

\$17 billion Ports and Waterways

\$65 billion Broadband

In 2019, funding for a new five-year surface transportation authorization was not proposed in the Senate and would be under the purview of the Senate Finance Committee. In the House, the revenue title of the Moving Forward Act included bonding programs, tax credits and a transfer of revenue into the Highway Trust Fund.

Alongside the American Jobs Plan, the President is proposing the Made in America Tax Plan to fix the corporate tax code so that it incentivizes job creation and investment here in the United States, stops unfair and wasteful profit shifting to tax havens, and ensures that large corporations are paying their fair share. The plan would set the Corporate Tax Rate at 28 percent.

The plan also increases the minimum tax on U.S. corporations to 21 percent and calculates it on a country-by-country basis so it hits profits in tax havens. It will also eliminate the rule that allows U.S. companies to pay zero taxes on the first 10 percent of return when they locate investments in foreign countries.

Senate Republicans have not released a specific funding mechanism for their infrastructure plan but have said that federal funding needs to be fiscally responsible and based on needs. The federal funding should partner with spending from state and local governments, should encourage private sector investment and the utilization of financing tools and should flow through existing formula programs.

The Senate Republican plan states that “pay-fors” should cover the cost of the infrastructure bills to avoid increasing the debt, shore up any infrastructure-related trust fund that is facing a revenue shortfall, ensure that all users of certain types of infrastructure (ex: electric vehicles) are contributing to the generation of revenue, repurpose unused federal spending, preserve the Tax Cuts and Jobs Act, including extending the cap on the state & local tax deduction and protect against any corporate or international tax increases.

The House Transportation and Infrastructure Committee is expected to release a new infrastructure plan that is similar to the Moving Forward Act in the coming months.

