

### Obama Administration Unveils Surface Transportation Bill

Dear Transportation Committee Member:

Yesterday, the U.S. Department of Transportation [released](#) its version of a surface transportation reauthorization bill, the "Generating Renewal, Opportunity, and Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout America Act" or the "GROW AMERICA Act." The GROW AMERICA Act would build upon the current law, MAP-21, which is set to expire on September 30. The Administration's proposal would spend \$302 billion over the next four years on bridges, roads, transit, and safety programs. Roughly half of the funds would be obtained in a new manner, via proceeds received from "pro-growth business tax reform." Congress first would need to approve such a move. The bill would fund highway, bridge, and safety programs at \$199 billion, while transit, rail, and multi-modal freight would receive approximately \$72 billion, \$19 billion, and \$10 billion respectively. Some \$4 billion in funds would be allocated for Transportation Infrastructure Finance and Innovation Act (TIFIA) in order to bring in private infrastructure investment and participation.

The proposal that has become GROW AMERICA was first announced with the release of the President's budget outline earlier this year, however the details had not been made public until now. Generally, the Administration sees its [legislative proposal](#) as a marker that will serve as the President's negotiating position as a final bill is crafted in conjunction with Congress.

Below is the overview prepared by the Administration on its proposal, or if you would like to view it as a PDF file, please [click here](#).

#### **GROW AMERICA: An Overview Fact Sheet**

Transportation is a critical engine of the Nation's economy. Investments in the national transportation network over the country's history, and especially the last half-century, have been instrumental in developing the world's largest economy and most mobile society. However, before the end of this summer the Highway Trust Fund – which funds a significant portion of the construction and repair of our surface transportation system – will be insolvent and just a few weeks later the authorities that establish our surface transportation programs will expire. Without action, many States and communities may be forced to slow or stop work on critical transportation projects that our Nation depends upon to move people, energy, and freight every day, putting jobs at risk and slowing investment in our future.

The Generating Renewal, Opportunity, and Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout America Act, or GROW AMERICA Act, is a \$302 billion, four year transportation reauthorization proposal that provides increased and stable funding for our

Nation's highways, bridges, transit, and rail systems. The Administration's proposal is funded by supplementing current revenues with \$150 billion in one-time transition revenue from pro-growth business tax reform. This will prevent Trust Fund insolvency for four years and increase investments to meet national economic goals.

The GROW AMERICA Act will provide States and local governments with the certainty needed to effectively plan and start construction on projects that will support millions of good paying jobs over the next several years. It will also enable more transformative transportation projects that will improve the Nation's global competitiveness and mobility in communities across the country.

The GROW AMERICA Act will increase transportation investment to support the needs of our Nation's communities. The GROW AMERICA Act will provide critical investments to fix our decaying roads and crumbling bridges and ensure the safety of our transportation systems. Sixty five percent of America's major roads are rated in less than good condition, while one in four bridges require significant repair or cannot handle today's traffic and 45 percent of Americans do not have access to transit. These programs will help communities keep pace with our expanding economy, our growing population, and the traveling needs of the public.

**Specifically, the GROW AMERICA Act will provide –**

\$199 billion to invest in our nation's highway system and road safety. The proposal will increase the amount of highway funds by an average of about 22 percent above FY 2014 enacted levels, emphasizing "Fix-it-First" policies and reforms that prioritize investments for much needed repairs and improvements to the safety of our roads and transit services, with particular attention to investments in rural and tribal areas. The proposal would also provide more than \$7 billion for the National Highway Traffic Safety Administration and Federal Motor Carrier Safety Administration to improve safety for all users of our highways and roads, providing a benefit of \$21 for every Federal dollar used for infrastructure-related safety investments

\$72 billion to invest in transit systems and expand transportation options. The proposal increases average transit spending by nearly 70 percent above FY 2014 enacted levels, which will enable the expansion of new projects that improve connectivity (e.g., light rail, street cars, bus rapid transit, etc.) in suburbs, fast-growing cities, small towns, and rural communities, while still maintaining existing transit systems. The GROW AMERICA Act proposes a powerful, \$5.1 billion increase in investments to address public transit's maintenance backlog to reduce bus and rail system breakdowns; create more reliable service; and stop delays that make it harder for all commuters to get to work. The proposal also includes the innovative Rapid Growth Area Transit Program, which would provide \$2 billion over four years to fast growing communities for bus rapid transit and other multimodal solutions to get ahead of the challenges caused by rapid growth.

Tools and resources to encourage regional coordination and local decision making. The proposal includes policy reforms to incentivize improved regional coordination by Metropolitan Planning Organizations (MPOs), which are local communities' main voice in transportation planning. The GROW AMERICA Act also strengthens local decision making in allocating Federal funding so that local communities can better realize their vision for improved mobility. High-performing large MPOs will be granted control of a larger portion of funds under two federal transportation programs – the Surface Transportation Program (STP) and the Transportation Alternatives Program (TAP) – and these MPOs will

also receive funds through a set aside under the new Fixing and Accelerating Surface Transportation (FAST) program.

The GROW AMERICA Act will expand economic growth, and create jobs and new opportunities for Americans. The President is dedicated to enhancing opportunity for all Americans and US businesses by investing in transportation projects that better connect communities to centers of employment, education, and other critical services. The GROW AMERICA Act will -

Support ladders of opportunity to the middle class. Today, 45 percent of Americans lack access to public transportation, limiting the options of many Americans to jobs, education and other necessities. The GROW AMERICA Act will provide improved access to safer and less expensive transportation options for millions of Americans in part by investing \$72 billion in public transportation and expanding transportation options for millions of Americans. This proposal includes \$2 billion for an innovative Rapid Growth Area Transit Program to provide new bus rapid transit and other multimodal solutions for rapidly growing regions. The GROW AMERICA Act includes \$245 million for workforce development to enhance the size, diversity, and skills of our Nation's construction and transportation workforce through collaborative partnerships with the U.S. Department of Labor, States, and non-governmental organizations.

Provide \$10 billion for a multi-modal freight program that strengthens America's exports and trade. The U.S. transportation system moves more than 52 million tons worth nearly \$46 billion each day, or almost 40 tons of freight per person per year, and freight tonnage is expected to increase 62 percent by 2040. The GROW AMERICA Act will help improve the operation of our transportation system to move freight while making critical investments to accommodate this future growth in part through providing \$10 billion over four year to establish a new multimodal freight grant program to fund innovative rail, highway, and port projects that will improve the efficient movement of goods across the country. The GROW AMERICA Act will also give shippers and transportation providers a real seat at the table for making investment decisions and incentivizes States to collaborate and establish long term freight strategic plans.

Provide \$19 billion in dedicated funding for rail programs. The proposal also includes nearly \$5 of billion annually for high performance and passenger rail programs with a focus on improving the connections between key regional city pairs and high traffic corridors throughout the country.

The GROW AMERICA Act will provide more bang-for-the-buck through innovative project finance and delivery improvements. In a time of tight fiscal and budgetary constraints, the President's proposal includes a number of measures to ensure that the American public is getting most out of Federal transportation infrastructure investments that lead to better outcomes for all Americans.

#### **The GROW AMERICA Act will -**

Utilize competitive funding to spur innovation. The proposal will provide \$5 billion over four years - an increase of more than 100 percent - for the highly successfully TIGER competitive grant program and \$4 billion embedded in the highway and transit requests for a competitive grant program called Fixing and Accelerating Surface Transportation (or "FAST"). Modeled after the Department of Education's Race to the Top program, FAST will award States, Tribes, and MPOs that adopt bold, innovative strategies and best practices in transportation that would have long-term impact on all projects across the transportation programs.

Improve project delivery and the Federal permitting and regulatory review process. The GROW AMERICA Act will build on recent efforts to expedite project approval timelines while delivering better outcomes for communities and the environment. The proposal expands on a series of successful efforts by the Administration to expedite high priority projects and identify best practices to guide future efforts without undermining bedrock environmental laws or public engagement. Not only will important projects break ground faster, but the increased level of transparency and accountability will lead to delivering better environmental outcomes, as the proposal will improve interagency coordination by advancing concurrent, rather than sequential, project reviews and will improve transparency of project reviews and timelines through online “dashboards.” It will also increase flexibility for recipients to use Federal transportation funds to support environmental reviews, and help to integrate overlapping requirements.

Incentivize cost effective investments. The proposal will strengthen the performance incentives to maintain safety and conditions of good repair, and expand research and technology activities in order to improve the productivity of our transportation systems, thereby increasing taxpayer return on investment.

Provide \$4 billion to attract private investment in transportation infrastructure. The Transportation Infrastructure Finance and Innovation Act (TIFIA) program leverages Federal dollars by facilitating private participation in transportation projects and encouraging innovative financing mechanisms that help advance projects more quickly. The GROW AMERICA Act calls for \$4 billion in funding over four years, which is estimated to support \$40 billion in loans. The GROW America Act will strengthen the Railroad Rehabilitation and Improvement Financing (RRIF) financing Program by reducing the cost of obtaining a loan, making RRIF more accessible to short line and regional railroads. The proposal will raise the cap of Private Activity Bonds (PABs) to \$19 billion, making room for more projects considering a public-private partnership approach to be able to take advantage of this cost-saving tool.

The Administration proposes to fund the GROW AMERICA Act through a pro-growth, business tax reform, without adding to the deficit. The President’s Budget outlined a proposal to dedicate \$150 billion in one-time transition revenue from pro-growth business tax reform to address the funding crisis facing surface transportation programs and increase infrastructure investment. This amount is sufficient to not only fill the current funding gap in the Highway Trust Fund, but increase surface transportation investment over current authorized levels by nearly \$90 billion over the next four years. When taking into account existing funding for surface transportation, this plan will result in a total of \$302 billion being invested over four years putting people back to work modernizing our transportation infrastructure. The Administration believes that a comprehensive approach to reforming our business taxes can help create jobs and spur investment, while ensuring a fairer and more equitable tax system that eliminates current loopholes that reward companies for moving profits overseas and allow them to avoid paying their fair share. The Administration is putting forward this pro-growth financing plan to encourage bipartisan efforts to support a visionary infrastructure plan, but is open to all ideas for how to achieve this important objective, and will work closely with Members of Congress of both parties on a solution that will invest in more job creating transportation projects.

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