



Transportation Update – May 21, 2021

Federal Action

[Carper sets 'aggressive' timeline for marking up Senate highway bill](#)

House Democrats look to June to take up their version

The Senate Environment and Public Works Committee tentatively plans to mark up its highway bill next Wednesday, a schedule that the chairman acknowledges is “a bit aggressive.”

Sen. [Thomas R. Carper](#), D-Del., told reporters Wednesday that his committee, which has jurisdiction over the highway portions of the surface transportation bill, has penciled in its markup for May 26.

“We’ll see how it goes,” he said. “We’re literally working as we speak, exchanging language with our Republican colleagues and working with legislative counsel to actually draft this big bill, and to start drafting a lot of language. It’s a work in progress.”

By contrast, House Transportation and Infrastructure Chairman [Peter A. DeFazio](#), D-Ore., has ruled out marking up the House version of the bill before Memorial Day, saying simply he’d mark it up “soon.” Staff for the House panel say a key delay has been the need to evaluate the \$14.9 billion in earmark requests that members submitted.

[House Republicans introduce \\$400 billion transportation bill as another option for infrastructure](#)



House Republicans introduced a 5-year, [\\$400 billion transportation bill](#) on Wednesday that directs historic levels of funding to highways, bridges and transit systems.

The bill comes amid ongoing talks this week between the White House and Senate Republicans over their competing infrastructure plans.

The bill unveiled on Wednesday represents a potential third option for infrastructure funding, one that's more narrowly focused than either the White House plan or the Senate Republicans' plan.

Unlike the proposals currently on the table from the White House and Senate Republicans, Graves' bill is not a piece of standalone legislation. Rather it is a reauthorization of the current five-year transportation funding bill, which expires on Sept. 30.

[**House Republican transportation bill proposes major boost to highway spending**](#)

Republicans on the House Transportation and Infrastructure Committee released a proposal Wednesday to boost transportation spending by \$100 billion over five years, pumping almost all of the additional money into roads.

[**Partisanship Marks Congressional Divide Over Funding Biden Infrastructure Plan**](#)

The leaders of the congressional tax-writing committees remain divided over how to fund comprehensive infrastructure policy legislation that President Joe Biden would prefer to enact this year.

Pressed by the White House to adopt a sustainable source of funding for myriad infrastructure programs, top Democrats continue to endorse Biden's call to increase the corporate tax rate from 21% to 28%. Republicans, however, push back on such a proposal, pointing instead to a broader portfolio associated with fees on transportation modes.

Biden, who unveiled the \$2.25 trillion American Jobs Plan backed primarily by raising the corporate tax rate, said he will refuse inaction from Congress on infrastructure policy. Both the White House and Democratic leaders in Congress note recent studies that have determined significant aspects of the country's mobility grid and freight networks would benefit from major upgrades.

[**Electric Pickups Could Make or Break Biden's Infrastructure Plans**](#)

President Biden had toured a vehicle factory and delivered a policy speech, but he was not going to leave Michigan without taking a new electric pickup truck out for a spin.

In remarks on Tuesday at the Ford Rouge Electric Vehicle Center, Mr. Biden called for spending [hundreds of billions of dollars](#) for domestic manufacturing, electric vehicle deployment and research into emerging technologies like advanced batteries.

[**Capito: Surface Transportation Funding Bill Coming Soon**](#)

Contrary to popular belief, Senator Shelley Moore Capito (R-WV), ranking member of the U.S. Senate Committee on Environment and Public Works, said that Congress is working together in a bipartisan way to get this done.

Capito and Senator Tom Carper (D-DE) indicated we may see mark up for a new surface transportation bill by next "What I've seen in this bill is what people in the construction industry have asked for," Capito says. "Give flexibility, give permitting relief in terms of time, give a robust formula for funding to have flexibility in planning and make sure our highway dollars are being spent as wisely as possible."

The overall package is expected to be a 5-year \$400 billion plan and Carper emphasized there will be a climate title added to the legislation.

Carper said the toughest part of this reauthorization will be figuring out how to pay for it.

"We have debates about how to pay for things and I want to approach it from these principles," he said. "Our roads highways bridges are in desperate need of help and it is all of our responsibility in the government and in the private sector to provide that help. Next, we can't continue to put these bills on our nation's credit card. We need to pay for them and things that are worth having are worth paying for. Those that use roads, highways and bridges have an obligation to help pay for it and there's a way we can do that that's fair and equitable."

Targets Set But Legislature Adjourns With No Budget

The 2021 Legislative Session ended without a single omnibus budget bill being passed. Conference committees were left hanging awaiting a decision on how much they had to spend until the last day of the session. An [agreement on broad spending](#) was announced on May 17th.

Now the conference committees become "working groups" that may or may not meet publicly to try to work out how the target provided to them should be spent. A Special Session is expected either prior to or on June 14th when the governor will be seeking to extend his emergency powers.

For transportation, \$200 million of the \$1.6 billion general fund surplus was allocated. There is no indication so far of how those dollars would be distributed. The Transportation Alliance is advocating for these one-time dollars to be used to shore up the local road and bridge programs, provide some additional dollars to township roads and small city streets and keep projects on schedule. The general fund appropriation listed in the targets drops to \$15 million in the following biennium (FY24-25).

The Transportation Alliance is also advocating for some of the funding set aside from the federal American Rescue Plan that has been designated as revenue recovery be used to reimburse the Highway User Tax Distribution fund for lost revenue from the fuel tax and license tab fees during the pandemic.

Agreement was not reached regarding the level of funding for a capital bonding bill.

This is a great time to send an email to your local legislators urging support for important transportation programs and projects!



Action in Other State

[Colorado Senate passes \\$3.8 billion transportation funding bill](#)

An initiative in Colorado backed by Gov. Jared Polis would create new sources of transportation funding totaling \$3.8 billion over the next decade.

Colorado now relies largely on the 22-cent per gallon gas tax and 20.5-cent diesel rate to fund transportation work. The Senate voted 20-15 on Monday, May 17, to advance a 197-page bill to increase transportation funding. One provision in the bill would tap an existing source of state revenue for transportation. Specifically, \$507 million in one-time funding would come from the state's general fund for fiscal year 2021-22.

Newly created fees would be collected from electric vehicle registrations, fuel taxes, retail deliveries, passenger ride services, and short-term vehicle rentals.

New fees and existing fees would also be indexed to inflation or to the national highway construction costs index. Increased road use fees assessed on gas and diesel purchases would start at 2 cents per gallon and ultimately reach 8 cents per gallon. A fee applied solely to diesel sales initially would be 2 cents per gallon and later increase to 8 cents per gallon.

SB260 now moves to the House for consideration before it can head to the governor's desk.

[Inslee signs climate bills, but vetoes parts that tie them to passage of a transportation package](#)

Kicking up cheers and protests, Washington Gov. Jay Inslee Monday signed into law a carbon-cap program and a bill on clean-fuels standards but vetoed parts of those bills that require a new statewide transportation-funding package for the ambitious climate legislation to take effect.

Inslee's move — capping a big win on climate legislation while once again testing the bounds of his executive powers — essentially scrapped the “grand bargain” that was struck in the Senate to make sure [those two bills passed the Legislature](#) last month.

The governor's Monday vetoes vexed lawmakers across the political spectrum, and even Senate Majority Leader Andy Billig, D-Spokane, and Democratic House Speaker Laurie Jinkins of Tacoma chimed in.

[Missouri voters may decide if gas tax increase passed by lawmakers moves forward](#)

The state's gas tax increase could be stalled after a group filed a referendum with the Secretary of State's office in hopes of giving Missouri voters a say.

Missouri hasn't seen a gas tax increase in 25 years and in the same week, lawmakers approved a 12.5 cent per gallon hike over five years, the petition was filed by [Americans for Prosperity \(AFP\) in Missouri](#).

“Now is probably not the best time to increase taxes for Missourians,” Jeremy Cady, State Director for AFP, said. “We're coming out of the pandemic, businesses are trying to reopen, workers are trying to get back to work.”

Cady [filed the referendum](#) with the Secretary of State's office Friday, in hopes of letting Missourians decide the gas tax.

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