



Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington DC 20515

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March 2, 2018

SUMMARY OF SUBJECT MATTER

TO: Members, Committee on Transportation and Infrastructure
FROM: Staff, Committee on Transportation and Infrastructure
RE: Full Committee Hearing on “Examining the Administration’s Infrastructure Proposal”

PURPOSE

The Committee on Transportation and Infrastructure will meet on Tuesday, March 6, 2017 at 10:00 a.m. in 2167 Rayburn House Office Building to receive testimony concerning the Trump Administration’s infrastructure proposal. The Committee will hear from the Secretary of Transportation.

BACKGROUND

The Importance of Transportation Infrastructure

Transportation infrastructure provides a strong physical platform that facilitates economic growth, ensures global competitiveness, creates American jobs, and supports national security. In addition, it affords Americans a good quality of life by enabling them travel to and from work, to conduct business, and to visit family and friends.

The Nation’s transportation infrastructure is an extensive network of highways, airports, railroads, public transit systems, waterways, ports, and pipelines. It includes over 4 million miles of public roads, nearly 20,000 airports, over 140,000 miles of railroad, over 272,000 miles of public transit route miles, over 2.6 million miles of pipeline, over 25,000 miles of navigable waterways, and 360 commercial ports.¹

Our Nation’s transportation infrastructure is the backbone of the U.S. economy. In 2015, all modes of transportation moved an estimated 18.1 billion tons of goods worth about \$19.2 trillion on our Nation’s transportation network. On a daily basis, 49 million tons of goods valued

¹ U.S. Department of Transportation, Bureau of Transportation Statistics, *2015 Pocket Guide to Transportation*; Federal Railroad Administration, *The Freight Rail Network*; Federal Transit Administration, *National Transit Database*; American Association of Port Authorities, *U.S. Public Port Facts*.

at more than \$53 billion are shipped throughout the country on all transportation modes.² In addition, nearly 13 million Americans, approximately nine percent of the U.S. workforce, are directly employed by transportation related industries.³ In 2015, Americans drove 3.1 trillion miles commuting to and from work and conducting other activities.⁴

Future Needs for Transportation Infrastructure

Over the next 30 years, our Nation’s transportation infrastructure will need to keep pace with anticipated increases in population and demand for freight transportation. Forecasts predict that America’s population will grow from 319 million in 2014 to approximately 400 million in 2051.⁵ The movement of freight is expected to increase by 40 percent over the next 30 years.⁶ U.S. trade volume is expected to double by the year 2021, and double again by the year 2030. By 2030, large “post-Panamax” ships are expected to comprise a majority of the world’s container ship capacity, although fewer than 10 of America’s 360 ports are now capable of receiving ships of this size. Air travel demand is expected to increase from 750 million passengers annually to nearly one billion passengers annually by the end of the next decade.⁷ New forms of air transportation, including drones and commercial space transportation will also need to be integrated into the aviation system. In terms of highway usage, vehicle miles traveled are projected to increase by nearly 20 percent by 2035.⁸ Between 2015 and 2045, it is estimated that freight rail tonnage will increase by 24 percent, from 1.7 billion tons to 2.1 billion tons.⁹

The Trump Administration’s Infrastructure Proposal

On February 6, 2018, the Trump Administration released its “Legislative Outline for Rebuilding Infrastructure in America”. The proposal would address a broad array of infrastructure needs in areas including highways, transit, aviation, rail, drinking and wastewater waterways, public buildings, Brownfield and Superfund sites, energy, public lands, and veterans’ hospitals. The proposal does not include recommendations on addressing the long-term solvency of the Highway Trust Fund.

The proposal calls for \$200 billion in funding, credit subsidies, and tax incentives over the next 10 years to improve U.S. infrastructure. The proposal is structured with the intention of stimulating a total of \$1.5 billion in new investment in U.S. infrastructure. Offsets are not identified in the proposal to “pay-for” the proposed level of spending. The proposal breaks down the \$200 billion as follows:

² U.S. Department of Transportation, Bureau of Transportation Statistics, DOT releases 30-Year Freight Projections, March 3, 2016.

³ U.S. Department of Transportation, Bureau of Transportation Statistics, Transportation in the United States: Highlights from 2015 Transportation Statistics Annual Report.

⁴ U.S. Department of Transportation, *U.S. Driving Tops 3.1 Trillion Miles in 2015, New Federal Data Show*, 2016.

⁵ U.S. Census Bureau, *Projections of the Size and Composition of the U.S. Population: 2014 to 2060*, 2015.

⁶ U.S. Department of Transportation, Bureau of Transportation Statistics, *DOT Releases 30-Year Freight Projections*, 2016.

⁷ U.S. Department of Transportation, *FAA Aerospace Forecast, Fiscal Years 2016-2036*, 2016.

⁸ Federal Highway Administration, *FHWA Forecasts of Vehicle Miles Traveled (VMT): Spring 2016*, 2016.

⁹ U.S. Department of Transportation, Bureau of Transportation Statistics, *DOT Releases 30-Year Freight Projections*, 2016.

- \$100 billion for an Incentives Program – A new discretionary grant program available to states and local governments to construct infrastructure projects. The funding would be awarded based on a number of criteria including whether states and local governments can demonstrate the ability to secure new, non-federal revenue for infrastructure investment, operation, and maintenance;
- \$50 billion for a Rural Infrastructure Program – New formula and discretionary grant programs for infrastructure projects in areas with populations of less than 50,000. A portion of this funding would be set aside for tribal and U.S. territorial governments;
- \$20 billion for a Transformative Projects Program – A new discretionary grant program for projects that “would fundamentally transform the way infrastructure is delivered or operated”;
- \$10 billion for a Federal Capital Financing Fund – The funding would be used to capitalize a revolving fund to finance the acquisition of federal real property, such as new federal buildings;
- \$14 billion to expand eligibilities under existing credit programs, such as the Transportation Infrastructure Finance and Innovation Act (TIFIA), Water Infrastructure Financing Act (WIFIA), and Railroad Rehabilitation and Improvement Financing (RRIF) programs; and
- \$6 billion to offset the cost of expanding eligibilities and lifting the current volume caps on tax-exempt Private Activity Bonds.

The Administration’s proposal contains several recommendations for permanent changes to existing law in an effort to incentivize investment and remove regulatory hurdles to infrastructure development. Some of the recommendations that fall under the jurisdiction of the Committee on Transportation and Infrastructure include:

- Eliminating the statutory prohibition on tolling existing interstate facilities;
- Lifting the statutory prohibition on the commercialization of interstate rest stops;
- Providing flexibility on the “application of federal requirements” for projects that receive minimal federal assistance;
- Authorizing states to repay the federal investment in a highway facility to permanently remove the application of federal requirements on the facility;
- Lowering the threshold for air carrier approval required for airports to participate in the Airport Privatization Pilot Program;
- Authorizing financial assistance to privately operated treatment works under the Clean Water State Revolving Loan Fund; and
- Expanding the number of agreements between the U.S. Army Corps of Engineers (Corps) and private entities to construct and operate inland waterway projects and hydropower facilities.

The Administration’s proposal also includes several recommendations intended to reduce the time it takes to conduct environmental review and permitting of infrastructure projects. Some of the recommendations that fall under the jurisdiction of the Committee on Transportation and Infrastructure include:

- Aligning the period for the filing of legal challenges to environmental permits issued for rail projects to that of highway and transit projects;
- Authorizing the acquisition of rights-of-way for rail projects prior to the completion of the National Environmental Protection Act (NEPA) review process;
- Removing the authority of the Environmental Protection Agency (EPA) to veto a permit issued by the Corps authorizing the discharge of dredged or fill material in waters of the United States under section 404 of the Clean Water Act;
- Clarifying the time states have to review applications and issue State Water Quality Certifications for projects under section 401 of the Clean Water Act; and
- Lengthening the terms of Clean Water Act discharge permits from five to 15 years and providing for automatic renewals of such permits for activities that impact waters of the United States.

Finally, the Administration’s proposal includes recommendations on changes to workforce development and education programs in an effort to improve the skills of workers that build and maintain U.S. infrastructure. More information on the Administration’s proposal is available at <https://www.whitehouse.gov/wp-content/uploads/2018/02/INFRASTRUCTURE-211.pdf>.

WITNESS LIST

The Honorable Elaine Chao
Secretary of Transportation
U.S. Department of Transportation