

June 24, 2015

Senate Committee Passes Bipartisan Long-Term Highway Bill

Dear NEC Transportation Committee Member:

Earlier today, the Senate Environment and Public Works (EPW) Committee passed [S. 1647](#), the “Developing a Reliable and Innovative Vision for the Economy Act of 2015” (DRIVE Act) by a vote of 20 to 0. The bipartisan measure was introduced just yesterday, having been drafted by EPW Committee Chairman Senator Jim Inhofe (R-OK) and the Committee’s Ranking Member Senator Barbara Boxer (D-CA), as well as by Subcommittee on Transportation and Infrastructure Chairman, Senator David Vitter (R-LA) and senior Committee member Senator Tom Carper (D-DE). A handful of non-controversial amendments were rolled into a “manager’s package” and adopted as part of the bill prior to the Committee’s passage of the overall bill. Several senators on the panel discussed bringing up possible amendments, but ultimately none were offered to the underlying measure.

As passed, the DRIVE Act would reauthorize the nation’s surface transportation programs for a full six years, from the beginning of fiscal year 2016 (October 1, 2015) through the end of fiscal year 2021 (September 30, 2021). Though final total funding levels have not yet been set, the bill does provide approximately \$212 billion for the federal-aid highway program. In addition, S. 1647 would allocate \$675 million each year (slightly more than \$4 billion total) for the Transportation Infrastructure Finance and Innovation Act (TIFIA) program. Also, the bill provides approximately \$2.4 billion over the six year length of the bill for the Assistance for Major Projects (AMP) program, which would replace the current projects of regional significance program. Further, the bill would establish a national freight program to help address global competition and “assist states in strategically directing resources toward improved system performance for efficient movement of freight on highways.”

Although the bill did pass the EPW Committee overwhelmingly, there are three other Senate Committees with jurisdiction over the consideration of surface transportation legislation: the Senate Commerce, Science and Transportation Committee (highway safety); the Senate Banking, Housing and Urban Affairs Committee (transit systems); and the Finance Committee (funding). The main hurdle for the consideration of a long-term bill has been and continues to be the identification of a suitable funding source. Most elected officials have taken the idea of increasing the 18.4 cents per gallon federal gas tax off the table, and there has been little agreement on a replacement for this revenue source. Nevertheless, House and Senate leaders

have not given up yet on finding common ground on funding.

The current surface transportation law, the Moving Ahead for Progress in the 21st Century Act (MAP21), will expire at the end of July. Congress will need to act before that deadline to either replace or extend the law.

A summary of the DRIVE Act has been prepared by the Senate EPW Committee, and can be found by clicking on [THIS LINK](#). It is also available in text form as follows:

The Developing a Reliable and Innovative Vision for the Economy (DRIVE) Act Summary

This bill builds on the success of the comprehensive reforms and performance-based approach to transportation investment in the Moving Ahead for Progress in the 21st Century Act (MAP-21). It provides six years of increased funding, giving state and local governments the certainty and stability they need to improve and develop our nation's transportation infrastructure. These investments will create new jobs, provide a boost to our nation's economy, and keep us competitive in the global marketplace. Highlights of the legislation include:

- Long-term funding certainty for state and local governments to support multi-year transportation project investments;
- Increased funding for existing core transportation formula programs to provide states and local governments with a strong federal partner;
- Creation of a new multi-billion dollar per year freight program to help states deliver projects that promote the safe, efficient, and reliable transportation of consumer goods and products that is on top of the existing formula programs;
- Targeted funds for major projects of high importance to a community, a region, or the nation;
- Greater efficiency in the project delivery process through improved collaboration and reduced duplication;
- Increased funding priority on the Interstate System, the National Highway System, and bridges at risk of funding shortfalls;
- Greater transparency on the use of federal funds to show taxpayers where their infrastructure dollars are being spent and reinforce public trust; and
- Support for innovative financing tools that allow state and local governments to leverage federal funds for transportation projects and maximize investments, particularly in rural

areas where such tools were previously unavailable.

Authorizations and Programs

Fully-funds highway programs for 6 years

- The bill reauthorizes the Federal-aid highway program at an increased funding level for six years, from FY 2016 through FY 2021.
- Maintains formula program structure and increases the amounts each state will receive each fiscal year.

Increases support for core formula programs

- The existing consolidated core highway program structure from MAP-21 is maintained, including: the National Highway Performance Program; the Highway Safety Improvement Program; the Surface Transportation Program; and the Congestion Mitigation and Air Quality Improvement Program.

Prioritizes bridges and large, nationally-important facilities

- The bill dramatically increases the funding that must be spent on projects to maintain and repair bridges off of the National Highway System, as these bridges often struggle to find a reliable funding stream.
- The bill also shifts additional revenue towards the Interstate System and the National Highway System to address the significant maintenance backlog on those facilities.

Provides substantial new funding to focus on freight and goods movement

- The bill establishes a formula-based freight program, which will provide funds to all states to improve goods movement, reducing costs and improving performance for business.
- It expands flexibility for both rural and urban areas to designate key freight corridors that match regional goods movement on roads beyond the Primary Highway Freight System.
- The legislation improves efforts to identify projects with a high return on investment through state freight plans and advisory committees established under MAP-21.

Funds major projects

- The bill provides new funds to major projects of high importance to a community, a region, or the nation through a competitive grant program.

- The program includes a set-aside for rural areas and ensures an equitable geographic distribution of funds.
- The bill includes strong transparency provisions and includes a Congressional selection and approval process.

Requires Highway Trust Fund transparency

- The legislation includes new provisions to improve the transparency of how and where transportation projects are selected and funded, to ensure that stakeholders and the public have faith in the integrity of highway programs and the use of federal tax dollars.
- The improved transparency provisions will provide to the public better accountability on how the Federal Highway Administration is utilizing their administrative expenses as well as progress towards achieving national goals and improving federal reviews of highway projects.

Improves TIFIA program

- The bill updates the Transportation Infrastructure Finance and Innovation Act (TIFIA) program and provides state and local governments new options for stretching transportation dollars and increasing efficiency and utilization.
- The bill also improves the process whereby a TIFIA loan can be used to capitalize a State Infrastructure Bank, providing increased leverage for small, rural projects that was previously unavailable.

Accelerates project delivery and increases flexibility

- Building on the reforms in MAP-21, the bill continues to accelerate the project delivery process while protecting the environment and public health.
- New reforms would improve collaboration between the lead agency and the participating agencies, allow for greater reliance on documents prepared during the planning process, and reduce duplication between agencies involved in the federal environmental review and permitting process.

Expands flexibility and opportunities for infrastructure investment in rural areas

- The bill provides increased flexibility to best fit the needs of rural states and local governments.
- It offers new options to bundle small projects together to increase efficiencies and take advantage of procedures often difficult to utilize for rural projects.

- It empowers states to work with DOT to develop ways to effectively utilize flexibilities for small projects, including rural road and bridge projects to better respond to community needs.

Funds Federal Lands and Tribal Transportation Highway Programs

- The bill increases funding levels for these programs to support maintenance and construction of roads and bridges on tribal and federal lands.
- The bill also authorizes funds for nationally significant federal lands and tribal transportation projects, recognizing that there is a significant maintenance and repair backlog on these facilities.

Maintains State and Metropolitan Transportation Planning

- The bill maintains the statewide and metropolitan planning processes to continue the development towards a performance-based approach to transportation decision making.

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