

WSP Washington Update - July 9, 2020

Yesterday, the House Transportation-Housing and Urban Development (THUD) Appropriations Subcommittee voted to approve its version of the FY'21 funding bill for US DOT. FY'21 begins on October 1, 2020. While all the attention lately has been on multi-year transportation authorization legislation to replace the FAST Act, Congress must also pass all 12 federal agency appropriations bills for the next fiscal year. The text of the THUD bill can be found [here](#) and the Subcommittee's summary/press release [here](#). The funding levels proposed generally reflect the FY'21 levels that were included in HR 2, the INVEST Act, the House's recently passed five-year surface transportation authorization bill. However, the INVEST Act has not become law and therefore many of the funding increases recommended below will likely not be in the final FY'21 THUD bill.

The full House Appropriations Committee is expected to hold its markup of the THUD bill sometime next week. House leadership would like to pass all the appropriations bills by the end of July, if possible. The Senate has not yet introduced or acted on any of its FY'21 funding bills.

Key funding provisions:

Transit:

- Capital Investment Grants (CIG) - \$2.175 billion, an increase of \$197 million over FY'20 – of which \$1.848 billion (85%) must be allocated by December 31, 2022. Of the \$2.175 billion, the monies shall be available as follows:
 - New Starts - \$1.25 billion
 - Core Capacity - \$525 million
 - Small Starts - \$300 million
 - Expedited Project Delivery - \$100 million
 - These funds and any other monies shall be available for amendments to existing grant agreements (FFGAs) that require additional federal funding due to the coronavirus. Projects funded under the Expedited Project Delivery program shall be deemed eligible for funding provided under the CIG program without further evaluation or rating.
 - None of the funds made available shall be used to impede or hinder project advancement or approval for any project seeking a federal contribution from the CIG program greater than 40 percent.
 - None of the monies shall be used to implement the June 29, 2018 Dear Colleague letter.
 - None of the monies may be used to implement any policy that requires a CIG project to receive a medium or higher project rating before taking actions to finalize an environmental impact statement.
- Transit Formula Grants - \$15.9 billion, an increase of \$5.8 billion over FY'20.

- Transit Infrastructure grants - \$510 million from General Funds, the same as FY'20.
- Section 163 of the bill does not allow application of the Rostenkowski Test, an administrative provision that would require a \$6 billion cut to public transportation formula grants in FY'21.
- \$150 million is appropriated for Washington DC's WMATA system.

Highways: \$61.9 billion from the Highway Trust Fund, an increase of \$14.7 billion over the FY'20 enacted level, plus \$1 billion from the General Fund.

Rail:

- Amtrak - \$2 billion, which is \$50 million above the FY'20 level. The total includes \$750 million for the Northeast Corridor (NEC) and \$1.3 billion for the National Network.
- CRISI grants: \$500 million, an increase of \$175 million compared to FY'20. Includes a \$60 million set-aside for highway-rail grade crossing improvement projects, \$90 million for new intercity passenger rail service routes, and \$25 million for projects targeting trespassing.
- Federal-State Partnership for State of Good Repair grants: \$200 million, the same as FY'20.
- The bill also includes language prohibiting the FRA from awarding, transferring, or obligating the deobligated funds from the California high-speed rail project to any other program or recipient until litigation of the issue is completed.

Airports: Airport Improvement Grants - \$3.35 billion, the same as FY'20, plus an additional \$500 million from the General Fund.

BUILD grants: \$1 billion for FY'21, the same funding level as in FY'20. The bill includes several changes to the program's funding distribution and set-asides:

- Planning set-aside: increases the set-aside from \$15 million to \$20 million and adds an additional set-aside of \$20 million for planning grants in areas of persistent poverty.
- State maximum: consistent with previous appropriation bills, a single state may not receive more than 10 percent of the total available funding. However, the FY'21 bill does not count port infrastructure investments (including inland port infrastructure and land ports of entry) toward that \$100 million limit.
- Urban/rural: revises the definition for urban projects - projects in areas with a population over 250,000 (up from 200,000 in FY'20) will be considered urban. The FY'20 appropriations bill required funds be split evenly between rural and urban projects. For FY'21, 60 percent of funding would go toward urban projects and 40 percent to rural. As in past years, the maximum federal share for rural projects is 100 percent and 80 percent for urban projects. Urban grants can be \$5 million up to \$25 million in size (no change compared to FY'20), and rural grants \$1 million up to \$25 million (up from \$15 million max in FY'20).
- Obligation timeframe: extends the deadline for the obligation of funds from three years to six years.

Port Infrastructure Development grants: \$300 million which is \$75 million higher than FY'20. At least \$275 million must go toward projects in coastal seaports or Great Lake ports.

In addition to the usual annual funding for DOT programs, the House bill proposes an extra \$26B in emergency COVID-19 related funding for transportation programs. These appropriations are unlikely to pass as they are outside the budget caps and each individual emergency appropriation requires a three-fifth (60 votes) majority in the Senate and is subject to approval by the President. However, some or all of the proposed emergency funding may be included in separate legislation dealing specifically with the pandemic.

- \$3 billion for National Infrastructure Investments (TIGER/BUILD);
- \$10.5 million for DOT Cyber Security Initiatives;
- \$500 million for FAA Facilities and Equipment;
- \$2.5 billion for FAA Grants-in-Aid for Airports;
- \$5 billion for Consolidated Rail Infrastructure and Safety Improvements;
- \$100 million for Magnetic Levitation Technology Deployment Program;
- \$5 billion for Northeast Corridor Grants to Amtrak;
- \$3 billion for National Network Grants to Amtrak;
- \$5 billion for the Capital Investment Grants;
- \$125 million for Maritime Administration Operations and Training;
- \$345.5 million for State Maritime Academy Operations;
- \$100 million for Assistance to Small Shipyards;
- \$1 billion for Port Infrastructure Development Program; and
- 7.5 million for the DOT Office of Inspector General.