



## ML Strategies Update

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## THE GROW AMERICA ACT

### Obama Administration Releases Four Year Transportation Reauthorization Proposal

The U.S. Department of Transportation (DOT) has sent to Congress a \$302 billion four-year surface transportation reauthorization proposal, the "*Generating Renewal, Opportunity, and Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout America Act*" – the **GROW AMERICA Act**.

This first-ever comprehensive transportation proposal from the Obama Administration was delivered as the Highway Trust Fund is headed toward insolvency as early as July, and the current transportation reauthorization, the two-year "*Moving Ahead for Progress in the 21<sup>st</sup> Century Act*" (MAP-21), expires at the end of September.

The GROW AMERICA Act would, for the first time, include rail in a surface transportation reauthorization bill.

The GROW AMERICA Act provides: \$199 billion for highways; \$72 billion for mass transit; \$4.8 billion for rail programs; \$13.6 billion for "Critical Immediate Investments"; \$4 billion for the Transportation Infrastructure Finance and Innovation Act (TIFIA) program; and \$5 billion for the Transportation Investment Generating Economic Recovery (TIGER) grant program. The GROW AMERICA Act is funded by supplementing current revenues with a \$150 billion one-time transition revenue from business tax reform that would address the funding gap for the Highway Trust Fund and also increase surface transportation funding levels by about \$87 billion over four years.

A section-by-section analysis can be found [here](#), and an overview and Fact Sheets can be found [here](#).

### **GROW AMERICA Act Highlights**

#### Environment

The GROW AMERICA Act would support the development of future efficiency standards for cars and trucks; increase the number of electric vehicles on the road by 2015 by easing installation of electric charging stations along highway rest areas; create a new program in support of transportation infrastructure within federal and tribal lands; and expand activities that support green stormwater infrastructure activities.

#### Freight

The GROW AMERICA Act would provide \$10 billion over four years for a grant program awarded for projects identified by states, communities, and ports working in collaboration with shippers, truckers, maritime providers, railroads and other transportation stakeholders for infrastructure projects that support the safe and efficient movement of freight; and develop a National Freight Strategic Plan supporting the needs of shippers, consumers, ports, communities, states, and transportation providers.

### Surface Transportation

The GROW AMERICA Act would establish a \$1 billion Fixing and Accelerating Surface Transportation (FAST) grant to incentivize innovative strategies; provide \$1.25 billion annually for the Transportation Investment Generating Economic Recovery (TIGER) grant program; support an additional \$5.1 billion in “fix-it-first” investments to address the maintenance backlog at public transit systems; provide \$2.2 billion to help rapidly-growing communities invest in new bus rapid transit lines; support \$11 billion for Capital Investment Grants for new and expanded public transportation service; and invest \$5 billion per year to repair aging bus and rail infrastructure.

### Highways and Bridges

The GROW America Act would provide \$92.1 billion over four years in funding for the National Highway Performance Program to repair and reduce traffic congestion on the National Highway System (NHS); provide \$13.4 billion through a new Critical Immediate Investments Program, with half of these funds used to improve pavement conditions on the NHS, and a quarter for improvements to structurally deficient Interstate bridges; and provide \$10.1 billion over four years for the Highway Safety Improvement Program.

### Innovative Financing

The GROW AMERICA Act would provide \$4 billion over four years for the Transportation Infrastructure Finance and Innovation Act (TIFIA) program facilitating \$40 billion in loans from the private sector; strengthen the Railroad Rehabilitation and Improvement Financing program by reducing the cost of a loan to public and private entities that own or operate railroads; and raise the cap nationwide cap on Private Activity Bonds from \$15 billion to \$19 billion.

### Rural America

The GROW AMERICA Act would increase the deployment of broadband in rural areas; and provide \$245 million in workforce development grants to support the size, diversity, and skills of the transportation workforce.

### Transportation Safety

The GROW AMERICA Act establishes harsher penalties for automotive manufacturers that fail to address defective parts; provides the authority to require automotive manufacturers to remove recalled vehicles from the market; and provides the authority to require rental car companies to participate in recalls of vehicles.

## **Congressional Reaction and Plans for Transportation Reauthorization**

Earlier this month, Senate Environment and Public Works (EPW) Committee Chairwoman Barbara Boxer (D-CA) and Ranking Member David Vitter (R-LA) said that their committee, with jurisdiction over the highway portion of a transportation bill, was nearing completion on a six-year surface transportation reauthorization and are working with the Senate Banking Committee and the Senate Commerce, Science, and Transportation Committee, which will have jurisdiction over the mass transit, rail, and safety titles. As previously reported by ML Strategies in our [Roadmap to the Next Highway Bill](#), the EPW Committee hopes to hold a transportation bill mark up in early May.

Senate Commerce Chairman Jay Rockefeller (D-WV) says that he welcomes the Administration’s proposal and that it is a “step in the right direction,” adding that the GROW AMERICA Act and every other option for increased infrastructure investment should be on the table. The committee will hold a hearing on the GROW AMERICA Act on May 7<sup>th</sup>, with testimony from Secretary Foxx.

House Transportation & Infrastructure Committee Chairman Bill Shuster (R-PA) also welcomed the DOT proposal and says he looks forward to reviewing it – while noting that he is certain he won’t agree with all the details. Shuster’s committee is said to still be working on a strategy for a multi-year reauthorization, while likely addressing the looming Highway Trust Fund insolvency separately.

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