



# Issue Brief

## House and Senate Move Forward with Competing Transportation Infrastructure Bills

February 2012

The current extension of the federal surface transportation bill, its eighth, is set to expire at the end of March. After years of delay, Congress is now moving very quickly on a new transportation bill. Both the House of Representatives and Senate will soon bring their respective versions of the bill to a floor vote. After months of hints and outlines from both chambers, a flurry of recent activity is quickly bringing details of both bills into focus.

The [reauthorization bill in the Senate](#) (S. 1813) is spearheaded by Sen. Barbara Boxer (D-CA) and Sen. James Inhofe (R-OK), chair and ranking member of the Senate Committee on Environment and Public Works (EPW). Boxer and Inhofe released their two-year bill back in November after extensive closed-door negotiations. Already a bipartisan compromise, the [bill was quickly approved by EPW](#) with a unanimous vote. The bill then stalled in other committees, only regaining momentum now. The Banking Committee, responsible for the public transportation section of the bill, [passed their portion](#) on February 2 by a unanimous vote. In a first, the bill will allow the use of some federal dollars to cover transit operating expenses. The Senate Finance Committee passed their portion on February 7, the final hurdle before sending the bill to the full Senate. The committee's bill, which determined how the larger bill will pay for \$10.5 billion of the \$13 billion funding gap caused by inadequate revenues from the federal gas tax, [was approved by a 17-6 vote](#), with four Republicans supporting.

Rep. John Mica (R-FL), chair of the House Transportation and Infrastructure Committee, released his [five-year transportation reauthorization bill](#) (H.R. 7) on January 31. House leadership intends to bring the bill to a floor vote by the week of February 13, putting it on a fast-track schedule. Unlike the Senate version, the House bill appears to be [much more divisive](#) along party lines. Opposition to the bill has been severe and immediate. [Secretary of Transportation Ray LaHood called it](#) "the worst transportation bill I've ever seen during 35 years of public service." Bill opponents are particularly troubled by a provision that [strips dedicated federal funding for public transportation projects](#), replacing it with a one-time allotment of \$40 billion (with no offset provided) from the General Fund.

A second major point of contention with the House bill is the plan to generate revenue by removing the ban on drilling both off-shore and in the Arctic National Wildlife Refuge (ANWR). The Highway Trust Fund traditionally relies on user-fees (taxes on gasoline and heavy duty vehicles) to pay for surface transportation infrastructure; a pay-by-drilling plan represents a significant departure. Drilling

proponents argue that user-fees are already being supplemented through borrowing from the General Fund. Compounding matters, [analyses from](#) the Congressional Budget Office (CBO) indicate that the ANWR and off-shore drilling provisions would produce only \$2.4 billion in new revenue over the length of the five-year bill, and an additional \$1.9 billion in the five years after. This falls far short of the tens of billions needed to cover the gas tax revenue gap. The remainder of the shortfall would be covered by increasing federal employees' contributions to their pension funds by [1.5 percent over three years](#), generating \$40 billion over ten years.

The House and Senate are both expected to pass their respective legislation this month, though support for the House bills looks less concrete by the day. It remains to be seen how or if the two chambers will be able to resolve the two bills' substantial differences. The following table outlines notable contrasts between the two versions. EESI will continue to provide updates as the bills progress and additional details emerge.

	House of Representatives	Senate
<b>Bill Title</b>	H.R. 7: <i>American Energy and Infrastructure Jobs Act of 2012</i>	S. 1813: <i>Moving Ahead for Progress in the 21st Century Act (MAP-21)</i>
<b>Pages</b>	979	631
<b>Total Funding</b>	\$260 billion	\$109 billion
<b>Length</b>	5 years	2 years
<b>Annual Funding</b>	\$52 billion	\$54.5 billion
<b>Amtrak</b>	25% reduction in funding, with more restrictions	Amtrak not mentioned in the bill
<b>Consolidation of Federal Programs</b>	Eliminates or consolidates 70 federal highway programs	Federal highway programs consolidated from 90 to 30; core highway programs reduced from seven to five
<b>Discretionary Transit Programs</b>	Eliminated, including the TIGER competitive grant program	Authorizes \$1 billion for competitive grant program for projects of national and regional significance
<b>Earmarks</b>	Eliminated	Eliminated
<b>Environmental Review Process</b>	Shortened, with full authority given to states	Accelerated process that retains current structure
<b>Freight</b>	Calls for development of 5-year National Freight Policy	Consolidates many disparate programs into a new national freight program; numerous provisions to increase freight efficiency
<b>TIFIA Loan Program*</b>	Funding increased nine-fold to \$1 billion per year; project eligibility criteria are loosened	Same as House bill

\* Transportation Infrastructure Finance and Innovation Act

	House of Representatives	Senate
<b>Pedestrians and Bicycles</b>	Eliminates Transportation Enhancements program that funds infrastructure and safety programs for bicyclists and pedestrians, though states can opt to use flexible funds on these programs; Safe Routes to School and Recreational Trails programs eliminated	Transportation Enhancements program becomes less restricted, allowing states flexibility to shift funds away from bicycle and pedestrian projects; dedicated funding eliminated for Safe Routes to School and Recreational Trails programs, but the programs can still apply for funds
<b>Public Transit</b>	<ul style="list-style-type: none"> <li>• Ways &amp; Means amendment removes transit from Highway Trust Fund, preventing it from receiving gas tax revenue; funding provided instead by one-time allotment of \$40 billion of General Fund revenues</li> <li>• Funding cannot be used for operating expenses</li> <li>• Incentivizes transit systems to privatize their operations</li> </ul>	<ul style="list-style-type: none"> <li>• Maintains current funding levels at \$10.5 billion per year</li> <li>• Allows portion of funding to cover transit operating costs</li> <li>• Expands Rail Modernization program to include bus networks, renaming it the State of Good Repair program to help public transit systems address backlog of maintenance needs</li> <li>• Improves planning processes to incorporate a more comprehensive performance-based approach</li> <li>• Reinstates parity between commuter transit and parking tax benefits</li> </ul>
<b>Climate Adaptation</b>	Directs research towards enhancing infrastructure integrity that includes “improving flexibility and resiliency of highway and bridge infrastructure systems to withstand climate variability”	Directs research towards enhancing infrastructure integrity that includes “studies to improve flexibility and resiliency of infrastructure systems to withstand climate variability”
<b>Revenue Sources to Cover Gas Tax Shortfall</b>	<ul style="list-style-type: none"> <li>• Proceeds from removal of ban on off-shore and ANWR drilling and increased exploration of Western shale reserves</li> <li>• Increases federal employees’ share of pension funds by 1.5 percent</li> </ul>	<ul style="list-style-type: none"> <li>• Transfers \$3 billion from Leaking Underground Storage Tank Trust Fund and redirects portion of future receipts</li> <li>• Disqualifies paper-byproduct black liquor from biofuel tax credit</li> <li>• Claims revenue from gas guzzler sales tax and tariffs on certain vehicles</li> <li>• Requires distribution of inherited IRAs within five years</li> </ul>

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*The Environmental and Energy Study Institute (EESI) is a non-profit organization founded in 1984 by a bipartisan Congressional caucus dedicated to finding innovative environmental and energy solutions. EESI works to protect the climate and ensure a healthy, secure, and sustainable future for America through policymaker education, coalition building, and policy development in the areas of energy efficiency, renewable energy, agriculture, forestry, transportation, buildings, and urban planning. EESI is funded primarily by foundations and other private donors.*