



Policy Update

June 17, 2021

More Activity on Surface Transportation Reauthorization Legislation. The Senate Commerce, Science, and Transportation Committee met on June 16 to mark up and approve the Surface Transportation Investment Act of 2021. The bill is one of four major titles that make up the multi-year surface transportation bill. This bill establishes policy and authorizes funds for rail infrastructure and safety (Amtrak, passenger rail, freight), motor carrier safety, highway traffic and vehicle safety, and research. The bill includes \$28 billion for freight and multimodal investments, \$36 billion for rail, \$13 billion for safety, and \$1 billion for research purposes. The Committee approved the bill by a vote of 25-3.

The bill would establish a new competitive \$2 billion/year national infrastructure project assistance grant program (single or multi-year grant agreements) for a project that is:

- A highway or bridge project carried out on 1) the National Multimodal Freight Network 2) the National Highway Freight Network or 3) the National Highway System.
- A freight intermodal (including public ports) or freight rail project that provides a public benefit.
- A railway-highway grade separation or elimination project.
- An intercity passenger rail project.
- A public transportation project.
- A grouping, combination, or program of interrelated, connected, or dependent projects of any of the projects described above.

The bill would establish a new \$1.5 billion/year Local and Regional Project Assistance Program to provide for capital investments in surface transportation infrastructure. The goal of the program is to fund projects that will have a significant local or regional impact and improve transportation infrastructure. Grants may be awarded to urbanized areas (over 200,000 in pop) in an amount not less than \$5 million, to a rural area in an amount not less than \$1 million, and grants are capped at \$25 million. No more than 15% may be awarded in a single state. No more than 50% of the amounts available can be awarded in rural areas or urbanized areas. The federal share is 80% but may be increased in rural areas or areas of persistent poverty. Other specified federal programs may be used as the non-federal share. Grants may be used to pay the credit risk premium under TIFIA or RRIF.

Eligible projects include:

- A highway or bridge project.
- A public transportation project eligible for assistance under transit laws.
- A passenger rail or freight rail transportation project.
- A port infrastructure investment, including— inland port infrastructure and a land port-of-entry.
- The surface transportation components of an airport project eligible for assistance under certain aviation laws.
- A project for investment in a surface transportation facility located on Tribal land, the title or maintenance responsibility of which is vested in the Federal Government.
- A project to replace or rehabilitate a culvert or prevent stormwater runoff for the purpose of improving habitat for aquatic species.
- Any other surface transportation infrastructure project that the Secretary considers to be necessary to advance the goal of the program.

The bill would establish a new \$800 million/year National culvert removal, replacement, and restoration competitive grant program for projects for the replacement, removal, and repair of culverts that would meaningfully improve or restore fish passage for anadromous fish, or projects with the goal of addressing freshwater runoff that impacts marine or anadromous fish and shellfish species.

The bill would enable the INFRA grant program to add a highway, bridge, or freight project carried out on the National Multimodal Freight Network to the list of eligible projects. The Secretary may use up to 50% of the funds for port projects, freight rail, or intermodal projects that improve freight mobility. Up to 15% (currently 10%) may be used for small projects. Eligible project costs may

now include replacing or rehabilitating a culvert to reduce stormwater runoff or to improve habitat for aquatic species. In addition to amounts from the HTF, the bill authorizes over \$1 billion/year in General Fund authorizations.

AMTRAK Authorizations

	2022	2023	2024	2025	2026
HOUSE INVEST Act Amtrak NEC	\$2,500,000,000	\$2,600,000,000	\$2,700,000,000	\$2,800,000,000	\$2,900,000,000
HOUSE INVEST Act Amtrak Nat Network	\$3,500,000,000	\$3,600,000,000	\$3,700,000,000	\$3,800,000,000	\$3,900,000,000
Senate Commerce Committee Surface Transportation Investment Act of 2021 – Amtrak NEC	\$1,570,000,000	\$1,100,000,000	\$1,200,000,000	\$1,300,000,000	\$1,400,000,000
Senate Commerce Committee Surface Transportation Investment Act of 2021 – Amtrak National Network	\$2,300,000,000	\$2,200,000,000	\$2,450,000,000	\$2,700,000,000	\$3,000,000,000

CRISI RAIL Grants

HOUSE Invest Act Consolidated Rail Infrastructure and Safety Improvements (CRISI)	\$1,200,000,000	\$1,300,000,000	\$1,400,000,000	\$1,500,000,000	\$1,600,000,000
SENATE CRISI	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000	\$1,000,000,000

CRISI Grants

- Expands the list of eligible recipients to include - An association representing 1 or more Class I or II railroads, and a federally recognized Indian Tribe.
- Expands eligible projects to also include safety capital projects, the development and implementation of measures to prevent trespassing and reduce associated injuries and fatalities, emergency plans for communities where hazardous materials are transported, and other projects.
- Allows previously incurred costs for preliminary engineering on grade crossing to satisfy the non-federal share.

New RR Crossing Elimination Program

HOUSE New – Grade Crossing Separation Grants	\$450,000,000	\$475,000,000	\$500,000,000	\$525,000,000	\$550,000,000
SENATE RR Crossing Elimination Program	\$500,000,000	\$500,000,000	\$500,000,000	\$500,000,000	\$500,000,000

The Secretary shall establish a competitive grant program under which the Secretary shall award grants to eligible recipients for highway rail or pathway-rail grade crossing improvement projects that focus on improving the safety and mobility of people and goods.

The President and Senate Republicans Fail to Reach Agreement on Infrastructure. After weeks of meetings at the White House and behind the scenes negotiations, the President and Senate Republicans could not reach a deal on how much new spending should be dedicated to infrastructure, or what the definition of infrastructure should encompass. Despite efforts, the two sides were about \$700 billion apart after the GOP's final offer. Additionally, the two sides could not reach agreement on the "pay-fors." The President did not agree to shift coronavirus relief funds to pay for infrastructure, and Republicans could not increase the price tag of their offer enough to satisfy the President, who sought at least \$1 trillion in new spending over current infrastructure spending levels.

The President has begun discussing an infrastructure package with a bipartisan group of Senators, but the amount and how to pay for the investments remain an obstacle. The group has offered a \$1.2 trillion [proposal](#) focused on physical infrastructure with \$579 billion in new spending. The amount of new spending is higher than previous offers from the Republicans but, the "pay-fors" being suggested are controversial and include using unspent coronavirus spending, indexing the federal gas tax to inflation, and public private partnerships. The President and Senate Majority Leader Schumer are being pressed by their Democrat colleagues to move forward without Republican support.

Senate Democrats Teeing up Reconciliation to Fund Infrastructure. Senate Majority Leader Charles Schumer (D-N.Y.) will begin to start the process of using reconciliation to move the President’s infrastructure package forward. The Leader has not definitively said that is the path forward, but he has met with the Senate Budget Committee to begin the process for passing a budget resolution, which needs to be done to pass a major infrastructure bill on a party-line vote. Leader Schumer is hoping to pass a budget resolution in July. It is still unclear how this will impact the surface transportation reauthorization bills moving in each chamber.

House T&I INVEST in American Act is Headed to the House Floor. The INVEST in America Act is going to the House floor the week of June 28th, according to senior staff of the Committee. The \$547 billion bill needs a revenue title that will pay for the bill, and at this point the Ways & Means Committee has not produced one. The INVEST Act may be passed in the House without the “pay-fors,” which would be resolved in the larger negotiations over infrastructure.