



Policy Update

April 22, 2021

Congress

Earmarks – Senate Republicans will vote Wednesday (4/21) on whether to reinstate earmarks, which were banned in 2010. So far, 15 Republican Senators are in opposition to bring earmarks back.

April 14th Senate EPW Committee Hearing - Addressing Long-term Solvency of the Highway Trust Fund: Lessons Learned from the Surface Transportation System Funding Alternatives Program and Other User-based Revenue Solutions, and How Funding Uncertainty Affects the Highway Programs

Witnesses on the panel included:

- Joseph Kile, Ph.D., Director of Microeconomic Analysis, Congressional Budget Office
- Jack Basso, Chair, Mileage Based User Fee Alliance
- Patricia G. Hendren, Ph.D., Executive Director, The Eastern Transportation Coalition
- Robert Poole, Director of Transportation Policy, Reason Foundation
- Douglas Shinkle, Transportation Program Director, National Conference of State Legislatures

Witnesses agreed for the need to further study mileage-based user fees, possibly through a national pilot program, which has been suggested in both chambers of Congress. The solvency of the HTF will not be resolved unless Congress takes further action by increasing revenue raisers or decreasing spending, which is always the toughest policy issue to resolve. Several Senators from rural states voiced concerns that both the existing gas tax and mileage-based user fees would be disproportionately burdensome to rural Americans and low-income communities.

For more than a decade, the government has been spending more each year from the Highway Trust Fund than the revenues collected for it, which are mostly taxes on gasoline and diesel fuel and various taxes on heavy trucks. The Congressional Budget Office (CBO) estimates that the balances in the trust fund's two accounts, highway and mass transit, will be exhausted by 2022. The total shortfall over the next 10 years is projected to be \$195 billion if the taxes that are currently credited to the trust fund remain in place and if funding for highway and transit programs increases annually at the rate of inflation.

April 14th T&I Member Day – the Transportation & Infrastructure held a day-long hearing where any member of the House of Representative could testify for five minutes and tell the Committee what their transportation infrastructure needs are. The hearing was held to build the case for the need to invest in transportation and to learn what policy is important to each member. Members talked about specific projects in their districts, amendments they may offer for inclusion into a surface transportation bill, and many transportation policies that impact their districts and states. The hearing was for non-T&I members.

On April 14th, Rep. Garret Grave (R-LA) introduced the Building United States Infrastructure through Limited Delays and Efficient Review Act of 2021 [BUILDER Act]. The bill would amend the National Environmental Policy Act (NEPA) of 1969 to clarify ambiguous provisions, align the Act with relevant case law, reflect modern technologies, optimize interagency coordination, and facilitate a more efficient, effective, and timely environmental review process.

April 15th Senate Banking Committee Hearing - "21st Century Communities: Public Transportation Infrastructure Investment and FAST Act Reauthorization." The hearing was one in a series of meetings the Committee will conduct as it develops the public transportation title of the reauthorization bill.

Witnesses on the panel included:

- Mr. Darryl Haley, Chief Executive Officer & General Manager, Southwest Ohio Regional Transit Authority/Metro
- Mr. John Samuelson, International President, Transport Workers Union of America AFL-CIO
- Ms. Beth Osborne, Director, Transportation for America
- Mr. Baruch Feigenbaum, Senior Managing Director, Transportation Policy, Reason Foundation
- Mr. David Ditch, Research Associate, Grover M. Hermann Center for the Federal Budget, Heritage Foundation

Administration

President’s “Narrow” Budget Request to Congress - On April 9, 2021, The President sent a very narrow topline fiscal year 2022 discretionary budget request to Congress. What was sent is not the usual budget request Presidents send annually to Congress. A typical budget request is the President’s budgetary “blueprint” for spending (both mandatory and discretionary) over a 10-year period. A Presidential budget request provides a detailed analysis of the Federal Budget including, anticipated tax receipts, spending priorities, and outlays of cash.

This slimmed-down request amounts to one-third of spending for one year. For USDOT it includes \$25.6 billion. This is a \$317 million increase over total FY21 enacted funding but provides a \$3.2 billion or 14% increase for DOT discretionary programs. It is consistent with the transportation policy goals of the Administration – to ensure a safe and modern transportation system that delivers economic opportunity and quality of life for all people and across all communities. It is consistent with the Build Back Better theme to invest in America’s highway, transit, and rail systems, improve safety, address racial equity, and mitigate the impacts of climate change.

Most the federal government’s transportation financial assistance to States, localities, and transportation authorities is provided through mandatory funding derived from the Highway Trust Fund, as part of multiyear surface transportation authorizations. The current authorization, the Fixing America’s Surface Transportation Act, expires at the end of 2021.

Funding in this narrow budget request includes:

- \$625 million for a **new passenger rail competitive grant program** to invest in passenger rail as a competitive, low-carbon option for intercity travel.
- \$375 million for Consolidated Rail Infrastructure and Safety Improvement [CRISI] grants to improve safety, throughput, and reliability of the nation’s rail network, which is essential to transporting goods and passengers. This is what Congress appropriated in FY21.
- \$2.7 billion for Amtrak, a 35-percent increase, to provide improvements and expansion on the Northeast Corridor and throughout the Nation’s passenger rail network.
- \$2.5 billion for the Capital Investment Grant program, a 23% increase from the 2021 enacted level.
- \$250 million for grants for transit agencies to purchase low and no-emission buses, more than double the amount provided in 2021.
- \$110 million in new funding for grants and technical assistance to communities to improve access to destinations and foster community vibrancy. This program would serve as a down-payment on advancing transportation equity.
- \$1 billion for the Better Utilizing Investments to Leverage Development (BUILD) grant program. This is what Congress appropriated in 2021.

Polly Trottenberg was sworn in as the Deputy Secretary of Transportation following her Senate confirmation on April 13th by a vote of 82-15.

RAISE Grants – USDOT released a Notice of Funding Opportunity (NOFO) to apply for \$1 billion in Fiscal Year (FY) 2021 discretionary grant funding through the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grants, formerly known as BUILD and TIGER grants.

The deadline to submit applications is July 12, 2021 at 5pm Eastern.

The FY 2021 Appropriations Act mandated RAISE grants be awarded by November 22, 2021.

FY 2021 RAISE grants funds are available for obligation only through September 30, 2024.

All FY 2021 RAISE funds must be expended (the grant obligation must be liquidated or actually paid out to the grant recipient) by September 30, 2029.

The maximum grant award is \$25 million, and no more than \$100 million can be awarded to a single state. Up to \$30 million will be awarded to planning grants, including at least \$10 million to Areas of Persistent Poverty.

Grants are for capital investments in surface transportation that will have a significant local or regional impact.

To ensure that the benefits of infrastructure investments benefit communities large and small the Department will award an equitable amount, not to exceed half of funding, to projects located in urban and rural areas, respectively.

Changes from the FY 2020 NOFO - Administration's priorities for creating good-paying jobs, improving safety, applying transformative technology, and explicitly addressing climate change and advancing racial equity.

Secretary shall consider and award projects based on the selection criteria from the FY 2017 NOFO as required by Congress. The primary selection criteria are:

- Safety
- Environmental sustainability
- Quality of life
- Economic competitiveness
- State of good repair.

The secondary selection criteria are:

- Partnership
- Innovation

ADDITIONAL RESOURCE - U.S. Department of Transportation (USDOT) is offering a series of webinars that delve into various aspects of the RAISE application process. These webinars will be recorded and a resource for prospective RAISE applicants. The dates will be published, and the sessions will be open for [registration](#) **April 19, 2021**.

1. **TITLE:** How to Compete for RAISE Grants – All Applicants
 - **Date and Time:** TBD
 - **Recording:**
 - **Presentation:**
2. **TITLE:** How to Compete for RAISE Grants – Tribal and Rural Applicants
 - **Date and Time:** TBD
 - **Recording:**
 - **Presentation:**
3. **TITLE:** Preparing a Benefit Cost Analysis (BCA) for a RAISE Application
 - **Date and Time:** TBD
 - **Recording:**
 - **Presentation:**
4. **TITLE:** How to Compete for RAISE Grants – All Applicants
 - **Date and Time:** TBD
 - **Recording:**
 - **Presentation:**