

Potomac DC

Monthly Legislative Report – July 2021

July Advocacy Meetings

Office of Congressman Alan Lowenthal (D-CA) – We met with Congressman Lowenthal's senior staff this month to discuss the INVEST in America Act and bi-cameral negotiations on a broader surface transportation reauthorization and infrastructure package. We also discussed FY22 appropriations and the process for submitting and supporting floor amendments to the House minibus package. We followed-up with a letter from the OCTA Chairman thanking the Congressman for including the tolling provisions OCTA worked on with his office during July. We also met with his staff ahead of a House T&I Hearing on COVID-19 oversight.

Office of Congressman Pete Aguilar (D-CA) – We have been in frequent communication with Congressman Aguilar and his senior staff to discuss FY22 appropriations and full committee markups. We reiterated the need for equitable formula funding in the surface transportation reauthorization.

Office of Senator Dianne Feinstein (D-CA) – We followed-up with Senator Feinstein's staff on support for a long-term surface transportation reauthorization bill and robust funding for transit. We also discussed the timeline for FY22 appropriations in the Senate, possible FY22 funding levels in the Senate for key transit porgrams.

Office of Congressman Lou Correa (D-CA) – We followed-up with Congressman Correa's staff to discuss support for additional funding tied to the COVID-19 pandemic to augment CARES Act relief funding. We discussed possible amendment language to H.R. 3684 that would benefit self-help counties as well as support for tolling amendment offered by Rep. Lowenthal.

Office of Congressman Mike Levin (D-CA) – We followed-up with Congressman Levin's staff to discuss FY22 appropriations. We discussed support for transit funding, and an extension of the alternative fuel tax credit. We also discussed tolling language and support for Rep. Lowenthal's amendment to the INVEST Act.

Office of Congresswoman Linda Sanchez (D-CA) – We met with Congresswoman Sanchez's staff to discuss FY22 appropriations and the timeline for committee markups. We discussed support for transit operations funding and additional emergency COVID-19 funding. We also discussed possible pay-fors in the infrastructure bill that could be considered in the House.

Office of Congresswoman Grace Napolitano (D-CA) – We followed-up with Congresswoman Napolitano's staff this month to discuss support for additional funding to augment the COVID-19 relief funding. We also discussed the INVEST Act, opportunities

to include amendment language prior to floor consideration, and the outlook for conference committee negotiations with the Senate.

Office of Congresswoman Young Kim (R-CA) – We met with Congresswoman Kim's senior staff to discuss local OCTA projects and support for a long-term surface transportation reauthorization bill with multi-year direct federal funding. We also discussed a support letter for OCTA's SR-91 RAISE grant and followed-up on the INFRA grant process.

Office of Congresswoman Katie Porter (D-CA) – We followed-up with Congresswoman Porter's senior staff to discuss the INVEST in America Act and FY22 appropriations. We discussed the need for additional transit formula funding, and support for additional emergency funding to support recovery from the pandemic as well as potential amendments on the House floor to the INVEST Act.

Office of Congresswoman Michelle Steel (R-CA) – We followed-up with Congresswoman Steel's and her staff this month to discuss the INVEST in America Act and support for a long-term surface transportation reauthorization.

Congressman Vern Buchanan (R-FL) – We met with Congressman Buchanan, a senior Member of the House Ways and Means Committee, to discuss possible financing mechanisms and "pay-fors" for the surface transportation reauthorization that would be supported by House Republicans.

Office of Senator Alex Padilla (D-CA) – We have been in contact with Senator Padilla's senior transportation staff to discuss the FY22 appropriations process and possible tolling amendments to the bipartisan infrastructure bill in the Senate. We also discussed the timeline for Senate floor consideration of the infrastructure package, Senate Budget, and infrastructure negotiations with the House.

House Appropriations: Transportation, Housing and Urban Development – We continued to maintain regular communication with professional staff in the Majority and Minority regarding FY22 appropriations and opportunities to support increased funding for transit operations and other grant programs.

House Transportation and Infrastructure Committee – We followed-up with Chairman DeFazio, Ranking Member Sam Graves, and senior committee staff multiple times this month to discuss the surface transportation reauthorization, markup process, and outlook for negotiations with the Senate. We specifically discussed treatment of member projects during a potential conference negotiation with the Senate.

Senate Banking, Housing, and Urban Affairs Committee – We followed-up with professional staff to discuss progress on the Surface Transportation Reauthorization. We discussed funding for additional zero-emission buses and related infrastructure.

Office of Senator Rodger Wicker (R-MS) – We met with Senator Wicker's Commerce, Science, and Transportation staff to discuss the process for floor consideration of the Senate's infrastructure package and amendments.

Fiscal Year 2022 (FY22) Appropriations

On Thursday, July 29th, the House passed a "minibus" spending package (<u>H.R. 4502</u>) that included seven of the twelve annual Fiscal Year 2022 (FY22) appropriations bills. The package passed by a party-line vote of 219-208. A full 47-page summary of the full package can be found <u>here</u>. The Committee Reports and Fact Sheets can be found <u>here</u>. A summary of the Transportation provisions in the THUD section can be found below:

Transportation, and Housing and Urban Development (THUD) Summary:

The FY22 THUD bill provides \$84.1 billion, an increase of \$8.7 billion (11%) above FY21 enacted levels. This includes an increase of \$1.9 billion for the Department of Transportation and \$6.8 billion for the Department of Housing and Urban Development. In total, the bill provides \$162.6 billion in budgetary resources, an increase of \$25.9 billion above FY21. A brief summary of the USDOT funding is included below:

Department of Transportation (DOT)

\$105.7 billion TOTAL budgetary resources for DOT, an increase of \$19 billion above FY21 enacted levels and \$18.7 billion above the President's 2022 budget request.

- \$1.2 billion for National Infrastructure Investments (**RAISE/TIGER/BUILD**), \$200 million above FY21
 - \$20 million for Transportation Planning Grants to assist areas of persistent poverty, \$10 million above FY21
 - An additional \$100 million is included for a new grant program to spur Thriving Communities nationwide
 - \$5 million in new funding to support the Highly Automated Systems Safety Center of Excellence to coordinate DOT's technical expertise around automated systems
- \$18.9 billion for the Federal Aviation Administration (FAA), \$896 million above FY21
 - \$1.5 billion for Aviation Safety
 - \$400 million for discretionary Airport Improvement Grants and projects.
- \$61.9 billion for the **Federal Highway Administration** for formula programs funded from the Highway Trust Fund that improve the safety and long-term viability of our nation's highway systems
- \$886 million for the Federal Motor Carrier Safety Administration
- \$1.3 billion for the **National Highway Traffic Safety Administration** to make trucks, cars, and the nation's roads safer, consistent with the INVEST in America Act

- \$4.1 billion for the Federal Railroad Administration, \$1.3 billion above FY21
 - \$625 million for the new Passenger Rail Improvement, Modernization, and Expansion (PRIME) grant program, to support projects that improve, expand, or establish passenger rail service
 - \$500 million for the **Consolidated Rail Infrastructure and Safety Improvements** grant program, \$125 million above FY21
 - \$2.7 billion for Amtrak, \$700 million above FY21
 - \$1.2 billion for Northeast Corridor Grants
 - \$1.5 billion for National Network Grants
- \$15.5 billion for the Federal Transit Administration
 - \$12.2 billion for Transit Formula Grants to expand bus fleets and increase the transit state of good repair
 - \$2.5 billion for Capital Investment Grants, to construct more than 23 new transit routes nationwide, \$459 million above the FY21 and equal to the President's budget request
 - \$580 million for Transit Infrastructure Grants, to purchase more than 300 zero emission buses, 400 diesel buses, and to support transformative research for transit systems, an increase of \$64 million above the fiscal year 2021
- \$1.3 billion for the Maritime Administration, \$84 million above FY21
 - \$318 million for the **Maritime Security Program**
 - \$60 million to establish the **Tanker Security Fleet** program
 - \$300 million for the Port Infrastructure Development Program, \$70 million above FY21
 - \$320.6 million for schoolship construction and related shore-side infrastructure, which fully funds the fifth and final schoolship
- Community projects (earmarks) identified by 145 Members of Congress

The Senate Appropriations Committee has begun their FY22 markup process in the first week of August. Senate Democrats continue to negotiate a budget resolution that is expected to include reconciliation instructions. The Senate Majority Leader hopes to maintain support from moderate Democrats on the potential \$3.5 trillion budget resolution and reconciliation package. If even one Democrat opposes the budget it will not likely pass since every Republican has vowed to oppose another partisan budget reconciliation package. Democratic Senators Krysten Sinema (AZ), Joe Manchin (WV), and Jon Tester (MT) have publicly stated that even if they support moving forward with the budget procedurally, they may not vote "yes" during final consideration.

Surface Transportation Reauthorization Update

The House considered and passed the *INVEST in America Act* just before the July 4th recess. The \$759 billion bill was approved in a mostly party-line vote of 220-201, with two

Republican voting with all Democrats in support of the bill. The surface transportation title of the bill authorizes:

- \$343 billion for roads, bridges, and safety,
- \$109 billion for transit,
- \$95 billion for passenger and freight rail over 5 years, and
- \$5.7 billion for 1,473 Member Designated Project authorizations (earmarks) across the country.

The water/wastewater infrastructure portions of the package include \$51.25 billion for wastewater spending and \$117 billion for drinking water programs. The House-approved bill does not include any financing/revenue provisions and is funded by a provision to transfer an additional \$148 billion from general revenue into the Highway Trust Fund (HTF), covering the gap between the bill's funding levels and available HTF funds. Democratic leadership reportedly chose to delay further debate over pay-fors until negotiations on a bipartisan infrastructure package had yielded more specific topline spending levels.

- Updated fact sheet available here
- Surface Transportation text available <u>here</u>
- Surface Transportation Section-by-Section summary available here
- Water Infrastructure text available <u>here</u>

During consideration of the bill, the House considered a total of 149 amendments, grouped together into 5 separate "en bloc" packages, and which ultimately added \$44 billion in spending to the approximately \$715 billion bill. Adopted amendments of note include Rep. Lowenthal amendment regarding tolling provisions, a provision approved by a vote of 230-178 that would allow states to review high occupancy vehicle routes 10 years after construction with the option to remove the route and repay associated funds, as well as an amendment approved by a vote of 220-200 to require water infrastructure projects paid for by the Clean Water State Revolving Fund and other Clean Water Act programs undergo resiliency assessments.

Following House passage of the INVEST Act, a tentative agreement between the White House and a bipartisan group of Senators on a "Bipartisan Infrastructure Framework," which initially included the Committee-approved titles of the Senate's transportation reauthorization bill, including the highway title approved by the Environment and Public Works (EPW) Committee, and the freight, rail, and safety titles approved by the Senate Commerce-Science-Transportation Committee was announced. The framework also incorporated the Senate-passed *Drinking Water and Wastewater Infrastructure Act (DWWIA)*. Although these Senate bills authorize lower funding levels than those in the House-passed bill, House T&I Committee Chairman Peter DeFazio (D-OR) indicated during a press conference following that announcement that he anticipates more discussion on those funding levels after the Senate passes their bill.

Subsequently, the Senate voted on a procedural motion to move forward with a bipartisan infrastructure package. Senators then voted 66-28 on Friday, July 30th, to formally begin debate on the bill.

The most recent "Bipartisan Infrastructure Framework" agreement would provide \$550 in new spending above baseline. The initial text of the bill, entitled the "*Infrastructure Investment and Jobs Act*" can be found <u>here</u>. Senators will use the *INVEST in America Act* (House-passed Surface Reauthorization) as a vehicle, so the bill number remain the same (H.R. 3684). At the time of this report, the Senate is still expected to pass the bill before leaving for August recess. A preliminary summary of the bill (before being amended) as prepared by the Senate Environment and Public Works Committee is included below:

Highway Programs: \$343 billion

The Infrastructure Investment and Jobs Act of 2021 (IIJA) is built on the Surface Transportation Reauthorization Act of 2021, legislation considered by the Senate Committee on Environment and Public Works in May 2021. \$303.5 billion is provided as contract authority and an additional \$39.7 billion is provided in appropriations. Some key provisions of the bill are as follows:

• Bridge Investment Program:

- \$12.5 billion over five years for a new Bridge Investment Program that funds competitive grants to address the nationwide backlog of bridge repair and rehabilitation projects.
- The funding includes \$3.265 billion from the Highway Trust Fund and an additional \$9.235 billion appropriated for this program in Division H.

• Bridge Formula Program:

- \$27.5 billion for a new bridge formula program to provide funding to States and Tribal governments to repair and rebuild bridges in poor condition.
- To help counties and local governments that struggle to pay for costly bridge projects, 15 percent of funds will be set-aside for "off-system bridges" including projects on locally owned facilities that are not on the National Highway System.

• INFRA Funding:

- \$8 billion over five years for the National Significant Freight and Highway Projects Program, known as "INFRA."
- The funding includes \$4.8 billion from the Highway Trust Fund and an additional \$3.2 billion appropriated for INFRA in Division H.

• Climate Change and Resilience:

 This reauthorization bill includes a climate title with more than \$18 billion in funding from the HTF as well as an additional \$5 billion in funding appropriated for EV charging infrastructure.

• Reducing Carbon Emissions from Transportation:

- Creates a Carbon Reduction Program that will distribute approximately \$6.4 billion over five years to states by formula to invest in projects that support a reduction in transportation emissions.
- Eligible projects include transportation electrification and EV charging, public transportation, including Bus Rapid Transit, infrastructure for bicycling and walking, intelligent transportation systems (ITS) improvements, infrastructure to support congestion pricing, diesel engine retrofits, and port electrification.
- Of that funding, 65 percent would be suballocated by population to support eligible projects in local communities. Also, states would be required to develop emission carbon reduction strategies.

• **PROTECT Resilience Grants:**

- The bill creates a new Promoting Resilient Operations for Transformative, Efficient, and Costsaving Transportation (PROTECT) grant program, which provides formula funding to states and competitive grants to eligible entities to make our surface transportation infrastructure more resilient, including through the use of natural infrastructure, to the effects of extreme weather and natural disasters.
- \$7.3 billion in formula funding and \$1.4 billion in competitive grants over five years funded from the HTF.
- A portion of PROTECT competitive grants would be set aside for at-risk coastal infrastructure and evacuation routes.

• Electric Vehicle Charging:

- Authorizes \$2.5 billion from the Highway Trust Fund over five years for a new competitive grant program to build out alternative fuel corridors along the National Highway System and electric vehicle charging infrastructure and alternative fueling infrastructure in communities across the country.
- Appropriates \$5 billion in Division H for a new Electric Vehicle Formula Program to provide money for States to build electric vehicle charging infrastructure.
- The highway reauthorization title makes electric vehicle charging eligible for funding through the existing Surface Transportation Block Grant Program (STBGP) and allows for the purchase of zero-emission vehicles in the Congestion Mitigation and Air Quality Improvement Program.

• Port Truck Emissions Reduction Program:

- The bill would provide \$400 million to reduce air emissions from trucks idling at port facilities.
- The funding includes \$250 million from the Highway Trust Fund as well as an additional \$150 million appropriated for this program in Division H.

• Healthy Streets:

 The bill authorizes a new Healthy Streets Program for eligible projects, including projects that mitigate urban heat islands, improve air quality, and reduce stormwater runoff. Grants would be prioritized for low-income communities and disadvantaged communities.

• Resilience and Adaptation Centers of Excellence:

 The bill authorizes the creation of new Resilience and Adaptation Centers of Excellence, which will advance research to help make surface transportation infrastructure more resilient to natural disasters and extreme weather.

• Rural Surface Transportation Grant Program:

 Authorizes \$2 billion over five years for a new competitive grant program to improve and expand the surface transportation system in rural areas. The goals of the program include: increasing connectivity; improving the safety and reliability of moving people and freight; generating economic growth; and improving quality of life.

• Reconnecting Communities Pilot Program:

- The bill provides \$1 billion over five years for a new pilot program that provides competitive grants for planning and projects to remove, retrofit, or mitigate existing highways that were built through neighborhoods and created a barrier to mobility and economic development.
- The funding includes \$500 million from the Highway Trust Fund and an additional \$500 million appropriated for this program in Division H.

• Formula Funding and Accountability for Safety:

- The bill provides states with increased flexibility to address their pressing safety needs with their formula funding under the Highway Safety Improvement Program and includes a new special rule to provide targeted funding to address the safety needs of vulnerable road users under certain circumstances.
- It also sets aside \$1.3 billion over five years for the Railway-Highway Crossing Program.

• Transportation Alternatives:

- The bill increases funding for the Transportation Alternatives Program (TAP), which funds bicycle and pedestrian projects among other projects, through a 10 percent set-aside of the STBGP.
- Safe Routes to School:
 - The bill codifies the existing Safe Routes to School Program, which encourages children to safely walk or bike to school. It also expands the program to include activities for high school-aged students.

Complete Streets:

 The bill helps address communities' access to safe bicycling and walking options by providing dedicated funding for the development of Complete Streets standards and planning by states and metropolitan planning organizations.

• Reducing Wildlife-Vehicle Collisions:

- Authorizes \$350 million over five years for a new pilot program that provides competitive grants for projects that reduce wildlife-vehicle collisions.
- Makes wildlife crossing structures eligible for funding through certain formula and competitive grant programs and adds animal detection systems research and development as a priority area for intelligent transportation system research and development.

• One Federal Decision:

- The bill codifies core elements of the "One Federal Decision" policy for major surface transportation projects, including establishing a two-year goal for completion of environmental reviews, as well as page limits for environmental documents.
- In addition, the bill requires the Secretary of Transportation (Secretary) to provide a list of categorical exclusions to certain federal agencies and directs those agencies to publish a notice of proposed rulemaking to adopt relevant categorical exclusions within one year.

• Improving Federal Agency Coordination:

 The bill allows federal land management agencies to use an environmental document previously prepared by the Federal Highway Administration (FHWA) for a project addressing the same action, and also allows for a federal land management agency to use the categorical exclusions listed in the implementing regulations of FHWA.

• Improving Accountability:

 The bill directs the secretary to carry out a process to track, and annually submit to Congress a report containing the time to complete an environmental impact statement and an environmental assessment under the National Environmental Policy Act (NEPA).

• Early Utility Relocation:

- The bill allows for states to be reimbursed for an early utility relocation project carried out prior to the completion of the environmental review for a larger, authorized surface transportation project so long as certain requirements are met.
- The requirements include that the early utility relocation project did not influence the environmental review process for the surface transportation project.

A preliminary breakdown of grant funding that is provided in the most recent version of
the bill (over the next five years) is included in the table below:

DOT Grant Funding to State/Local Governments in Senate Infrastructure Bill (In millions of dollars)					
	(In mations of dotters)	Formula	Competitive		
DOT Secretary	Mega Projects		5,000		
DOT Secretary	RAISE Grants		7,500		
DOT Secretary	Safe Streets		5,000		
DOT Secretary	Culverts		1,000		
DOT Secretary	SMART		500		
Federal Aviation Administration	Airport Grants – Airside	14,900	100		
Federal Aviation Administration	Airport Grants – Terminals		5,000		
Federal Highway Administration	Bridge Program	27,500	9,235		
Federal Highway Administration	EV Charging Stations	5,000			
Federal Highway Administration	INFRA Grants		3,200		
Federal Highway Administration	Reduce Truck Emissions in Ports		150		
Federal Highway Administration	Reconnecting Communities		500		
Federal Highway Administration	Ferry Boats and Terminals	342	-		
Federal Highway Administration	Appalachian Highways	1,250	-		
Federal Railroad Administration	CRISI Grants		5,000		
Federal Railroad Administration	Railroad Crossing Elimination		3,000		
Federal Railroad Administration	Fed-State Partnership for IPR		36,000		
Federal Transit Administration	State of Good Repair Grants	4,750			
Federal Transit Administration	Low-No Emission Bus Grants		5,250		
Federal Transit Administration	Capital Investment Grants		8,000		
Federal Transit Administration	ADA Upgrades to rail transit		1,750		
Federal Transit Administration	Electric or Low-Emission Ferries		250		
Federal Transit Administration	Rural Passenger Ferry Service		1,000		
Maritime Administration	Port Infrastructure Development		2,250		
PHMSA	Nat. Gas Pipeline Modernization		1,000		
TOTAL, USDOT Grants		53,742	100,685		

The Senate is in the process of considering amendments with the following amendments (*at the time of this report and subject to change*) potentially scheduled to be debated:

Number	Description	Sponsor	Status
2142	Establishes North Atlantic Rail Interstate Compact	Markey	Introduced
	Prohibit funding of transit/rail projects \$1 bn or more over		
2154	budget and projected to lose more	Ernst	Introduced
	Allow states to use COVID funding for infrastructure		
2155	projects	Cornyn	Introduced
2173	Streamlining projects under the TIFIA program	Padilla	Introduced

2181	Study to determine highway costs by type of user	Lummis	Pending
2190	Allow Amtrak to bring civil actions in federal court on rail line preference	Durbin	Introduced
2226	Modify funding for highway infrastructure program	Thune	Introduced
2244	Waives weight limits for logging trucks	Johnson	Introduced
2249	NEPA reforms	Lee	Introduced
2250	Project delivery programs under NEPA	Lee	Introduced
2251	Impose time limits on NEPA action	Lee	Introduced
2252	Agency process requirements under NEPA	Lee	Introduced
2253	Require reports re: NEPA	Lee	Introduced
2256	Repeal Davis-Bacon requirements	Lee	Introduced
2257	Annual report on new Categorial Exclusions-NEPA	Lee	Introduced
2261	Defining common carrier and personal operator	Lee	Introduced
2262	Rules for vehicles not intended for human occupancy	Lee	Introduced
2263	Codify EO 13771 re. regulatory costs	Lee	introduced
2266	Repeal Buy America provisions	Lee	Introduced
2267	Time limits on certain NEPA requirements	Lee	introduced
2295	Modify treatment a secured loan under TIFIA and RIFF	Menendez	Introduced

More Senate amendments are expected before a final vote is scheduled.

The House adjourned for the August recess period on Friday, July 30th. The House is currently scheduled to begin a series of committee work weeks on August 30th, before returning to Washington for potential floor votes during the week of September 20th.

As mentioned earlier, the Senate tentatively plans to adjourn before August 9th and then return on September 13th depending on the outcome of the floor debate on the bi-partisan infrastructure bill.