U.S. House Transportation and Infrastructure Committee Chairman Bill Shuster has offered a discussion draft of an infrastructure bill that speaks to a number of longstanding, difficult issues, including the future of the Highway Trust Fund, the short- and long-term future of the federal gas tax and the speed with which transportation projects are delivered. While most predict the bill has little chance of making it all the way through the process this year—at least prior to the midterm election—Shuster said in a statement the discussion draft is “intended to further the national conversation about the current state of America’s infrastructure and highlight some of the major roadblocks to funding and improving our transportation network.”

What’s in the Bill?

Shuster’s bill seeks to address the future of the Highway Trust Fund in a variety of ways. It would:

- Set up a Highway Trust Fund Commission that would submit a report to Congress with recommendations to achieve the long-term solvency of the trust fund and the corresponding legislation to enact those recommendations;
- Establish a national, volunteer-based pilot program to demonstrate whether a per-mile user fee can replace existing gas and diesel taxes;
- Increase the federal user fees on gasoline and diesel fuel by 15 cents and 20 cents per gallon, respectively. The increases would be phased in over three years and then indexed to inflation. But the bill also calls for the elimination of the gas tax by September 30, 2028.
- Eliminate the reduced user fee on fuel used by certain intercity and local public transportation buses;
- Reinstate the 4.3 cents per gallon user fee on diesel used by certain passenger trains;
- Establish a 10 percent user fee on the wholesale price of electric vehicle batteries; and
- Establish a 10 percent user fee on the wholesale price of bike tires (for adult-size bikes only).

The bill addresses infrastructure investment directly with provisions to:

- Direct the Secretary of Transportation to award competitive transportation infrastructure grants as part of the National Infrastructure Investments Program, with 30 percent going annually to projects in rural areas;
- Provide incentive grants to eligible applicants that have leased an infrastructure asset to the private sector and have certified that the proceeds from the lease will be used to make other infrastructure improvements;
- Establish a set-aside and a transparent process for a future Congress to authorize nationally significant transportation projects;
- Extend federal surface transportation programs authorized in 2015’s FAST Act surface transportation authorization for another year, through FY 2021;
- Repeal the approximately $7.6 billion rescission of federal highway funding in the FAST Act; and
- Establish a set-aside and a transparent process within the FAST Act’s National Significant Freight
and Highway Projects Program for a future Congress to authorize nationally significant highway, bridge and freight projects.

Water resources are addressed extensively in the bill as well with provisions to:

- Reauthorize the Water Infrastructure Finance and Innovation Act (WIFIA) program;
- Allow the Environmental Protection Agency to make grants to nonprofit organizations to provide technical assistance relating to financing wastewater infrastructure in rural, small and tribal municipalities;
- Reauthorize an EPA grant program that assists states, interstate agencies and tribes in administering programs for the prevention, reduction and elimination of pollution in the nation’s waterways;
- Authorize EPA’s ongoing efforts to support states, tribes and local communities in developing watershed-based plans to achieve water quality standards;
- Reauthorize EPA’s program to provide technical and financial assistance to states, territories and tribes to implement a variety of nonpoint source projects;
- Reauthorize the Clean Water State Revolving Funds program and increase financial assistance to communities of fewer than 10,000 individuals; and
- Establish a mechanism to allow revenue deposited in the Harbor Maintenance Trust Fund to be appropriated and expanded to address the maintenance and dredging needs of U.S. commercial harbors.

Title III of the bill addresses innovative project finance with provisions to:

- Authorize funds for the direct cost of loans and loan guarantees under the Railroad Rehabilitation and Improvement Financing (RRIF) program;
- Direct the General Services Administration to carry out a pilot program to complete three to five building projects using public-private partnerships;
- Create a new $10 billion federal capital revolving fund managed by the GSA to help finance the costs of constructing and rehabilitating federal buildings;
- Provide the Coast Guard the authority to enter into public-private partnerships to rehabilitate old and construct new military family housing.

Accelerating project delivery, which has become a focus for President Trump as well, is addressed in the final section of the bill with provisions to:

- Direct the FAST Act-created National Surface Transportation and Innovative Finance Bureau within the U.S. Department of Transportation to carry out various activities to accelerate project delivery, including providing technical assistance on compliance with the National Environmental Policy Act to all non-federal sponsors of transportation projects and ensuring that a record of decision is issued for a transportation project within two years;
- Expedite the environmental review process by enabling a categorical exclusion for a project under one modal administration of the U.S. Department of Transportation to be applied to a project under a different modal administration; and
- Establish a pilot program to allow the use of innovative approaches to the environmental review process in order to accelerate project delivery while still maintaining environmental protections.

What Are Its Chances?

In introducing the discussion draft, Shuster said while it doesn’t attempt to solve every issue, “it serves as a framework and a new starting point for Congress to begin to seriously address, in a fiscally responsible and bipartisan manner, how we are going to provide the nation with the 21st
century infrastructure it needs and deserves.”

Shuster said the draft reflects input from both Republicans and Democrats in Congress as well as the “broad stakeholder community.” The bill represents perhaps a parting shot for Shuster, who is retiring at the end of his term.

Most say the bill faces long odds with an election approaching in November, with a gas tax increase attached to the measure, with available floor time for major legislation severely limited between now and November and with deadlines for reauthorizing transportation programs still two years away. But the chairman and ranking member on the Senate Environment and Public Works Committee, John Barrasso and Tom Carper, have both expressed an interest in tackling both water infrastructure and surface transportation infrastructure this year.

If the bill isn’t addressed before the election, there is some talk it could surface during a lame duck session at the end of the year. But it would likely have to progress significantly through the process in the coming months and that could be a fairly tall order during what’s expected to be a busy fall.

Further Reading


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