



# SCWA Legislative Update

July 13, 2021



## House of Representatives Passes Highway Reauthorization and Water Bill

On July 1, the House of Representatives passed a five-year \$592 billion transportation reauthorization H.R. 3684, the “INVEST in America Act,” along mostly partisan lines (Reps. Chris Smith (R-NJ) and Brian Fitzpatrick (R-PA) supported the bill) with a vote of 221 to 201. After five hours of debate on the surface portion of the bill 127 amendments were included largely along party lines. The bill provides or authorizes hundreds of billions for roads, bridges, transit, rail, plus non-transportation water above the \$592 billion, as follows.

### Overview:

- \$345 billion- Roads, Bridges, and Safety
- \$109 billion – Transit
- \$100 billion – Passenger and Freight Rail
- \$37 billion Electric Vehicle Charging – Rush amendment
- \$117 billion - Drinking Water Infrastructure & Assistance
- \$51.25 billion - Wastewater Infrastructure

### Funding:

\$319 billion from the Highway Trust Fund (HTF) was allocated for highways (exclusive of earmarks, NHTSA and FMCSA funds) and provides a significant increase over FAST Act levels. This funding level along with the five-year authorization period allows for the stability necessary for both industry and State transportation department planning and project delivery purposes. H.R. 3684 also makes a substantial funding increase for the Highway Safety Improvement Program which is vitally important to help drive down fatalities on our roadways and reduce that number toward zero deaths.

### Fix it First:

The bill’s focus on “Fix it First,” rather than allowing for new capacity as needed creates a high threshold for making these needed investments and requires exploring alternatives first. Providing flexibility for State and local agencies to add new highway capacity where needed is important. Capacity is still needed in many parts of the country and supports safety, congestion relief, the reduction of greenhouse gases (GHG) in some instances, freight mobility, tourism, and other sectors of the economy. The Highway Users successfully secured language in the House Committee on Transportation and Infrastructure (T & I) report (see page 139) clarifying that safety improvements would not be considered “new capacity” where the bill restricts it.

### Climate Focus:

Addressing climate change remains a key theme in the INVEST Act. Some of the additional investment within the highway program is not traditional and to some extent intended for transit or rail. The highway program provisions include some new requirements and complexities consistent with the bill's focus on tackling climate change.

## Payfors:

One of the biggest challenges remains how to pay for the highway bill. The INVEST Act includes a \$148 billion general fund bailout of the Highway Trust Fund (HTF) but it is not paid for at this time. Additionally, the legislation fails to extend the federal excise taxes that fund the HTF leading to the Highway Account of the HTF running out in 2024. The Mass Transit Account will remain solvent until the end of the bill's scope in September 2026.

## Senate:

The Senate Committees on Environment and Public Works (S. 1931) and Commerce, Science and Transportation (S. 2016) have both passed bipartisan titles for the Senate surface transportation reauthorization bill. It is still not known when the Senate Committees on Finance and Banking, Housing, and Urban Affairs will pursue their titles. Senate Majority Leader Schumer (D-NY) continues to push for Senate action on infrastructure this July with the possibility that currently absent titles will be added on the floor without Committee action.

Meanwhile the White House reached a bipartisan infrastructure agreement on a \$1.2 trillion infrastructure framework with 21 Senators on June 24. [Click here to view the framework](#). The proposal provides \$579 billion in additional infrastructure spending above the current baseline including \$109 billion for roads, bridges, and major projects above the baseline. This agreement is still an outline of scope with proposed financing sources. House T & I Chairman Peter DeFazio (D-OR) recently announced that he hopes to merge his highway bill legislation with the bipartisan infrastructure package. The Chairman remarked that it made sense to merge the INVEST Act, Senate EPW's S. 1931, and the bipartisan agreement into one bill and conduct an informal conference between the House, Senate, and the White House. At this point in time no decisions have been made.

The potential linking of the bipartisan agreement to the proposed massive reconciliation and statements from Leader Schumer and Speaker Pelosi (D-CA) indicating they won't sign off on a bipartisan agreement until a robust Democratic reconciliation bill is passed is causing a lot of heartburn for both Republicans and moderates. The President walked back a statement he made last week linking the two efforts but at the same time the White House must hold progressives' hands to assure them that a robust reconciliation is still a priority and will move on similar timelines. This is just one more complication in a multi-faceted process.

Many questions remain unanswered. There have been no official decisions on the path forward. It could be a traditional highway bill, a bipartisan stimulus, or a combination of the two. And it is not clear how that legislation will relate, substantively, procedurally, and politically to a massive partisan reconciliation bill also under development.

Small business owners are hopeful that a bipartisan, bicameral process will move forward to ensure a long-term bill with strong highway funding will be signed into law before the September 30.

