



Transportation Update - June 4, 2021

Federal Action

[House Democrats unveil \\$547 billion transportation bill, a boost that highlights partisan divide](#)

Committee mark-up set for June 9th

Democrats on the House Transportation and Infrastructure Committee unveiled a \$547 billion transportation funding package Friday that would ramp up spending on rail and transit, while encouraging states to repair existing roads rather than build new ones.

The biggest chunk of the bill is \$343 billion for road and bridge construction, as well as highway safety, a boost of more than 50 percent over the last transportation bill Congress passed in 2015. It also calls for \$109 billion for transit and \$95 billion for rail — including a tripling of funding to Amtrak.



Rep. Peter A. DeFazio (D-Ore.), chairman of the committee, said the proposed legislation embodies a core piece of President Biden's infrastructure plans, "seizing this once-in-a-generation opportunity to move our transportation planning out of the 1950s and toward our clean energy future."

The committee is scheduled to consider the bill Wednesday, a date the White House says it's watching as Biden negotiates with Senate Republicans, led by Sen. Shelley Moore Capito (R-W.Va.), over a broader infrastructure

deal. The two sides are split on how much to spend and how to pay for it, but Biden and Capito are scheduled to talk Friday after meeting at the White House earlier in the week.

The bill is also set to include \$14.8 billion for earmarks, projects backed by individual members of Congress. That practice was scrapped a decade ago, but it has been revived by House leaders who argue that lawmakers understand the particular needs of their communities.

Biden offers tax concession in infrastructure talks with key Republican

After GOP opposed pitch to raise corporate tax rates to 28 percent, Biden pressed them for position on 15 percent tax floor.

President Biden signaled at a private meeting on Wednesday that he would be open to significant revisions on the size of his infrastructure package and how it would be paid for in order to win Republican backing, outlining a plan for about \$1 trillion in new spending financed through tax changes that do not appear to raise the top corporate rate.

While Biden has not abandoned his support for the tax increase generally, believing profitable companies must pay their fair share, the moves still mark a potential new concession in stalled talks over funding to improve the country's roads, bridges, pipes and ports.

In its place, Biden emphasized a different part of his proposal, which would amount to a new, minimum corporate tax of 15 percent. This change would seek to take aim at dozens of profitable U.S. corporations that pay little to nothing to the federal government annually, the source said. The White House also proposed stepping up enforcement on corporations and wealthy earners who rely on loopholes to lessen their tax burdens, according to the person familiar with the talks.

Both sides are set to meet again Friday, though Republican leaders are still deciding whether to put forward another counter-offer or to walk away from the negotiations entirely, according to a second source familiar with the talks.

Buttigieg unveils transportation budget with big plans, and uncertainties

Top Transportation Department officials released an \$88 billion budget Friday that detailed new initiatives and policy priorities — and underscored how deeply future spending plans remain in flux, given negotiations between the White House and Congress on a major infrastructure plan.

The department's spending blueprint for fiscal 2022 comes with two major asterisks: It includes an assumption that spending through the Highway Trust Fund, Congress's main account for surface transportation spending, will be flat for a decade. Department officials said that's not what they want — or expect — to see, but it's a placeholder, pending the action they hope to influence in the coming months on Capitol Hill.

The budget also includes tens of billions of dollars in Transportation Department spending in the next fiscal year that would depend on passage of President Biden's American Jobs Plan. That far-reaching infrastructure initiative was unveiled as a \$2.25 trillion proposal and is the subject of intense jockeying with congressional Republicans.

"The president's budget calls for an additional \$547 billion for U.S. DOT over five years, including \$76 billion in 2022," Transportation Secretary Pete Buttigieg said. "This would allow us to get started with long-overdue transportation infrastructure improvements in highways, rail, transit, ports and aviation."

Buttigieg: Memphis bridge stable but no reopen date set

U.S. Transportation Secretary Pete Buttigieg announced Thursday the Hernando de Soto Bridge in Memphis has been stabilized enough for crews to begin repairs but has yet to provide a reopening date.

Buttigieg traveled to Memphis to hold a roundtable discussion with Tennessee leaders, including U.S. Sen. Marsha Blackburn and Congressman Steve Cohen, about infrastructure and the I-40 bridge.

Despite the delays, Buttigieg said the situation could have been much worse and was thankful there were no deaths associated with the bridge. He announced the creation of a program to assess what caused the fracture and to prevent future issues in other critical bridges throughout the country. Cohen has also advocated for the construction of another bridge to span the Mississippi River at Memphis, which is estimated to cost \$1.5 billion to build.



The projects are part of President Joe Biden's fiscal 2022 budget, which also includes \$100 million already committed for the Southwest light-rail line, currently under construction. In all, Biden has set aside \$2.5 billion for some 25 public transportation projects nationwide, including four in Minnesota.

[Minnesota transit projects included in Biden budget](#)

Federal funders have recommended that two bus rapid transit projects in Minnesota receive more than \$150 million — including a line in Rochester, the first in the state outside the metro area. Bus rapid transit is a model that features buses traveling in dedicated lanes to enhanced stations, with fares collected before boarding to make travel more efficient.

The president's proposed budget recommends that the Gold Line bus rapid transit project receive \$100 million of \$239 million expected from the federal government. The \$532 million [Gold Line](#), which would connect Union Depot in St. Paul with Woodbury, received a "medium-high" rating from the Federal Transit Administration (FTA), an improvement over a previous lower ranking that could have imperiled the project. Now the line is expected to [begin service](#) in 2025.

Another Deadline Comes and Goes With No Deal on Transportation Budget

It was another week of no public meetings regarding the two-year budget for transportation. We have heard that talks have been happening behind the scenes, but the two sides appear to be rather far apart. The Transportation budget bill target is \$200 million in general fund dollars above base funding levels.

The deadline of May 28th for agreement on a spreadsheet came and went with no agreement reached. The working groups were supposed to agree on language for their omnibus budget bills by Friday, June 4th. All policy items have to be agreed upon by the Governor, Speaker and Majority Leader.

A two-year budget for all areas of state government needs to be adopted by the end of June in order to avoid a state government shutdown. Everyone involved has said they are committed to avoiding that outcome.



[Minnesota leaders say they'd drop partisan priorities to avoid government shutdown](#)

Top Minnesota officials on Thursday, June 3, said they're not willing to shut down state government over some of their policy priorities, for the first time indicating that they'd be willing to cast aside proposals that had fueled disagreement at the Capitol.

Senate Majority Leader Paul Gazelka, R-East Gull Lake, and Gov. Tim Walz told reporters that they wouldn't hold hostage the state budget over top DFL or GOP priorities.

But Gazelka and Walz for the first time on Thursday said they would be willing to set aside some priorities to avoid a state government shutdown. If lawmakers can't agree to a budget by June 30, a full or partial shutdown would be imminent.

Local Road Improvement Projects Selected

The capital bonding bill passed in October of 2020 included an unprecedented level of funding for the Local Road Improvement Program - over \$170 million with \$75 million of that left for a solicitation seeking applications from local governments for projects. Counties, cities and townships submitted 425 applications requesting \$344 million in LRIP bond funds. Those funds would help leverage \$835 million worth of local road projects. Of the projects submitted, 75 were selected that will benefit from the \$75 million made available. So the vast majority of projects submitted could not be funded at this time. We're still working to advocate for additional funding as part of either the transportation budget bill or another capital bonding bill that could be passed during a special session in June.

Thanks to all the local governments that submitted applications for needed roadway improvements. We know that the level of need is significant and these applications really demonstrate why additional funding for roads is so desperately needed.



Action in Other State

[Florida's budget includes \\$9.44B in funding for state's five-year transportation project plan](#)

Florida Gov. Ron DeSantis recently signed the state's budget, which includes \$9.44 billion for the Florida Department of Transportation's (FDOT) Work Program, a five-year plan of transportation projects.

Projects funded include \$110.6 million in seaport infrastructure enhancements, \$172.2 million in safety initiatives, \$325.9 million in aviation improvements, \$515.9 million for the repair of 89 bridges and the replacement of 18 bridges, \$704.3 million in rail/transit program advancements, \$1 billion to resurface 2,682 lane miles, and \$2.8 billion for highway construction projects that add 210 new lane miles.

The state legislature transferred \$2 billion from federal COVID-19 relief funds to the State Transportation Trust Fund. Funding was split two ways. State Highway System projects received \$1.75 billion, and \$250 million will be used for port operation grants.

[\\$5.4 billion transportation bill passes Colorado House, heads to governor's desk](#)

A massive [\\$5.4 billion transportation package](#) that would charge a new set of road-user fees to fix highways, expand transit and supercharge electric vehicles will land soon on Colorado Gov. Jared Polis' desk.

The House's approval of [Senate Bill 260](#) on Wednesday marked the latest green light on a remarkably smooth journey for the biggest, most complicated transportation-funding bill [ever attempted by state lawmakers](#). It includes serious money both for road improvements, including much of the Colorado Department of Transportation's [10-year priority project plan](#), and initiatives to address climate change and accelerate the transition from gas-guzzlers to cleaner vehicles.

The 41-24 vote was strictly along party lines, reflecting strong opposition from Republicans to a half-dozen proposed fees and the wide scope of the bill. Those fees would, without any weigh-in from voters, make gas and diesel fuel purchases, deliveries, and Uber and Lyft rides slightly more expensive, while higher registration fees would apply to electric vehicles and hybrids to account for their owners' savings on gas taxes.

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