A bipartisan group of senators this week introduced a six-year transportation authorization bill that proposes to increase highway spending by almost 13 percent and spread more than $2 billion a year among states to invest in freight facility improvements. But with a July 31 deadline fast approaching, Congress is still at a loss when it comes to how they might pay for such a bill.

The leaders of the Senate Environment & Public Works Committee—James Inhofe and Barbara Boxer—were joined by Senators David Vitter and Tom Carper at a Capitol Hill news conference Tuesday to unveil the DRIVE Act (the acronym stands for Developing a Reliable and Innovative Vision for the Economy Act).

Among the highlights, the bill calls for:

- Spending $275 billion over the next six years, much of it on the nation’s roads.
- Appropriating nearly $43 billion annually to the federal aid highway program.
- Committing $675 million annually to the TIFIA low-interest loan program.

But the committee is deferring to others when it comes to determining how the bill should be funded and there still appears to be little agreement on that front. The Congressional Budget Office has said lawmakers would need to come up with an additional $100 billion on top of existing gas tax revenues to fund a six-year bill. While some have called for a gas tax increase to fund the measure, House Republican leaders appear to have ruled that out.

One idea that appears to have some traction as a funding mechanism for a multi-year bill—a repatriation tax on foreign earnings—was the subject of a House subcommittee hearing this week. Some key Senators are said to be keeping an open mind about the possible mechanism.

But Congress is staring down a July 31 deadline to shore up the dwindling Highway Trust Fund and extend transportation programs before the most recent extension expires. Many question whether there’s enough time to get it all done, especially with a July 4 break on the horizon between now and then. Another short-term extension of funding at current levels—there have been more than 30 in just over six years—will likely be needed, which won’t make states happy, since they will once again have to deal with an uncertain future just as they’re smack dab in the middle of the summer construction season.

Still some transportation stakeholders and advocates were quick to praise the DRIVE Act as a promising first step.

"Sens. Inhofe, Boxer, Vitter and Carper have stepped up and done their job by outlining a multi-year highway and public transit program that will make America more competitive," said American Road and Transportation Builders Association (ARTBA) President Pete Ruane in a statement. "Now it’s time for the Senate Finance and House Ways & Means committees to do theirs and provide the path forward with a sustainable revenue stream for the Highway Trust Fund.”
Even Streetsblog USA, the online publication that promotes transit, bike/pedestrian projects and smart growth, found some cause for hope.

“No, the ... bill ... won’t usher in a more enlightened era of federal transportation policy,” writes Streetsblog’s Tanya Snyder. “But neither would it be a significant step backward. And with the realization setting in that further extensions of current law might be impossible, the DRIVE Act could actually become the nation’s first long-term transportation authorization in a decade.”

Snyder goes on to discuss what the bill has to say about street design standards, complete streets programs, local control and the eligibility of transit-oriented development for TIFIA loans.

James Corless, director of Transportation for America, offered this in his statement: “The DRIVE Act takes several important steps to address gaps and build on policies adopted in MAP-21. For one, it increases the share of funding directly provided to local communities through the Surface Transportation Program and the Transportation Alternatives Program. It takes steps to help communities become more resilient in the face of natural disasters and a changing climate. It opens up low-interest financing to support smart economic development along public transit lines, and lowers the cost thresholds to help local communities qualify for low-cost federal TIFIA loans. And it would ensure all modes of transportation are accounted for in the design of highway projects.”

But Corless goes on to say there are other areas where the bill could be better, including in the areas of transparency, accountability, improving project selection processes and measuring the success of investments. He also argues that the new freight program should be broadened and more emphasis should be placed on investments to promote access to jobs.

On Wednesday, the Senate EPW Committee marked up the bill in a session that went less than an hour and yielded a unanimous vote after a manager’s package of amendments was approved. The Senate Banking, Commerce and Finance committees will all have to draft and approve their portions of the bill before it can go before the full Senate.

By: Wednesday, June 24, 2015 at 03:12 PM

Tags: Capitol Comments Policy Area › Transportation › Administration and Finance › Alternative Funding Sources Policy Area › Transportation › Administration and Finance › Authorization Policy Area › Transportation › Administration and Finance › Fuel Taxes Policy Area › Transportation › Administration and Finance › Highway Trust Fund