



COMMONWEALTH of VIRGINIA

Office of the

SECRETARY of TRANSPORTATION

Federal Reauthorization and Infrastructure Update

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How does the Federal Surface Transportation Program Work?

- **Congress provides funding for federal-aid highways, transit, Amtrak and competitive grants**
- **Unlike state programs, these are not evergreen and must be 'reauthorized' every 5-6 years**
- **Majority of funds are provided through formula though there are a number of discretionary, competitive grants**

How does the Federal Surface Transportation Program impact Virginia?

- **Virginia received over \$1.1 billion in formula funding through the federal-aid highway program in FY21**
 - **Vast majority is used for maintenance purposes or distributed through the construction formula (33.2-358)**
- **Virginia and our larger transit agencies received more than \$220M in FY21**
 - **Majority of funds flow directly to transit operators in areas over 200,000**

Excludes any supplement appropriations from COVID relief legislation

How does the Federal Transportation Program impact Virginia?

Virginia also benefits from other discretionary funding programs and Amtrak funding

- Amtrak funding - \$2 billion
- RAISE/BUILD/TIGER Grants - \$1 billion
- INFRA Grants - \$1 billion
- CRISI Grants (FRA) - \$375 million
- New Starts/Core Capacity Program - ~\$2 to \$2.5 billion
- TIFIA Loans - \$300 million in credit risk premiums

Total funding level for each for fiscal year 2021

What is happening in now Congress with Reauthorization?

- **Federal transportation programs were last reauthorized in December 2015 and expired at the end of FY20, currently operating on a continuing resolution**
- **House has passed its reauthorization proposal known as the INVEST Act on July 1st**
- **Senate has passed portions of their reauthorization proposal out of committee – highway and rail**
 - **Four committees have jurisdiction over reauthorization in the Senate – EPW, Commerce, Banking, Finance**

Key Provisions of the INVEST Act

- **Significant increase in highway and transit programs**
 - **30% increase in federal-aid highway programs**
 - **60-70% increase in federal-aid transit programs**
- **Establishes new formula highway programs**
 - **Pre-disaster Mitigation Program**
 - **Carbon Pollution Reduction Program**
- **Significant increase in rail funding – 700%+**
 - **Establishes grant program for states to expand service funded at ~\$6 billion/year**

Key Provisions of the Senate Reauthorization Proposals

- **20% increase in federal-aid highway programs**
- **Establishes new highway formula programs**
 - **PROTECT Program**
 - **Carbon Reduction Program**
- **Significant increase in rail funding – 300%+**
 - **Establishes grant program for states to expand service funded at ~\$1.5 billion/year**

Similar Provisions between House and Senate Proposals

- **Increase funding levels for federal-aid highway program**
- **Establish resiliency and carbon reduction programs**
- **Increase funding for Transportation Alternatives Program**
- **Increase funding levels for Amtrak**
- **Establish rail grants for expansion of passenger rail with states as eligible applicants**

Similar Provisions between House and Senate Proposals

- **Provide funding to support the credit risk premium for the RRIF loan program**
- **Increase funding levels for discretionary grants such as RAISE/TIGER/BUILD and INFRA**
- **Establish a number of smaller grant programs targeted at specific areas. Examples include—**
 - **EV Charging**
 - **Reconnecting Communities/Neighborhoods**

What is the Bipartisan Infrastructure Framework?

- **Bipartisan group of 21 senators, including Senator Warner, struck a deal with President Biden to develop a proposal to increase infrastructure spending**
- **\$579 billion in new spending over next 5 years**
- **This is separate and in addition to the reauthorization discussions taking place**

Bipartisan Infrastructure Framework

- **\$110 billion for roads, bridges, and major projects**
- **\$66 billion for rail**
- **\$48.5 billion for transit**
- **\$16.3 billion for ports and waterways**
- **\$15 billion for EV charging and buses/transit**
- **\$11 billion for safety**
- **\$1 billion for Reconnecting Communities**
- **\$20 billion for an Infrastructure Financing Authority**

Bipartisan Infrastructure Framework

- **Senate group is working on language and legislative details**
- **Votes are scheduled starting Wednesday though it is not clear whether these will take place as scheduled**
- **Current understanding is that this framework and reauthorization will move as a single package**

Next Steps

- **Release of legislative text for the Bipartisan Infrastructure Framework**
- **Senate action**
- **Reconcile differences between House and Senate legislation**
- **There remain outstanding issues like funding ‘pay-fors’ and policy provisions of various programs**