Metropolitan Transportation Commission
MTC Legislation Committee

July 10, 2020 **Agenda Item 4f**

U.S. House of Representatives Infrastructure Bill Update

Subject: Overview of the $500 billion five-year surface transportation reauthorization proposal passed by the House Transportation and Infrastructure Committee and $1.5 trillion House infrastructure proposal.

Overview: ***Transportation Reauthorization Summary***

After a marathon two-day markup, the U.S. House of Representative Committee on Transportation and Infrastructure (T&I Committee) on June 18 approved on a party-line vote a five-year, nearly $500 billion surface transportation reauthorization proposal. The bill—titled "Investing in a New Vision for the Environment and Surface Transportation in America (INVEST in America) Act"— would increase surface transportation investment by about 60 percent above current spending levels with a significant amount of the new funding directed to transit and metropolitan-focused programs, both of which are long-standing MTC priorities. The INVEST in America Act would also weave climate change and resiliency into the core federal transportation program and grow resources to advance national goals related to safety, economic growth, and congestion relief while preserving the flexibility for the Bay Area to address our unique mobility challenges. Given that the bill closely tracks with nearly all of MTC's federal surface transportation priorities as detailed in our joint MTC and ABAG 2020 Legislative Advocacy Program, we support the bill. See Attachment A for a detailed bill summary and Attachment B for a side-by-side comparing the INVEST in America Act and MTC's federal surface transportation reauthorization priorities.

House Infrastructure Bill Proposal

Following the committee passage of the INVEST in America Act, the bill was packaged into a substantially broader $1.5 trillion infrastructure bill, unveiled by House Democrats on June 22, 2020, the "Moving Forward Act" (H.R. 2). In addition to transportation infrastructure, the bill proposes to fund broadband, water infrastructure, renewable energy, schools, hospitals, and housing and community development. The bill would invest $100 billion to create or preserve affordable housing, primarily through expanding and reforming the federal Low Income Housing Tax Credit program. As it relates to community development, the bill would revive the successful Build America Bonds program, expand Private Activity Bonds and reverse changes from the 2017 tax bill that limited local government's ability to refinance debt. It would also expand and make permanent the New Markets Tax Credit, which aims to increase investment in economically distressed areas and establishes a new Neighborhood Investment tax credit to encourage rehabilitation of housing in distressed areas. A fact sheet summarizing the bill is included as Attachment C.

The package is expected to be considered on the House floor before the July 4, 2020 recess.

Infrastructure Package Faces Uphill Battle in Senate

Of note, while it's encouraging to see Congress progress on a surface transportation reauthorization proposal as well as a major infrastructure package, there's a long way to go before the Fixing America's Surface Transportation (FAST) Act is reauthorized and Congress delivers on broad infrastructure investment. The most challenging piece of the puzzle will be identifying a way to pay for the investments that can gain the support of both Chambers. What's likely in the near term are short-term extensions since the FAST Act expires on September 30, 2020.

Attachments: Attachment A: INVEST in America Act Bill Summary
Attachment B: INVEST in America Act and MTC Priorities Comparison Chart
Attachment C: Moving America Forward Fact Sheet

Therese W. McMillan

MTC Staff Summary of the INVEST in America Act, U.S. House of Representatives Surface Transportation Reauthorization Proposal
June 22, 2020

On June 18, 2020, the House Committee on Transportation and Infrastructure (T&I Committee) approved a five-year, $494 billion surface transportation reauthorization bill—the "Investing in a New Vision for the Environment and Surface Transportation in America (INVEST in America) Act"—which closely tracks with MTC's surface transportation reauthorization priorities, as detailed in Attachment B. The bill proposes to increase surface transportation investment by about 60 percent above current spending levels with a significant amount of the new funding directed to transit and metropolitan-focused programs, both of which are longstanding MTC priorities. As advocated for by MTC, the bill would also weave climate change and resiliency into the core federal transportation program and grow resources to advance national goals related to safety, economic growth, and congestion relief while preserving flexibility for the Bay Area to address our unique mobility challenges. In light of the COVID-19 public health crisis, the bill would provide near-term aid to replace lost highway and transit revenues and authorize a portion of the funding to be available at 100 percent federal share to help keep projects on track and preserve jobs in the aftermath of the COVID-19 crisis.

Below is an overview of the key features of the INVEST in America Act.

Increases Federal Investment in Surface Transportation; Five Years of Funding Certainty

The bill would provide $494 billion in fiscal years (FY) 2021 to 2025 for highway, transit, rail and surface transportation safety investments, a 62 percent increase over FAST Act funding levels, as shown below. Of the $424 billion in proposed highway and transit resources, approximately 75 percent would be directed to the core FAST Act programs (highway and transit formula programs, nationally and regionally significant projects, and the transit Capital Investment Grant (CIG) program). The bill would grow federal rail investment nearly fivefold, authorizing $60 billion to fund Amtrak, intercity, and

Transportation Authorization Funding Comparison Chart
($ in Billions)

	FAST Act (FY 2015-2020)	INVEST in America Act (FY 2021-2025)	% Increase over FAST Act
Highway	$225	$320	42%
Transit	$ 61	$105	72%
Rail	$ 10	$ 60	483%
Other *(safety, misc.)*	$ 9	$ 10	16%
TOTAL	**$305**	**$495**	**62%**

Commuter rail. The remaining $10 billion would fund highway and motor carrier safety programs. Importantly, Congress would need to identify an estimated $140 billion on top of anticipated Highway Trust Fund (HTF) revenues to fund the INVEST in America Act, according to a June 4, 2020, Eno Transportation analysis.

Grows Core Surface Transportation Programs; Retains FAST Act Framework

In light of the COVID-19 public health crisis, the INVEST in America Act would direct the bulk of the bill's year one (FY 2021) funding increases toward one-time flexible COVID-19 emergency aid formula funds for states, regions and transit operators. For the core FAST Act highway and transit formula programs, the bill would extend FY 2020 funding levels through FY 2021. Beginning in FY 2022, the INVEST in America Act would increase base funding levels for each of the core highway and transit programs, as detailed in the charts below, as well as invest in the new metro- and climate-focused programs.

INVEST in America Act vs. FAST Act Funding $ in Millions					
	FAST Act	**INVEST in America (FY 2021-2025)**			
	FY 2020	**FY 2021**	**5-Year Total**	**5-Year Average**	**% Increase (FY 2020 vs. 5-year Average)**
Federal Highway Formula Programs					
National Highway Performance Program	24,237	24,237	140,570	28,114	16%
Surface Transportation Program	11,288	11,288	65,319	13,064	16%
Congestion Mitigation and Air Quality Improvement Program	2,496	2,496	14,478	2,896	16%
Highway Safety Improvement Program	2,407	2,407	15,463	3,093	28%
National Freight Program	1,487	1,487	8,625	1,725	16%
Transportation Alternatives Program	850	850	6,854	1,371	61%
Metropolitan Planning	358	358	2,445	489	37%
Railway-Highway Grade Crossings	245	245	1,225	245	0%
FHWA Ferry Program	80	80	560	112	40%
New Highway Formula Programs					
FY 2021 COVID-19 Flexible Formula Funds	-	14,742	14,742	2,948	n/a
Carbon Pollution Reduction Program	-	-	8,341	1,668	n/a
Pre-Disaster Mitigation Program	-	-	6,251	1,250	n/a
Discretionary Highway Programs and Other					
Projects of National and Regional Significance, Metro Performance, Climate and Resiliency grants, Community Transportation grants, and other	3,731	3,753	35,823	7165	92%
Total Highway Program	**47,104**	**61,869**	**320,156**	**64,031**	**36%***

*This differs from the comparison of total FAST Act highway funding vs. INVEST in America funding because highway funding levels in the base comparison year—FY 2020—were larger than FAST Act funding levels for the previous years. The FAST Act increased funding levels each year, beginning in FY 2015 and ending with FY 2020.

INVEST in America Act vs. FAST Act Funding (cont'd) $ in Millions (authorization of Highway Trust Fund revenues, unless otherwise specified)						
	FAST Act	**INVEST in America (FY 2021-2025)**				
	FY 2020	**FY 2021**	**FY 2022**	**5-Year Total**	**5-Year Average**	**% Increase (FY 2020 vs. 5-year Average)**
Federal Transit Formula Programs						
Urbanized Area Formula	4,930	4,930	7,506	35,670	7,134	45%
State of Good Repair Formula	2,684	2,684	4,193	19,909	3,982	48%
Rural Formula Grants	673	673	1,025	4,872	974	45%
High Density and Growing States	570	570	587	2,919	584	2%
Bus and Bus Facilities Formula	465	465	1,240	5,544	1,109	139%
Seniors and Individuals with Disabilities	286	286	435	2,066	413	45%
Metropolitan Planning	142	142	190	920	184	30%
New Transit Formula Programs						
FY 2021 COVID-19 Flexible Formula Funds	-	5,795	-	5,795	1,159	n/a
Transit Discretionary Grant Programs and Other						
Capital Investment Grant Program (General Funded (GF))	2,302	3,260	3,500	21,510	4,302	87%
Bus Facilities and Fleet Expansion Grants	289	344	437	1,945	389	35%
Zero Emission Bus Grants (formerly "Low-No")	55	55	375	1,780	356	547%
Washington-D.C. grants (GF), Transit-Supportive Communities Program, Bus Testing, and other	172	293	1,504	2,334	467	171%
Total Transit Program	**12,567**	**19,495**	**20,992**	**105,264**	**21,053**	**68%***

*This differs from the comparison of total FAST Act transit funding vs. INVEST in America funding because transit funding levels in the base comparison year—FY 2020—were larger than FAST Act funding levels for the previous years. The FAST Act increased funding levels each year, beginning in FY 2015 and ending with FY 2020.

Targets Investment to Metros; Funds New Metro Mobility Program

As advocated for by MTC, the INVEST in America Act would grow federal support for metro areas while maintaining the core FAST Act framework. The bill would increase the amount of flexible highway funding directed to the Bay Area and regions throughout the country, maintain the federal commitment to highway and bridge state-of-good repair, increase safety investments by nearly 30 percent, and increase the federal commitment to improving freight mobility. The bill would also make a historic federal commitment to improving mobility and reducing congestion by pledging Highway Trust Fund revenues to a new metro mobility program and multimodal discretionary grant programs. INVEST in America Act provisions related to metro-mobility are further detailed below.

New Flexible Highway Funding for Regions

Importantly, the bill would grow the highly flexible and metro-focused Surface Transportation Program (STP) and the Congestion Mitigation and Air Quality Improvement (CMAQ) Program, increasing funding for both by 16 percent over the life of the bill—a rate consistent with the growth of the more traditionally state-focused National Highway Performance Program and the National Freight Formula Programs, as shown in the chart on page 2—and further increasing program flexibility. Specifically, the bill would add resiliency improvements to the list of projects eligible to receive STP funding (see the Climate and Resilience section for more detail) and the long-standing time-limit on CMAQ operating assistance would be lifted for projects that demonstrate net air quality benefits. The INVEST in America Act would increase funding to metros by growing the overall STP and CMAQ programs, increasing to 60 percent (up from 55 percent) the portion of the STP program that is suballocated to MTC and our metropolitan planning organization (MPOs), and creating new metro-focused grant programs, including a "Metro Performance Program," which is a longstanding MTC request.

The Metro Performance Program—funded at $750 million over five years—would reward high-performing metropolitan planning organizations (MPOs) with flexible funding to invest in road, bridge, transit, bicycle/pedestrian, or other projects selected at the MPO's discretion. Beginning in FY 2023 and extending through FY 2025, $250 million per year would be allocated via a population-based formula to MPOs designated by the Secretary of Transportation as high-performing. Criteria for "high performing" include the MPO's legal, financial and technical capabilities; the extent to which the MPO's planning and decision-making process support the achievement of federal performance targets; the timely obligation of STP funds and project delivery effectiveness; and the MPO's history of coordination with state and local partners. Grant awards would be a minimum of $10 million and maximum of $50 million per fiscal year.

The bill would additionally provide $250 million in discretionary "Gridlock Reduction Grants" to reduce urban congestion in large metro areas, with an emphasis on operational, technological, and mode shift strategies.

Funds Multimodal Discretionary Grants; Restores Bay Area Competitiveness

Projects of National and Regional Significance

The bill would replace the existing Infrastructure for Rebuilding America (INFRA) discretionary grant freight program with the Projects of National and Regional Significance (PNRS) program, providing over $9 billion over five years for large highway, transit, and passenger and freight rail projects that reduce congestion. In general, PNRS grant eligibility would be limited to projects costing $100 million or greater; the minimum grant size would be $25 million. With respect to public transit and freight projects, the projects would be eligible only insofar as they also provide a benefit to public roads or the national highway system, respectively. Of note, the bill would guarantee funding for the PNRS program by funding the grants out of the HTF rather than the General Fund. The proposed PNRS criteria appear likely to be favorable to projects in metro areas and include items such as the average number of people or volume of freight supported by the project, as well as mobility, economic, resilience, and environmental benefits generated by the project. This is in contrast to the INFRA program, which has heavily favored rural projects; notably, the Bay Area has not received a single INFRA grant since the program was created in 2015.

Community Transportation Investment Grants

The bill would establish the Community Transportation Investment Grant program—which is modeled after the BUILD (formerly TIGER) program—at $600 million per year beginning in FY 2022. Unlike BUILD, this new multimodal grant program would be funded out of the Highway Trust Fund, removing the uncertainty associated with competing for General Fund resources during the annual appropriations process. The bill would direct the U.S. Department of Transportation (USDOT) to develop objective criteria to evaluate grant applications based on project benefits as they relate to improving safety, state of good repair and transportation system access, and reducing greenhouse gas emissions. These changes would increase the competitiveness of multimodal projects in Bay Area and other metro areas relative to the BUILD program, which since 2017 has predominantly funded highway projects with a focus on capacity expansion and targeted more than two-thirds of program resources to rural areas, according to a 2019 Transportation for America analysis. Grant awards under this program would be capped at $25 million, and 25 percent of the funds would be reserved for rural projects.

Increases Transit Investment; Bay Area Funding Grows 50 Percent

The INVEST in America Act would make a historic commitment to public transportation, growing federal transit investment by 72 percent compared to a 42 percent growth in the highway program. Consistent with MTC's advocacy, the bill directs much of this growth into the core transit formulas the Bay Area's annual formula funding would grow an estimated 50 percent, to $3.4 billion under the INVEST in America Act from $2.3 under the five-year FAST Act authorization (FY 2016 – FY 2020)—and the Capital Investment Grant Program (CIG), which helps to fund large-scale transit capacity expansions. As demonstrated in the chart below, the proposed allocation of transit funding could result in substantial growth in resources for Bay Area transit operators.

INVEST in America Transit Funding Chart				
	FAST Act	INVEST in America Act		
	FY 2020	5-Year Average	% Increase (Average)	Bay Area Transit Impact* (Estimated)
Transit Formula Programs (subset)				
Urbanized Area	4,930	7,134	45%	$1.6 billion over five years, an increase from $1.1 billion under the FAST Act.
State of Good Repair	2,684	3,982	48%	$1.6 billion over five years, an increase from less than $1.1 billion under the FAST Act.
Rural Formula Grants	673	974	45%	$12 million over five years, an increase from $8 million under the FAST Act.
High Density and Growing States	570	584	2%	Funding is included in Urbanized Area and Rural Formula amounts.
Bus and Bus Facilities Formula	465	1,109	139%	$142 million over five years, an increase from $73 million under the FAST Act.
Seniors and Individuals with Disabilities	286	413	45%	$62 million over five years, an increase from 25 million under the FAST Act.

*This assumes that Bay Area's FY 2020 share of the Urbanized Area and Bus and Bus Facilities formula programs—the two formulas the bill proposes to revise—extend through FY 2025,

INVEST in America Transit Funding Chart, cont.				
	FAST Act	INVEST in America Act		
	FY 2020	5-Year Average	% Increase (Average)	Bay Area Transit Impact (Estimated)
Discretionary Grant Programs (subset)				
Capital Investment Grant Program	2,302	4,302	87%	Increased funding for Bay Area transit modernization and expansion priorities; streamlined process for securing federal funds.
Bus and Bus Facilities Grants	289	389	35%	Opportunity to fund fleet expansions.
Zero Emission Bus Grants (formerly "Low-No")	55	356	547%	Bay Area competitiveness greatly improved; Resources to transition to zero-emission fleets.
Bus Frequency and Ridership Grants	0	83	n/a	New resources to support the Bay Area's connectivity goals.
FTA Ferry Program	30	50	66%	Potentially large growth in funding for Bay Area ferries.

Of note, the bill proposes to update the Urbanized Area and Bus and Bus Facilities formula program beginning in FY2023 to incentivize rail and bus frequency over low operating costs—a change that could benefit Bay Area transit operators—and targets more resources to areas of persistent poverty. Staff is still assessing the impact of these proposed formula changes.

Capital Investment Grant Program Improvements

In addition to increasing CIG funding by nearly 90 percent—from $2.3 billion in FY 2020 to an average of $4.3 billion in FY 2021-FY2025—the INVEST in America Act would streamline the CIG approval process and enhance program certainty by requiring new transparency measures to help applicants know where they stand in the grant approval process. Additionally, the bill would raise the federal cost-share back to the traditional 80 percent while providing incentives (in the form of an easier approval process) for higher local matches, a provision that would certainly benefit the Bay Area, as our priority transit projects in the CIG pipeline are proposing a match of more than two-to-one. Lastly, the bill would create a new affordable housing incentive in the CIG program, directing FTA to boost an applicant's rating "if the applicant demonstrates substantial efforts to preserve or encourage affordable housing near the project."

Supports Bay Area Transit Agencies in Transitioning to Zero-Emission Fleets

The bill would convert the existing "Low- or No- Emissions Bus Grant Program" to a "Zero Emission Bus Grant Program" and grow grant resources more than fivefold. Importantly—as advocated for by MTC and many of our California partners—the bill proposes policy changes that would increase California transit operators' competitiveness and reward those transit operators who have made a commitment to transitioning to a zero-emission fleet. Specifically, the bill refocuses the program solely on grants for zero-emission vehicles (vs. zero- and low-emission vehicles) and strikes a requirement that the Federal Transit Administration (FTA) only consider projects that make greater emissions reductions than comparable buses, which has hurt areas that have previously invested in cleaner buses. Additionally, the bill directs FTA to award grants to larger-scale bus procurements and to operators that have transition plans in place, both provisions that will benefit transit operators in California who have been focused on larger fleet transitions.

Emphasis on Transit Frequency, Ridership and Equity

In addition to the formula changes noted on the previous page, the bill would create a new competitive capital grant program focused on increasing bus frequency and ridership through implementing transit priority signaling and bus-only lanes. Projects would be required to be consistent with guidance on street design issued by the National Association of City Transportation Officials. The program—funded at about $100 million per year for FY 2022-25—is similar to the Bay Area's Transit Performance Initiative Investment program and could help advance the region's connectivity and ridership goals.

The INVEST in America Act would additionally create a $21 million demonstration grant program to support reduced fare transit, similar to the Bay Areas' means-based fare pilot. FTA would award 2-year grants on a competitive basis; grant recipients could use the funds for the implementation of reduced fare transit programs and offset lost fare revenues.

Unfortunately, the bill includes several provisions that could limit transit agencies' ability to utilize new technologies, including mobility on demand (MOD) and automation, to improve service for transit riders. Specifically, the bill would discourage agencies from using third-party MOD providers like Uber and Lyft by reducing the federal share to 60 percent from 80 percent if a third-party provider is used. Additionally, the bill would prohibit the use of FTA funds on automated vehicle projects seeking to replace low-ridership fixed-route service with on automated demand shuttles. However, the bill does clarify that federal funds may be used to invest in mobility as a service platform and clarify that upgrades to fare collection systems and all costs associated with fare collection are eligible for federal formula funds.

Increases Bicycle and Pedestrian Infrastructure Investment with More Local Control

The bicycle and pedestrian-focused Transportation Alternatives Program (TAP)—which helps to fund California's Active Transportation Program—would grow from $850 million in FY 2020 to nearly $1.5 billion in FY 2022. In addition to this substantial boost in funding—more than 60 percent over the course of the bill—the INVEST in America Act would increase from 55 percent to 66 percent the portion of the program that is administered by regions, or in the Bay Area's case, MTC. The bill would additionally give states the option to devolve the remaining third of the program to regions or other local partners for administration. The bill would allow individual bicycle and pedestrian (bike-ped) projects to be funded at 100 percent federal share as long as the *average* local match for TAP-funded projects statewide is at least 20 percent.

The bill would additionally provide $250 million in "Active Transportation Connectivity Grants" to fund bike-ped networks and spines and related planning, including complete streets planning. With respect to micro-mobility, the bill authorizes scooters and electric bicycles to use bicycle facilities subject to speed and weight limits.

Expanded Metropolitan Planning Scope to Include Climate, Resilience, and Equity; New Responsibilities Paired with Commensurate Funding Increase

The INVEST in America Act builds on the performance-based planning approach introduced in 2012 and reinforced in the 2015 FAST Act authorization by adding "combatting climate change" to a list of the national federal highway program goals paired with a proposed a new greenhouse gas emission performance measure to be developed by the USDOT Secretary in consultation with the Administrator of the Environmental Protection Agency. Importantly, the measure would be expressed on a per capita basis, similar to California's target for our Sustainable Communities Strategy, Plan Bay Area 2050.

The bill also adds new regional planning requirements, including adding climate change and a vulnerability assessment as new categories of the regional transportation plan and a requirement to list resilience projects as a new category in the four-year transportation investment strategy (Transportation Improvement Program, or TIP). With regards to the long-range climate planning requirements, the bill would model proposed updates after California's Sustainable Communities Strategies requirements; requiring MPOs to identify investments and strategies to reduce per-capita greenhouse gas emissions from transportation sources, identify investments and strategies to manage transportation demand and increase the non-single occupancy vehicle mode share, and "recommend zoning and other land use policies that would support infill, transit-oriented development and mixed use development." The long-range plan vulnerability assessment would be required to include a critical infrastructure risk-assessment, analysis of evacuation routes, and a description of the MPO's adaptation and resilience improvement strategies that will inform the region's transportation investment decisions.

The bill further requires MPOs to incorporate an equity-focused "transportation access" assessment into the TIP. The bill would direct USDOT to develop a dataset states and MPOs would use to assess the level of safe, reliable, and convenient access to jobs and services by mode. States and MPOs would be required to incorporate into TIPs a description of how the investment strategy would improve the overall level of system access, similar to the existing requirement that TIPs include a description of how the planned investment strategy would make progress toward a region's performance targets.

As advocated for by MTC, these new responsibilities would be accompanied by a substantial Metropolitan Planning Program funding increase. Highway and transit metropolitan planning resources would grow 35 percent—nearly double the rate of the core highway programs—from $500 million in FY 2020 to an annual average of $673 million under the INVEST in America Act.

Creates a Strong Federal Partner on Climate Change and Resiliency

The bill makes progress on two MTC priorities, namely addressing climate change and providing additional resources and incentives for the use of new technology to address the nation's mobility challenges.

Climate Change Mitigation & Resilience

Makes Resiliency Improvements Eligible for Federal Highway Program Funds

As advocated for by MTC, the bill explicitly makes resilience-related projects eligible under the National Highway Performance Program and Surface Transportation Program, which together encompass nearly three quarters of total federal highway formula spending. Examples of eligible resilience projects include traditional "grey" infrastructure improvements such as road elevation and relocation, widening bridges and upsizing culverts, installing seismic retrofits, and coastal hydraulic countermeasures, as well as nature-based resiliency solutions (also referred to as "natural infrastructure" or "green infrastructure") such as the restoration of vegetated areas to manage storm surges.

Funds New Climate and Resiliency Programs

With regard to targeted climate change mitigation and resilience funding—another MTC priority—the bill would create two new formula programs: The Carbon Pollution Reduction Program and Pre-Disaster Mitigation Program which would provide states with $8.3 billion and $6.2 billion from FY 2022-FY2025, respectively. While this scale is smaller than that of the largest highway programs, this would still be a major step forward; funding levels would be comparable to the proposed FY2022-2025 federal investment in the National Freight Program ($8.6 billion) and Transportation Alternative Program ($6.8 billion). Each state would receive formula funds in proportion to their share of the overall highway formula program funds (excluding the "off the top" CMAQ, Metropolitan Planning, and Railway-Highway Grade Crossings funds).

The Carbon Reduction Pollution Program could fund any federally-eligible road, bridge, bike/ped, transit, or rail project that would support the reduction of surface transportation-related greenhouse gas emissions; like under CMAQ, road projects that solely increase single-occupancy vehicle capacity would be ineligible. Up to 10 percent of the program funds could be used for operating assistance for transit, passenger rail, or transportation systems management and operations projects. The Pre-Disaster Mitigation Program would fund resilience and emergency evacuation needs.

On a smaller scale, the bill also creates a $250 million/year Community Climate Innovation Grant program for FY 2022-2025 to support projects to reduce greenhouse gas (GHG) emissions from the transportation sector, prioritizing those projects expected to yield the most significant GHG reductions. Eligible applicants include MPOs, transit operators and local jurisdictions, among others.

Climate-Focus in Planning and Research

In addition to the climate-focused planning provisions described on page 7, the bill adds reducing greenhouse gas emissions as a new research priority for various research grant programs and requires a study to assess the potential impact of climate change on the national freight and intercity passenger rail network.

Invests in Transportation Research

The bill more than doubles funding for the Technology and Innovation Deployment Program to $152 million per year for FY 2022-25. With respect to automated vehicles (AVs), the bill establishes a national clearinghouse to research the impacts of highly AVs as well as mobility on demand and mobility as a service on land use, urban design, social equity and other items. The bill requires a study of how AVs will interact with general road users, including bicyclists and pedestrians.

The bill establishes a new, voluntary $10 million/year national vehicle miles traveled (VMT) pilot program for FY 2022-25 to test the design, acceptance and financial sustainability of a national per-mile user fee. The bill specifies that the Secretary of the Treasury shall establish the fee on an annual basis such that it would be equivalent to existing federal fuel taxes.

Rail Investment Expansion and Safety

The bill increases federal rail investment by more than fivefold over FAST Act levels, providing $60 billion to address state of good repair backlogs, establish new intercity rail routes, and expand on commuter rail. It includes a threefold increase in funding for Amtrak to address state of good repair and expand service. It also makes numerous improvements to safety and establishes a $2.5 billion grade separation grant program over five years.

COVID-19 Response and Recovery: Revenue Backfill, Including Capital Funding Backfill for Major Transit Improvements

The bill would provide $83 billion in FY 2021 to support states, local governments and transit agencies in administering highway and transit programs, advancing projects and preserving jobs in the aftermath of the COVID-19 crisis. Funding would be available at 100 percent federal share to eliminate the need for a match in FY21. In addition, nearly $22 billion of the total FY21 funding amount—nearly $15 billion in highway formula funds, $6 billion in transit formula funds, and the remainder in highway and motor carrier safety funds—is extremely flexible; unlike traditional highway and most federal transit formula funds the Bay Area receives, funding could directly support agency salaries and operating expenses. States, regions, and transit operators would receive those highly flexible formula funds in proportion to their share of highway and transit formula apportionments from prior years.

Additionally, a subset of transit expansion CIG projects—including Caltrain Electrification, BART Transbay Core Capacity and BART Silicon Valley Phase 2—would be authorized to receive an increased federal cost share (an additional 30 percent of the total project cost) to help ensure the projects can still move forward despite a potential loss of matching funds due to declining revenue as a result of COVID-19.

INVEST in America Act and MTC Priorities Comparison Chart
June 22, 2020

MTC Priority		**INVEST in America Act (committee-passed)**	
Request	*Details*	*Inclusion?*	*Notes*
Grow Existing Programs and Restore Highway Trust Fund Solvency	The next transportation authorization should raise new sustainable revenues.	N/A	N/A (Ways and Means jurisdiction).
	Grow core highway and transit programs. Maintain FAST Act structure, including: - Highway: STP and CMAQ -Transit Formula: 1. State of Good Repair 2. Urbanized Area Formula and 3. Seniors and Persons with Disabilities Capital Investment Grants: Robust investment in the CIG program and ensure that projects meeting the rigorous program requirements advance through the FTA review process in a timely manner.	✓ ✓ ✓ ✓	Surface transportation investment grows 62% over 5 years 75% revenues allocated through core FAST Act programs; focused growth in metro and transit programs. - STP and CMAQ increase consistent with state-focused programs (16%) - Transit program growth directed to Bay Area priority programs, including State of Good Repair, Urbanized Area and Seniors and Persons with Disabilities. Estimated 50% increase in guaranteed funding for the Bay Area. CIG funding increases 87% over 5 years; New streamlining and transparency provisions to ensure projects advance in a timely manner
Target funding to metropolitan regions	1. Grow STP and CMAQ and increase the percentage of the STP program directly suballocated to metro areas to at least 62.5%. This would restore suballocation to pre-2012 levels.	✓	The bill would grow STP suballocation to 60% up from 55%. The bill as introduced in committee would have frozen suballocation at FAST Act levels of 55%, but an increase was secured during the full committee markup.
	2. Provide funding directly to metros via a new flexible program. The program should flow via formula and funding eligibilities should be flexible enough for metros to make our transportation networks responsive to the technology-fueled transformation in how people and goods move and to the changing climate that includes, at a minimum, a formula component that provides funding directly to metros.	✓	Creates a new $750 million metro mobility program to reward "high-performing" MPOs with flexible funding to invest in MPO/regional priorities. Funding would flow via a population-based formula to MPOs designated as high-performing by USDOT. MTC, if designated, would receive between $30 million to $90 million between FY 2023 - FY2025. The bill also creates a new $250 million "Gridlock Reduction Program" targeted to reducing congestion in urban areas.

MTC Priority, cont.		INVEST in America Act, cont.	
Request	*Details*	*Inclusion?*	*Notes*
FAST Act Updates: Transit Updates	Revise transit programs to reward Bay Area best practices, including through: - growing transit Bay Area priority transit formulas - Reverse FTA policy that excludes bus travel on Express Lanes from counting toward the State of Good Repair formula - Support transition to a zero-emission fleet by revising the Low-No program to reward, rather than penalize, the Bay Area	✓ X ✓	- Directs transit growth to formulas that benefit the Bay Area; Funding grows to an estimated $3.4 billion over 5 years, a 50% increase above FAST Act levels. - Staff is seeking an amendment.. - Revises the Low-No program to improve Bay Area's competitiveness; rewards agencies preparing to transition to zero-emission fleets; repeals provision that penalizes agencies that have already invested in natural gas buses; grows program by 550%
Streamlining/project delivery Updates	1. Expand "at risk project preagreement authority 2. 6-year TIP 3. RAMP eligibility	X	Our recommendations are not included in the bill. Staff is seeking amendments.
Planning for an uncertain future	1. Increase planning funding	✓	Metropolitan Planning funding grows 35% over 5 years.
	2. Retain planning flexibility for regions (and states) in how we incorporate resiliency and new mobility considerations into the planning process.	✓	In general, flexibility is retained. New planning requirements related to climate, resiliency, and accessibility.
Climate and Resiliency	- Provide state and MPOs with resources to invest in climate adaptation and resiliency improvements. - Make resiliency project eligible under the core federal highway programs, including grey and green infrastructure improvements. - Support MPOs in incorporate climate and resilience in our planning activities.	✓ ✓ ✓	- Funds new climate adaptation and pre-disaster mitigation programs. - Makes resiliency projects eligible under core federal highway programs, including grey and green infrastructure improvements. - Creates a new GHG performance metric and adds climate and resiliency planning responsibilities to long-range plans, accompanied by more planning resources.
New Mobility Technologies	- Provide regions with more resources to invest in new mobility technologies - Support AV/CV deployment, including in the transit sector	✓ X	- Provides more flexible funding for metros; increases technology deployment funding. - Includes some provisions that could hinder deployment.

THE MOVING FORWARD ACT

FOR THE PEOPLE

Fact Sheet

H.R. 2, the Moving Forward Act, is a more than $1.5 trillion plan to rebuild American infrastructure—not only our roads, bridges, and transit systems, but also our schools, housing, broadband access, and so much more. By investing in families, workers, and communities across the country, we can support American manufacturing and ingenuity and create millions of jobs that cannot be exported, all while putting our country on a path toward zero carbon emissions, making communities and roads safer, and addressing long-standing disparities. It's about investing in infrastructure that is **smarter, safer, and made to last**.

<u>Highways, Bridges, Transit, Rail, Airports, Ports/Harbors:</u>

- Delivers better roads and bridges faster with more than $300 billion of investment that prioritizes fixing what we already have, including tens of thousands of structurally deficient bridges.
- Invests more than $100 billion in transit to put more zero-emission buses on the road, add new routes, and provide more reliable service, resulting in better transit options and fewer single-occupant cars clogging highways.
- Modernizes infrastructure to reduce gridlock and address bottlenecks, and makes roads smarter and safer for all users, including pedestrians and bicyclists.
- Invests in programs, projects, and materials that emphasize resiliency while reducing carbon pollution from the transportation sector, including $1.4 billion in alternative fuel charging infrastructure.
- Triples funding for Amtrak to $29 billion, allowing for upgrades and expansion of the passenger rail network, and improves rail crossing safety and addresses increasingly long trains that block crossings for 10+ minutes, which impacts local traffic and emergency response times.
- Keeps cargo moving by funding the essential dredging and upkeep of American harbors, ports, and channels.

<u>Schools and Child Care:</u>

- Invests in schools with the *Reopen and Rebuild America's Schools Act*, which invests $130 billion targeted at high-poverty schools with facilities that endanger the health and safety of students and educators. This investment will help students get back to school and create over 2 million jobs to help workers get back to work.
- Leverages a 5-year, $10 billion federal investment in addressing structural challenges and upgrading child care facilities to generate additional state and private investments in making sure that child care settings are safe, appropriate, and able to comply with current and future public health directives.

Local Financing & Community Development:

- Provides financing support for state and local government investments and spurring private investment through the tax code by permanently reinstating Build America Bonds and Advance Refunding Bonds, and increasing and expanding the issuance of Private Activity Bonds.
- Promotes revitalization in economically distressed communities by making permanent and expanding the New Markets Tax Credit.
- Encourages the rehabilitation of historic buildings by temporarily increasing the Historic Tax Credit program for all projects, permanently expanding the credit for small projects, and eliminating rules that prevent access for non-profits, including public schools.
- Promotes further development in and parity for tribal communities by making long-overdue changes to tax rules related to tribal issuance of government bonds, treatment of tribal government charitable organizations, and the treatment of tribal projects in the New Markets Tax Credit program.

Housing:

- Invests over $100 billion into our nation's affordable housing infrastructure to create or preserve 1.8 million affordable homes, helping to reduce housing inequality, create jobs, and stimulate the broader economy, increase community and household resiliency in the face of natural disasters, improve hazardous living conditions, and increase the environmental sustainability of our housing stock.
- Increases federal investment in low-income housing through a robust expansion of the Low-Income Housing Tax Credit with new, targeted housing incentives for rural and tribal communities and individuals at risk of homelessness.
- Establishes a new Neighborhood Investment tax credit that would subsidize certain development costs to encourage the rehabilitation of vacant homes or construction of new homes in distressed areas. The credit requires homes to be

owner-occupied and contains other limits meant to maintain affordable housing prices in these communities.

Broadband:

- Delivers affordable high-speed broadband Internet access to all parts of the country by investing $100 billion to promote competition for broadband internet infrastructure to unserved and underserved rural, suburban, and urban communities, prioritizing communities in persistent poverty and ensuring that broadband-related support is being administered in an efficient, technology-neutral, and financially sustainable manner.
- Gets kids connected to remote learning with digital equipment and affordable broadband options, connects school buses to Wi-Fi and helps schools and libraries close the "homework gap" outside school.
- Closes other gaps in broadband adoption and digital skills, and enhances payment support for low-income households and the recently unemployed.

Drinking Water and Wastewater:

- Protects access to safe drinking water by investing over $25 billion in the Drinking Water State Revolving Fund and other programs to ensure all communities have clean drinking water and to help remove dangerous contaminants like PFAS from local water systems.
- Invests $40 billion in new wastewater infrastructure to encourage efficiency and affordability, and helps communities address stormwater needs, preventing pollution in local rivers.
- Invests in clean water and wastewater infrastructure to meet the federal government's trust obligations to Indian Country and making responsible investments to repair severely damaged federal canals, leveraging taxpayer dollars to maximize public benefits.
- Unlocks more tax-exempt bond financing for water infrastructure projects by exempting bonds funding these projects from State allocation caps for Private Activity Bonds.

Clean Energy:

- Modernizes our energy infrastructure for a clean energy future by investing more than $70 billion to transform our electric grid to accommodate more renewable energy, expand renewable energy, strengthen existing infrastructure, help develop an electric vehicle charging network, and support energy efficiency, weatherization, and Smart Communities infrastructure.
- Reinvigorates our commitment to renewable energy and combatting the climate crisis by building on current successful tax incentives that promote the deployment of green energy technologies while providing new incentives for activities that reduce carbon pollution.
- Encourages "greening the fleet" by supporting widespread adoption of zero-emission cars, vans, and buses through tax credits for purchasing vehicles, supporting zero-emission vehicle manufacturing, and deployment of publicly accessible electric vehicle charging infrastructure including underserved communities.
- Promotes green energy and efficiency projects that adopt high-road labor practices.

<u>Health Care:</u>

- Modernizes the nation's health care infrastructure by investing $30 billion to upgrade hospitals to increase capacity and strengthen care, help community health centers respond to COVID-19 and future public health emergencies, improve clinical laboratory infrastructure, support the Indian Health Service's infrastructure, and increase capacity for community-based care.

<u>U.S. Postal Service:</u>

- Invests $25 billion to modernize postal infrastructure and operations, including a zero emissions postal vehicle fleet, processing equipment and other goods.

<u>Environment/Public Lands:</u>

- Puts Americans to work strengthening our coasts through a $3 billion grant program for shovel-ready projects to restore Great Lakes and coastal habitats and marine ecosystems, with priority given to qualifying communities of color.
- Cleans up abandoned coal mines and orphaned oil and gas wells, putting drillers, miners and engineers to work clearing the way for new infrastructure and economic redevelopment.

- Promotes new renewable energy infrastructure by incentivizing the development of wind and solar on public lands and building a workforce for offshore wind.
- Invests in modern water infrastructure to provide drought preparedness and improved water supply reliability in a changing climate.