



2021 Infrastructure Update

Transportation and Air Quality Committee

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Current Situation

- Current transportation/infrastructure funding guidance under one-year extension of FAST Act
 - Extended at end of 2020
 - Expires September 30th
- President introduced American Jobs Plan – Early 2021
 - \$2T price tag; created debate between traditional infrastructure and human infrastructure
- **House:** Passed reauthorization package on July 1 (INVEST in America Act)
- **Senate:** Working on reauthorization + additional money for some of American Families Plan suggestions
 - This is the Bipartisan Infrastructure Framework that is still being brokered
 - Legislative language under the \$974B package is currently being written



Key Themes

- The President, the House and the Senate have all focused to one extent or another on:
 - More money for transit; new passenger and freight rail programs, including establishing a Rail Trust Fund for the first time
 - DEI-diversity, equity and inclusion - in contracting, workforce, hiring, as well as establishing criteria to combat further damage to Environmental Justice (EJ) neighborhoods in grant-making and transportation-building
 - Transportation electrification/climate change
 - Support for labor



H.R. 3684 – Reauthorization Bill (INVEST in America Act)

- Passed by the House on July 1, 2021 by almost completely a party-line vote (221-201).
- This is essentially a FAST Act reauthorization bill with increases
- \$574B in funding over 5 years
 - \$328B for roads, bridges, major projects
 - \$104B for public transit + opens funding for operations use
 - \$99B for passenger and freight rail
 - \$10B for Active Transportation Infrastructure (bikes, paths, etc.)
 - Additional money for MPO Planning Functions
 - Earmarks – how are they playing out
- How to pay for it is still TBD
 - Highway Trust Fund issue; House recently voted to transfer \$180B in General Revenues into HTF



Senate – Reauthorization + Infrastructure

- \$974B total funding over 5-8 years
- Includes traditional authorization funding alone, plus \$579B in “new” spending
- Much of the language of the deal still needs to be written
- Key categories of funding that we know about that comprise the new spending:
 - \$125B for road, bridges, ports and waterways (\$109 for roads and bridges)
 - \$66B for passenger and freight rail
 - \$49B for public transit
 - \$7.5B for electric chargers
 - \$7.5B for electric buses/transit



Comparison of the House (INVEST in America Act) and the Senate/Administration “Bipartisan Framework” Proposal (in \$billions) – Transportation

<u>Category</u>	<u>Baseline</u>	<u>Bipartisan Framework</u>	<u>HR 3684, As Passed</u>
Roads, Bridges, Major Projects	251.0	361.0	328.5
Safety	10.0	21.0	10.5
Public Transit	66.0	114.5	104.4
Passenger and Freight Rail	15.0	81.0	99.6
EV Infrastructure	0.0	7.5	17.7
Low-No Carbon Bus, Ferry	0.0	7.5	4.1
Reconnecting Communities	0.0	1.0	3.0
Resiliency	0.0	47.2	6.3
TOTAL	342.0	640.7	574.2

Source: Eno Transportation Weekly

Analysis of HR 3684 (Invest in America Act)

- Set of priority transportation bill reauthorization principles discussed with TAQC in March.
- Based on long-standing ARC goals for reauthorization.
- Reauthorization principles also signed on to also by MAC.
- Shared with Congressional delegation in March.



Reauthorization Principles



Strengthen the multi-decade federal priority of providing planning assistance to MPOs.

PL funds in HR 3684 will increase 41% compared to FAST Act

However...match requirements still at 80% federal and 20% nonfederal. ARC has supported changing this to 90% federal and 10% non-federal.

Reauthorization Principles



Empower high-performing MPOs with increased responsibilities, supporting local control and decision-making

New Metro Performance Program established

\$250M annually nationwide (min. \$10M / max \$50M per eligible agency)

MPOs and local governments would have direct access to federal funds, but also assume the same responsibilities as GDOT

Rigorous process to be selected for designated recipient status

Reauthorization Principles



Restore the share of Surface Transportation Block Grant (STBG) apportionments for local jurisdictions to pre-MAP 21 levels

Was once 62.5% of overall state apportionment, but reduced to 55% under FAST Act

HR 3684 increases the share obligated based on population incrementally through FY 2026 to 60%

FY 2021 state apportionment was \$399 million



Reauthorization Principles



Eliminate the Congestion Mitigation and Air Quality (CMAQ) provision allowing 50% of program funding to be directed to other FHWA programs

Could almost double the current annual regional funding of \$29 million



Focus Transportation Alternatives (TA) set-asides on intended federal purposes

Could almost double the current annual regional amount of \$7.6 million



Reauthorization Principles



Increase funding levels for the FTA Capital Investment Grants (CIG) program / Better connect economies through intercity rail

Annual CIG funding increases from \$2.3 billion to \$3.5 billion

Additional support for Amtrak state of good repair and expansion programs



Expand funding for the National Highway Freight Program (NHFP), including the suballocation of funds to MPOs above 200,000 in population

NHFP annual funding increases from \$1.5 billion to \$1.7 billion

No suballocation to MPOs

Reauthorization Principles



Spur innovation in the funding of transportation by implementing a Vehicle Miles Traveled (VMT) tax pilot program



Continue the federal focus on streamlining the federal environmental review process



Ensure a fair playing field for funding



Climate and resiliency should be transportation priorities



Leverage innovation to provide congestion relief



COVID-19 relief and recovery



Next Steps

- Senate staff working on bill language for the “Bipartisan Infrastructure Framework”
- The Senate will work to maintain the fragile deal
 - Sens. Manchin (D-WV) and Sinema (D-AZ) vs. Sens. Sanders (D-VT), Warren (D-MA), and Markey (D-MA)
 - Senate EPW and Commerce Committees have already written smaller titles for regular FAST Act reauthorization.
- How to pay or *whether to pay* for either bill is still a huge question mark. Current cost of borrowing is low
- Reconciliation – possible vehicle for other Presidential priorities not addressed but outlined in AJP
- Process will last through Summer, and when combined with regular appropriations process and debt ceiling increase perhaps through entire year
- **Will continue to brief TAQC members on reauthorization proposals and help inform Congressional members on the need for transportation reauthorization.**



Questions?

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