



Transportation Update – May 27, 2021

Federal Action

New developments out of Washington, DC as the Senate Environment and Public Works Committee passed the highway title for a new five-year surface transportation authorization act unanimously and talks between the White House and Senate Republicans regarding a larger infrastructure package continued with the GOP providing a new counteroffer at \$928 billion.

GOP Infrastructure Counteroffer

President Biden has meet with members of Congress several times to discuss a path forward to pass a major infrastructure package. His initial proposal of \$2.3 trillion in spending over eight years included substantial increases in funding over and above current levels authorized through the FAST Act. Republicans countered with a \$586 billion, five-year plan that largely focused on roads, transit, water and broadband. The White House came back with a \$1.7 trillion plan that removed some of the elements of the original plan and reduced spending on roads and bridges.

Today, Sen. John Barrasso, R-Wyo., Sen. Shelley Moore Capito, R-W.Va., and Sen. Roy Blunt, R-Mo presented a counteroffer from Senate Republicans that totals \$928 billion over **eight years**. The plan would be inclusive of existing funding:

- \$506 billion for roads, bridges and major infrastructure projects, including \$4 billion for electric vehicles



- \$98 billion for public transit
- \$72 billion for water systems
- \$65 billion for broadband
- \$56 billion for airports
- \$46 billion for passenger and freight rail systems
- \$22 billion for ports and waterways
- \$22 billion for water storage
- \$21 billion for safety efforts
- \$20 billion for infrastructure financing

The two sides remain far apart on how to pay for an infrastructure package with the President proposing an increase in the corporate tax rate (which had been 35% until reduced by the 2017 tax reductions) to at least 25%. Republicans have suggested re-purposing previously passed COVID relief funding along with an electric vehicle fee and existing gas tax revenue.

[Senate GOP unveils its \\$928 billion infrastructure counteroffer to Biden — here's what's in it](#)

[GOP counters Biden's infrastructure plan with \\$928 billion offer as President's adviser slams opposition](#)

Biden is traveling to Cleveland to give what White House officials are calling a "major" economic speech at a critical moment in the bipartisan negotiations over a potential infrastructure deal. The speech is set to mark a symbolic return to normal as the US makes strides against the pandemic and economic recovery continues.

Senate EPW Committee Passes Highway Title for Reauthorization

The Senate Environment and Public Works (EPW) Committee May 26 approved the [Surface Transportation Reauthorization Act \(STRA\) of 2021](#), a \$303.5 billion five-year plan, by a 20-0 vote. The committee agreed to 19 amendments that could achieve unanimous support, though more than 90 were offered. Bipartisan leaders on the committee commended the legislation for balancing local needs with federal priorities.

“The bill before us today is a testament to our team’s relentless drive and tireless commitment to crafting a bipartisan agreement that will enable us to create a transportation system that the twenty-first century will require if the U.S. is to remain a leader among nations,” said EPW Chairman Tom Carper (D-Del.)

Sen. Shelley Moore Capito (R-W.Va.), the top EPW Republican, is also the lead negotiator on infrastructure with the White House. “This bill, I think, really is the anchor of those bipartisan discussions,” she said during the markup. Republicans plan to offer an infrastructure counterproposal to the White House Thursday.

Some highlights:

- Provides \$77 billion more over five years than the 2015 FAST Act (a 34 percent increase)
- Streamlines the permitting process for infrastructure projects
- Codifies One Federal Decision to ensure that project delivery approvals are streamlined
- Provides specific support for rural transportation needs
- Includes support for infrastructure-focused workforce development training and education
- Provides funding for the accelerated adoption and deployment of digital construction technologies
- Establishes a pilot program for a national motor vehicle per-mile user fee (VMT)

The work on federal surface transportation reauthorization continues in the Senate, as the Committee on Commerce, Science and Transportation and the Committee on Finance begin work on their parts of the bill. The U.S. House Committee on Transportation and Infrastructure is scheduled to begin marking up its bill the week of June 9.

[Why Republicans won't fund EVs](#)

A top Republican senator floated a potential compromise yesterday on electric vehicles as GOP negotiators prepared to unveil their latest infrastructure offer.

But he might be alone. Many Republican senators still reject the idea of spending more federal money to electrify transportation, the biggest source of U.S. greenhouse gas emissions. That opposition sometimes comes from GOP lawmakers who've urged their party to take climate change more seriously — a sign of just how hard it will be for any bipartisan infrastructure bill to include climate policy.

Sen. Roy Blunt of Missouri, one of the Republicans negotiating infrastructure with the White House, suggested yesterday that a bipartisan spending deal could cover charging stations but not electric vehicles themselves.

[Infrastructure plan calls for fixing the nation's existing roads. Some states are still focused on expansion.](#)

For all the ambition of President Biden's infrastructure proposal — massive spending boosts on trains and buses and a push to get Americans into electric cars — its priority for the nation's road network is more basic: Fix them.

The Federal Highway Administration estimates a \$435 billion backlog of rehabilitation needs, while an analysis of agency data by The Washington Post shows a fifth of the nation's major roads, stretching almost 164,000 miles, were rated in poor condition in 2019. That figure has stayed mostly unchanged for a decade.

The hunger for new roads reflects a desire to connect growing communities and battle congestion at the local and state level in a nation where most people rely on cars. That appetite for expansion is clashing with new transportation priorities in Washington that seek to bolster existing highways while promoting other modes of travel.



[Throttled: The Economic Costs of Freight Bottlenecks](#)

The U.S. economy lost over \$42 billion in 2019 as trucks packed with goods and products got snarled in traffic, a cost borne throughout the entire economy. Data released in late 2020 by the Federal Highway Administration (FHWA) and analyzed by the American Road & Transportation Builders Association (ARTBA) shows:

- Congestion costs on the Interstate Highway

System grew 25 percent over the last two years—from \$12 billion in 2017 to over \$15 billion in 2019.

Little Activity at the Capitol

It's been a very quiet week in terms of legislative action that anyone can see publicly. Conference committees that became "working groups" when the 2021 Session ended, have either been meeting privately or not at all. Only two working groups held public meetings this week.

Friday, May 28th is the deadline set by legislative leaders and the governor for working groups to agree on a spreadsheet for each omnibus budget bill. For transportation, a general fund target of \$200 million was set for the next biennium. No word at the point on how the committee thinks that \$200 million in additional funding should be distributed. The Senate version of the transportation budget bill had included general fund spending on expenditures that are currently made from the trunk highway fund, for local roads and local bridges and to convert the current flat dollar amount dedication of sales tax on auto parts to 60%. The change in the dedication of sales tax revenue will not be possible with the one-time allocation of \$200 million in general dollars.

The House transportation bill had relied on tax increases in order to increase spending on transit, state highways and local roads. Those tax increases will not be happening.

The Transportation Alliance has been communicating with legislators over the last few weeks to urge additional funding for transportation including a recognition of the loss of revenue for the Highway User Tax Distribution Fund due to COVID and the need for replacement dollars to follow the HUTDF formula. We have also advocated for additional funding for the Local Bridge Replacement program and the Local Road Improvement Program along with additional dollars for small city streets and township roads. We are also urging support for language that would require the development of a plan to improve safety in roadway construction work zones.

The working groups are supposed to agree on language for their omnibus budget bills by Friday, June 4th. All policy items have to be agreed upon by the Governor, Speaker and Majority Leader.

A two-year budget for all areas of state government needs to be adopted by the end of June in order to avoid a state government shutdown. Everyone involved has said they are committed to avoiding that outcome.

[Rough Roads Costing Minnesota Drivers Hundreds Each Year In Auto Repairs](#)

Every time you get behind the wheel in Minnesota, bumps in the road chip away at your wallet.

We're talking hundreds of dollars beyond the basic maintenance fees you expect to pay each year. And it's not just during pothole season. Year round, rough roads accelerate the wear-and-tear on your car.

Based on that information, TRIP has determined 38% of roads in Minnesota are in either poor or mediocre condition. Driving on them will cost motorists an extra \$543 per year. TRIP determined that number through four parts. It includes additional repairs, like replacing a cracked rim. There's also vehicle depreciation, increased fuel consumption from the car working harder and tire wear.

"If all roadways in the state of Minnesota were in good condition, that number would be zero," he said.





Action in Other State

[Transportation Impacts of COVID-19](#)

A recent report, [Transportation Impacts and Implications of COVID-19](#), released by TRIP (A National Transportation Research Nonprofit), explores the impacts of the coronavirus pandemic had on the transportation system, including changes in personal and commercial mobility.

While the future transportation patterns and needs of a post-pandemic environment will take several years to fully emerge, a review of the initial impact of COVID19 on the nation's mobility patterns is helpful in gaining insights to the future of U.S. transportation and in determining appropriate future transportation policies.

U.S. vehicle miles of travel (VMT) bottomed out in April 2020 at a level 40 percent below that in April 2019, by March 2021, VMT had rebounded to just three percent below March 2019 levels (the most recent March not impacted by the COVID-19 pandemic) In fact, by March 2021, vehicle travel in 15 states had surpassed VMT rates in March 2019.

[Here is what's in the now-\\$5.4 billion transportation bill debated by Colorado lawmakers](#)

A nearly \$5.4 billion transportation bill under consideration in the Colorado legislature would tackle several big-ticket items at the same time — fixing and expanding highways, boosting transit and other alternatives to driving, and rapidly expanding the use of electric vehicles.

There's a lot to debate in [Senate Bill 260](#), Democratic lawmakers' bid to stake out sustainable funding streams for transportation into the future and address climate change. They propose a half-dozen small new road-user fees that would raise billions of dollars — and would affect most people in the state — all while navigating around [state fiscal roadblocks](#) that would have required going to voters to pass more straightforward tax increases.

Have a Great Memorial Day Weekend!

[37 Million Americans Will Travel Over Memorial Day 2021, According to AAA](#)

More than 37 million people are expected to travel over the five days surrounding [the holiday](#), according to new projections from AAA. That number is a huge jump—60 percent higher than last year—and is an indicator that overall [travel this summer](#) is on track to bounce back significantly.

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