

# Committee on Transportation and Infrastructure U.S. House of Representatives

Bill Shuster Chairman Washington, DC 20515

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# February 4, 2015

## SUMMARY OF SUBJECT MATTER

TO:

Members, Committee on Transportation and Infrastructure

FROM:

Staff, Committee on Transportation and Infrastructure

RE:

Full Committee Hearing on "Surface Transportation Reauthorization Bill: Laying

the Foundation for U.S. Economic Growth and Job Creation Part I'

#### **PURPOSE**

The Committee on Transportation and Infrastructure will meet on Wednesday, February 11, 2015 at 10:00 a.m. in 2167 Rayburn House Office Building to receive testimony related to reauthorization of the federal surface transportation programs. The Committee will hear from the U.S. Department of Transportation.

#### **BACKGROUND**

The Importance of Transportation Infrastructure

Transportation infrastructure provides a strong physical platform that facilitates economic growth, ensures global competitiveness, 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. Over 4 million miles of public roads connect with nearly 20,000 airports, over 161,000 miles of railroad (freight and passenger), over 272,000 miles of public transit route miles, over 2.4 million miles of pipeline, over 25,000 miles of navigable waterways, and 360 commercial ports. 1

The surface transportation components of this broader system play an integral part in the movement of people and goods. Specifically, highways carried more than 2.9 trillion vehicle

<sup>&</sup>lt;sup>1</sup> 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.

miles (including cars, trucks, motorcycles, and buses) and public transportation carried over 55 billion passenger miles in 2012. In 2012, all modes of transportation moved more than 19.6 billion tons of freight, valued at over \$17.3 trillion (in 2007 dollars). Of that total, trucks moved more than 13.1 billion tons, valued at over \$11.1 trillion.

## The Federal Role in Transportation Infrastructure

Providing the Nation with transportation infrastructure has long been recognized as a federal responsibility that is shared with state and local partners. The Constitution establishes congressional jurisdiction over transportation in Article 1, Section 8, which directs Congress to establish post roads and to regulate interstate commerce. The two Supreme Court cases of *Monongahela Navigation Company v. United States*, 148 U.S. 312 (1893) and *Wilson v. Shaw*, 204 U.S. 24 (1907) have further highlighted the role and responsibility of Congress in providing public infrastructure. *Monongahela Navigation Company* held, in part, that the federal government has the power to regulate commerce between states even if it means condemning and appropriating a lock and dam on a navigable waterway, and *Wilson* held that the Commerce Clause of the United States Constitution authorizes Congress to establish an interstate highway system.

Federal assistance for highway construction began in the early 20<sup>th</sup> century when Congress provided \$500,000 for highway construction in the Postal Service Appropriations Act of 1912. In 1944, Congress authorized significant expanded federal assistance for construction of a "National System of Interstate Highways." Without a dedicated source of revenue, however, construction of the Interstate System stalled.

The landmark Federal-Aid Highway Act of 1956 and Highway Revenue Act of 1956 authorized significant funding for a 41,000-mile National System of Interstate and Defense Highways and established the Highway Trust Fund (HTF) as the mechanism for financing the accelerated highway investment. To finance the increased authorizations, the Revenue Act increased federal excise taxes paid by highway users and provided that these revenues should be credited to the Highway Trust Fund. This dedicated funding mechanism provided financial certainty for the highway program, including the Interstate Program. The 13-year authorization of the 1956 Act gave the states the continuity needed to develop and build highway projects. Since 1956, Congress has regularly reauthorized federal surface transportation programs.

#### **MAP-21**

Congress most recently reauthorized federal surface transportation programs in Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21; P.L. 112-141), which was enacted on July 6, 2012. MAP-21 authorized federal-aid highways, highway safety, and highway research and development programs at \$40.96 billion for fiscal year 2013 and \$41.03 billion for fiscal year 2014. For public transportation programs, the law authorized \$10.58 billion for fiscal year 2013 and \$10.7 billion for fiscal year 2014. The Transportation Infrastructure Financing and

<sup>4</sup> *Id*.

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<sup>&</sup>lt;sup>2</sup> U.S. Department of Transportation, Bureau of Transportation Statistics, *2015Pocket Guide to Transportation*; Bureau of Transportation Statistics, *Table 1-40*.

<sup>&</sup>lt;sup>3</sup> U.S. Department of Transportation, Federal Highway Administration, *Freight Facts and Figures*, 2013.

Innovation Act (TIFIA), which provides credit assistance for surface transportation projects, received a significant expansion of authorization to approximately \$1 billion a year.

MAP-21 made significant programmatic and policy reforms to federal surface transportation programs. Among those reforms, it consolidated or eliminated nearly 70 U.S. Department of Transportation (U.S. DOT) programs, which afforded state and local partners greater flexibility with the use of their federal funding. MAP-21 reformed the project approval and delivery process for highway and public transportation projects, which allows projects to begin construction faster, maximizing the public investment and benefit. MAP-21 also emphasizes performance management by incorporating performance measures into the highway, transit, and highway safety programs, which focuses federal funding on national transportation goals, increases accountability and transparency, and improves transportation planning and project selection.

MAP-21 was set to expire on September 30, 2014. In the summer of 2014, Congress passed and the President signed the Highway and Transportation Funding Act of 2014 (HTF Act) (P. L. 113-159) in order to extend MAP-21 through May 31, 2015. As a result, reauthorization of federal surface transportation programs is a priority for the 114<sup>th</sup> Congress.

#### GROW AMERICA Act

In May 2014, the Obama Administration submitted to Congress the Generating Renewal, Opportunity, and Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout America Act (GROW AMERICA Act) – a 4-year, \$302 billion proposal to reauthorize federal surface transportation programs. The proposal includes substantial funding increases for and policy changes to federal surface transportation programs.

As part of the fiscal year 2016 budget request, the Obama Administration has revised the GROW AMERICA Act to be a 6-year, \$478 billion proposal. An updated proposal that reflects the increased length and funding level along with other refinements is expected in the near term.

# **WITNESS LIST**

The Honorable Anthony Foxx Secretary of Transportation U.S. Department of Transportation