

The American Energy & Infrastructure Jobs Act

Summary of Transportation Reauthorization Proposal

**Transportation and Infrastructure Committee
U.S. House of Representatives**



American Energy & Infrastructure Jobs Act

House Republicans are moving forward with the American Energy & Infrastructure Jobs Act, an initiative to create long-term American jobs by linking improvements to the nation's infrastructure with increased production of domestic energy.

This key component of House Republicans' plans to put Americans to work is a long-term reauthorization of federal highway, transit and highway safety programs that will streamline and consolidate federal transportation programs, cut red tape and government bureaucracy, increase funding flexibility for states and local governments, better leverage existing infrastructure resources, and encourage more private sector participation in building infrastructure.

Multi-year stability is critical to a state's ability to plan major transportation infrastructure projects and to create long-term employment. This cornerstone jobs proposal continues surface transportation programs at current funding levels. The proposal also establishes a new revenue stream for infrastructure improvements and helps stabilize the Highway Trust Fund.

This comprehensive infrastructure proposal also makes significant reforms to federal passenger and freight rail transportation, hazardous materials transportation, and waterborne transportation programs.

By removing barriers to new energy production, this fiscally responsible proposal will create a new, sustainable revenue stream for infrastructure improvements, lower energy costs, and create infrastructure and energy sector jobs across the country.

The American Energy & Infrastructure Jobs Act may be the most significant jobs legislation this Congress will consider.

Transportation Reauthorization Bill Funding

- Authorizes current funding levels for Highway, Transit, and Highway Safety programs, for long-term infrastructure planning and job creation.
- Will support approximately 8 million jobs.
- Provides at least 5 years of stability for states to undertake major infrastructure projects.

Transportation Program Consolidation & Reform

- Consolidates or eliminates nearly 70 duplicative programs or programs not in the federal interest.
- Eliminates requirements for states to spend highway funding on non-highway activities, but permits states to fund those activities if they so choose.
- Allows states to fund their most critical infrastructure needs.

Streamlining the Project Delivery Process

- Cuts bureaucratic red tape by allowing federal agencies to review transportation projects concurrently, delegates project approval authority to states, and establishes hard deadlines for federal agencies to make decisions on permits and project approvals.
- Expands the list of activities that qualify for Categorical Exclusions – an approval process that is faster and simpler than the standard process.
- By cutting the project review process time in half, we can ensure environmental protections remain in place while making infrastructure improvements in a much more effective manner.

Better Leverage Existing Resources

- Encourages more private sector participation in building infrastructure
- Funds the Transportation Infrastructure Finance and Innovation Act (TIFIA) program for low interest loans at \$1 billion per year
- Incentivizes states to build upon the existing State Infrastructure Bank program.

Program Reform & Reducing the Size of Government

Currently, there are over 100 federal surface transportation programs, dozens of which were created over the last 50 years to address issues beyond the original programmatic goals. Many of these programs are duplicative or do not serve a national interest; they simply add to the massive federal bureaucracy. Dollars that could be directed to infrastructure must instead be diverted to the continued operation of numerous programs.

The American Energy & Infrastructure Jobs Act reforms surface transportation programs by consolidating or eliminating approximately 70 programs that are duplicative or do not serve a federal purpose. This proposal identifies programs that serve similar purposes, such as the Indian Reservation Roads Program and the Transit on Indian Reservations Program, and consolidates them into a Tribal Transportation Program. The proposal also identifies programs that do not serve a federal interest, such as the National Historic Covered Bridge Preservation Program and the Nonmotorized Transportation Pilot Program, and eliminates them.

Furthermore, states will no longer be required to spend highway funding on non-highway activities. States will be permitted to fund such activities if they choose, but they will be provided the flexibility to identify and address their most critical infrastructure needs. However, this additional flexibility will not be unchecked. States will be held accountable for their spending decisions through new performance measures and transparency requirements.

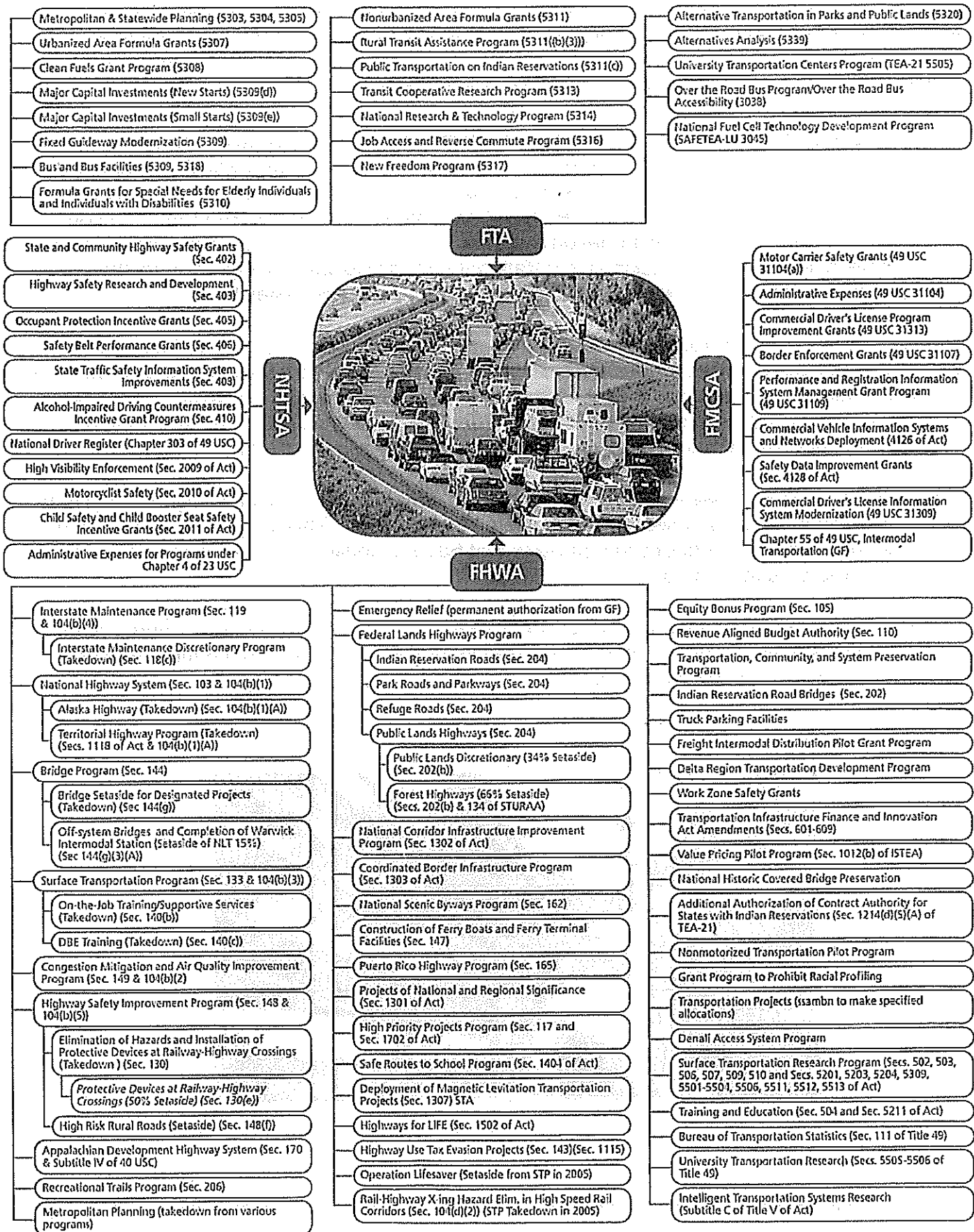
The Highway Trust Fund was created in the 1950s to construct the Interstate Highway System. In the years since, dozens of new programs have been created. This proposal refocuses the Highway Trust Fund on programs and projects that have regional and national impacts and eliminates programs that do not.

Reforming programs and reducing the federal bureaucracy under the American Energy & Infrastructure Jobs Act will ensure a more streamlined federal government and the more effective investment of resources to create jobs.



See the following page for a chart representing current surface transportation programmatic bureaucracy.

Current Surface Transportation Programs & Bureaucracy



Streamlining Project Delivery & Cutting Red Tape

Government bureaucracy and red tape in the approval and permitting process create needless infrastructure project delays and cost increases. According to the Federal Highway Administration, highway projects can take up to 15 years to complete. While state and local governments deal with the seemingly endless review process, transportation capacity and safety improvements stall, construction costs escalate, and job creation remains on hold.

For example, after a series of fatal accidents on a roadway in Toulumne County, California, a project was proposed to widen the roadway by no more than two feet in any location, construct 2,000 feet of new guardrail, replace two culvert pipes, and resurface the road. This project took over seven years just to complete the environmental reviews and permit approvals. Unfortunately, during that seven year period there were additional serious accidents on the roadway that could have been avoided.

Project reviews are necessary to help protect the environment, but a more reasonable process is essential to using our resources more effectively. It can be done. When a design flaw caused the collapse of the I-35W bridge in Minnesota in 2007, the replacement was contracted to be completed in just 437 days and was completed significantly ahead of schedule using innovative contracting methods and a streamlined environmental review process.

The American Energy & Infrastructure Jobs Act streamlines and condenses the project review process by cutting bureaucratic red tape, allowing federal agencies to review transportation projects concurrently, setting hard deadlines for federal agencies to approve projects, and delegating more decision making authority to states.

Efficient Environmental Reviews

- Condenses the final environmental impact statement and combines it with the record of decision.
- Provides a single system to review decisions and reduce bureaucratic delay by requiring concurrent reviews and setting deadlines for approvals.
- Classifies projects in the right-of-way as categorical exclusions under NEPA.

Clarifies Eligibility for Pre-Construction Activities

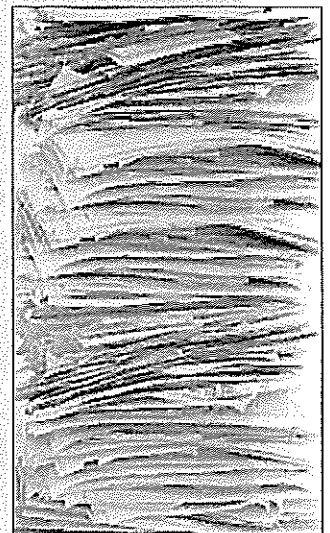
- Allows for acquisition of land during NEPA where the transaction itself does not cause a change in the area's land use or cause adverse environmental effects.
- Encourages corridor preservation to reduce project costs, delays, and impacts on communities.
- Allows detailed design prior to NEPA completion at state expense, making such work eligible for federal reimbursement only if the project is subsequently approved.

Promotes Integrated Planning and Programmatic Approaches

- Builds on the efforts in section 6001 of SAFETEA-LU and allows environmental decisions made in the planning process to be carried forward into the NEPA process.
- Clarifies authority for programmatic approaches (rather than project-by-project reviews).

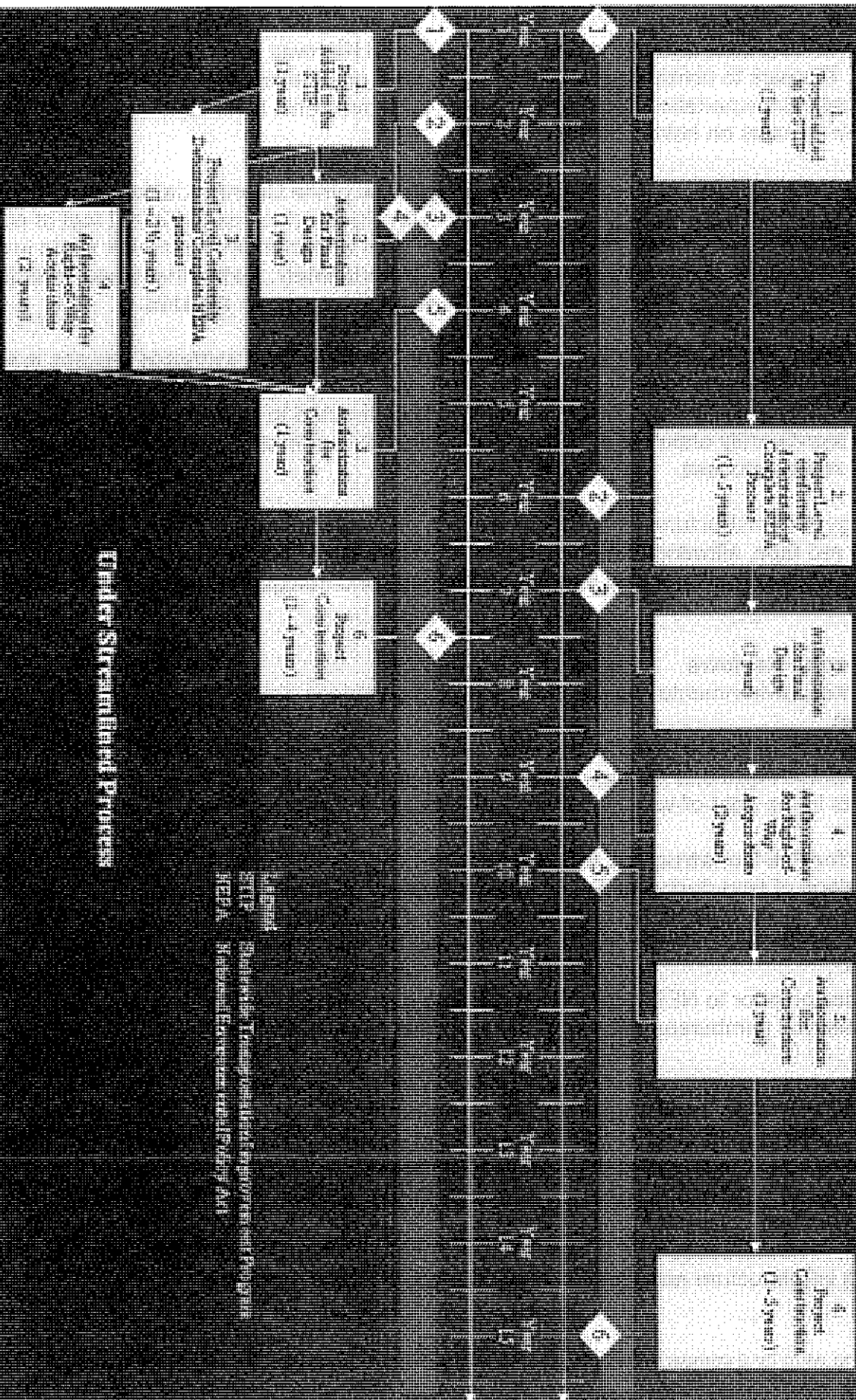
By cutting the project review process time in half, we can ensure environmental protections remain in place while investing infrastructure resources in a much more effective manner.

See chart on the following page for a comparison of the current bureaucratic process and the streamlined process under the proposal.



Highway Project Development Process

Under Current Process



Increasing Private Sector Participation & Maximizing Existing Revenue

The American Energy & Infrastructure Jobs Act will increase the value of infrastructure resources in a number of ways, including better leveraging existing federal funds and adopting policies that will attract private sector investment.

Private sector interest in building infrastructure is considerable, and encouraging the private sector to responsibly partner with federal and state governments can significantly enhance the amount of available federal revenue. While public-private partnerships cannot address all of our infrastructure needs, significant changes in existing programs and policy will propel private sector investment.

This proposal builds upon and improves the successful Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program. The measure dedicates \$1 billion per year to the TIFIA program resulting in \$10 billion in low interest loans to fund at least \$20 billion per year in transportation projects. Providing additional funding for TIFIA will help meet demand for credit assistance for transportation projects and enable increased leveraging of Highway Trust Fund dollars with state, local and private-sector funding.

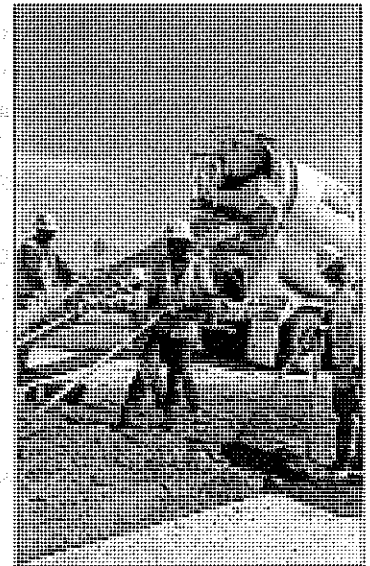
Under this initiative, existing lanes on the Interstate Highway System remain toll-free, however states will have the ability to toll new capacity on the Interstate System. States will also have greater flexibility to toll non-Interstate highways.

The proposal does not create a new National Infrastructure Bank, but rather builds upon existing State Infrastructure Banks. States will be encouraged to create and capitalize State Infrastructure Banks to provide loans for transportation projects at the state and local level. The percentage of federal highway funding that a state can dedicate to a State Infrastructure Bank will be increased from 10 percent to 15 percent and states will receive a specific amount of funding that can only be used to fund State Infrastructure Banks.

This initiative also calls for unlocking existing revenue sources that are not being fully utilized for their intended purpose. The Harbor Maintenance Trust Fund is supported by cargo fees and is critical for dredging and harbor channel improvements. Despite growing maritime infrastructure needs, these funds are not being used to maintain our ports.

This measure improves the underutilized Rail Rehabilitation and Improvement Financing (RRIF) Program by creating a faster and more predictable application process and allowing more flexibility in loan terms. While RRIF was created to allow for loans and loan guarantees to help improve the nation's rail infrastructure, the slow process for approval and constricting terms have stunted its potential. This proposal ensures the program is able to help address the nation's growing rail infrastructure needs at a time when the economy is continuing its recovery.

These initiatives will allow federal dollars to work more effectively and generate additional revenue for infrastructure improvements and job creation. By more effectively leveraging available resources, we can achieve more infrastructure and employment benefits per dollar invested.



Federal Highway Program

Fifty years ago the goal of the Federal Highway Program was to fund road construction projects that facilitated interstate travel and interstate commerce. After the Interstate Highway System was largely completed, the Federal Highway Program began to fund a broader range of projects. Today there are more than 50 programs run by the Federal Highway Administration that fund projects ranging from graffiti removal to planting of wildflowers.

The American Energy & Infrastructure Jobs Act will eliminate approximately 40 Federal Highway Administration programs and focus our limited federal resources on projects that have regional or national significance. Federal approvals and processes are streamlined to ensure projects are expedited, and administrative overhead is reduced through programmatic reform, increasing the amount of funding available for projects.

State Flexibility and Accountability

- States will maintain the opportunity to fund the broad range of eligible projects under the current Surface Transportation and Congestion Mitigation and Air Quality programs, but they will not be required to spend a specific amount of funding on specific types of projects, such as transportation museums or landscaping.
- More than 90 percent of Federal Highway Program funding will be distributed through formula programs to state departments of transportation, allowing state and local transportation officials to prioritize projects rather than bureaucrats in Washington D.C.
- States are provided the maximum amount of flexibility in choosing what projects to fund with their federal highway dollars, but will be held accountable for those choices through performance measures and transparency requirements.



A Focus on the National Highway System

- The new Federal Highway Program focuses primarily on the National Highway System – a 160,000 mile system of roads that includes the Interstate Highway System and other roads important to the nation's economy, defense and freight mobility.
- Approximately half of the funding provided for the Federal Highway Program is directed to funding projects on the National Highway System.

Highway Safety

- The proposal continues the Highway Safety Improvement Program and allows funding to be used on safety projects on virtually any road.

Improved Leveraging of Resources

- In order to better leverage our limited federal resources, the Federal Highway Program funds the TIFIA program at \$1 billion a year and distributes funding to states to capitalize State Infrastructure Banks. This keeps the federal financing bureaucracy at a minimum and maximizes states' financial capabilities.

Highway & Motor Carrier Safety

Since 2005, highway fatalities have steadily declined from 43,510 to 32,885 in 2010. There also has been a dramatic reduction in severe and fatal crashes involving large trucks and buses in recent years, with fatalities from crashes dropping from 5,539 in 2005 to 3,944 in 2010.

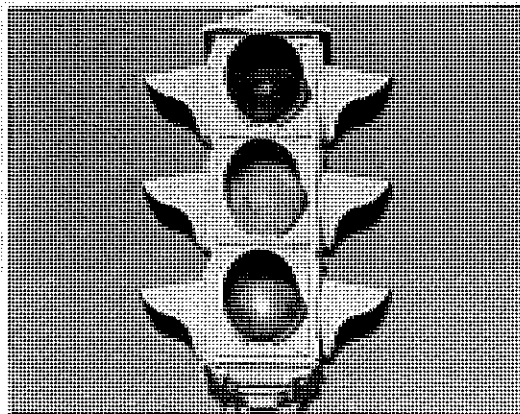
Reauthorization of the highway and motor carrier safety programs will continue the progress made in recent years by incorporating performance measures into each state's highway safety plan. Each state is required to establish quantifiable targets for each performance measure. This will help states target the most effective highway and motor carrier safety activities and hold states accountable for how they spend their federal funding.

NHTSA Safety Programs

- Focuses funding on NHTSA's highway safety grant program that distributes money to states through a formula for highway safety activities.
- Clarifies that states can use highway safety grant funding for initiatives to increase seat belt use, prevent impaired driving, and improve motorcycle safety.
- Changes the distribution formula for NHTSA's highway safety grant program so states that have laws and programs designed to increase seat belt use, prevent impaired driving, or improve the safety of young drivers receive more funding.
- Holds states accountable by requiring them to spend federal funding in areas where they are not meeting performance goals.

Motor Carrier Safety Programs

- Ensures that federal regulations keep unsafe trucks and buses off the road while allowing companies that operate in a safe and responsible manner to continue to do so.
- Prevents companies that have been shut down for violating safety standards from reincarnating as new carriers to avoid compliance.
- Consolidates grant programs and institutes new performance measures to focus state motor carrier safety efforts on reducing the number of crashes and fatalities involving large trucks and buses.
- Establishes annual inspection programs for buses.
- Requires the Secretary to establish a clearinghouse of positive drug and alcohol test results by commercial drivers.
- Requires the Secretary to prescribe regulations to establish minimum training requirements for commercial drivers.



Federal Transit Programs

The American Energy & Infrastructure Jobs Act focuses on federal transit policies and programs that most effectively contribute to public transportation services that meet the needs of commuters, transit-dependent individuals, and occasional transit riders.

Private Sector Partnering

- Removes current barriers that prevent the private sector from offering public transportation services.
- Provides incentives to vanpools and intercity bus operators to participate in federally-supported transit services.
- Requires that private intercity and charter bus operators be given reasonable access to federally-funded transit facilities.
- Encourages and rewards public-private partnerships when building new rail transit systems.

Focuses on Formula Programs

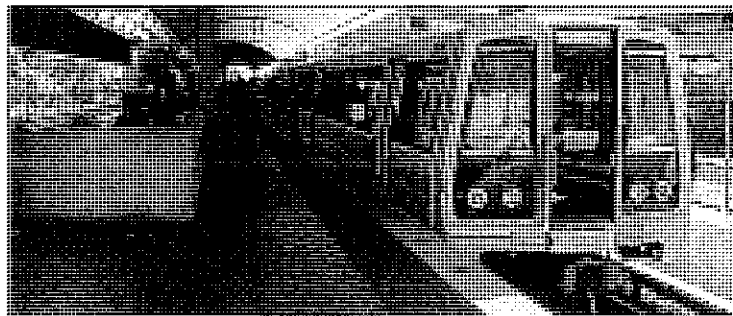
- Repeals discretionary programs that are unpredictable and not transparent, and focuses available funding on formula programs that provide stable and predictable funding to states and local transit agencies.
- Increases the percentage of available formula funds for transit programs that benefit suburban and rural areas, and programs that support transit services for the elderly, disabled, and transit-dependent.

Streamlines and Simplifies

- Consolidates and simplifies human service transportation programs from three separate programs to one.
- Streamlines the New Starts and Small Starts competitive grant program, cutting project development time in half.

Improves Transit Safety

- Strengthens the rail transit safety oversight program without creating a new federal transit safety bureaucracy.



Passenger & Freight Rail Transportation

Government can do more to effectively leverage federal investments in infrastructure. Additionally, regulatory overreach and misguided spending programs are crippling our economy, stifling job creation, and wasting our limited federal resources. The American Energy & Infrastructure Jobs Act streamlines the project delivery process, reduces regulatory burdens, and promotes accountability and responsibility while maintaining the highest commitment to rail safety.

Leveraging Federal Investments

- Creates a faster and more predictable application process for Rail Rehabilitation and Improvement Financing (RRIF) loans.
- Increases access to the RRIF program by providing more flexible loan terms.

Streamlining Project Delivery

- Expedites project review which reduces costs to project sponsors.
- Increases coordination among federal agencies and allows for review of projects concurrently.
- Creates greater certainty by establishing hard deadlines for agency action and decisions.
- Delegates more decision making authority to the states.
- Expands classes of projects excluded from extensive environmental review.

Reducing Regulatory Burdens

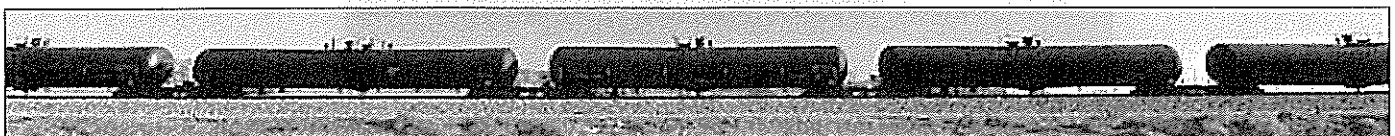
- Increases the opportunity for the successful implementation for Positive Train Control (PTC) by changing the implementation deadline, providing clear direction for rail carriers, and allowing for technology neutral solutions, while maintaining our commitment to safety.
- Improves the rulemaking process at the Federal Railroad Administration to protect against overly-burdensome regulations and red tape.

Reforming Amtrak

- Places limits on Amtrak's use of federal funds to focus it on providing better service.
- Ensures high-speed rail projects are truly high-speed in their design.
- Cuts Amtrak's operating subsidy by 25 percent in FY 2012 and 2013.
- Leverages private sector dollars and expertise for high-speed rail project financing.
- Requires transparency in project funding application evaluation and selection.
- Clarifies Amtrak Inspector General's authority to protect federal funds against fraud, waste, and abuse.

Promoting Accountability and Saving Money

- Eliminates the congestion grants set aside program in the Intercity Passenger Rail grants program, currently authorized at \$100 million per year in FY 2012 and 2013.
- Terminates Capital Grants program for Class II and Class III Railroads, authorized at \$50 million per year.



Hazardous Materials Transportation

The Pipeline and Hazardous Materials Safety Administration oversees the safe and secure shipment of nearly 1.4 million daily movements of hazardous materials, including such common products as paints, fuels, fertilizers, alcohols, chlorine, fireworks, and batteries that are essential to the general public and local economies.

The American Energy & Infrastructure Jobs Act advances safety, efficiency, and accountability in the transportation of hazardous materials and promotes the nation's economic health through certainty and uniformity in the regulation of those materials.

Promotes Regulatory Certainty and Transparency

- Requires regulations to be cost-effective and based on science, not overly burdensome, and take into account the economy, private industry, and jobs.
- Establishes regulatory certainty through notice and comment rulemaking.
- Promotes efficiency by incorporating safe special permits into regulations.
- Requires program review to improve administration of motor carrier permitting.

Creates Uniformity to Grow Business and the Economy

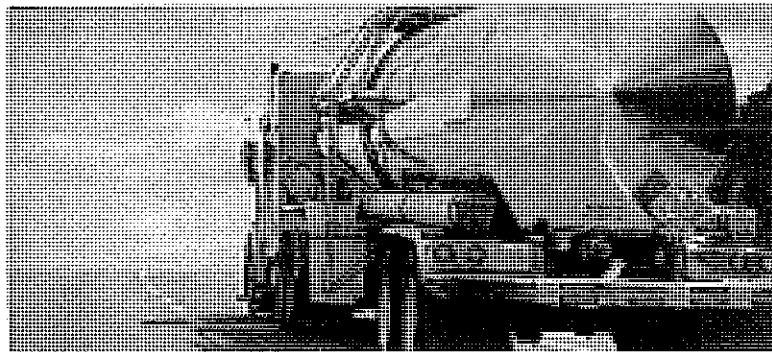
- Eliminates differing state requirements for notification, enforcement, and permitting that hinder the free-flow of commerce and do not increase safety levels.
- Establishes uniform training and enforcement among the states.
- Ensures the nation's expert on hazardous materials transportation remains its international representative.
- Eliminates overlapping federal jurisdiction.
- Protects economic growth by preempting unreasonable burdens on commerce.

Reduces Regulatory Burdens

- Bans certain regulations whose cost-effectiveness is unproven.
- Ensures no new user fees will be imposed on the industry.
- Eliminates unnecessary package inspections that burden commerce.
- Ensures penalties are fairly imposed on those entities responsible for violations.

Promotes Accountability and Saves Money

- Allows flexibility and requires accountability in managing grant programs.
- Eliminates wasteful earmarks.



Waterborne Transportation

Waterborne trade at our nation's ports is vital to the American economy, and millions of jobs throughout the country are dependent upon the commercial shipping industry. The American Energy & Infrastructure Jobs Act encourages funds collected for the maintenance of our nation's harbors to be invested for that purpose.

Calls for Dedicated Funds Go to Infrastructure Programs

- The Harbor Maintenance Trust Fund (HMTF) provides funds for the United States Army Corps of Engineers (Corps) to carry out the dredging of navigation channels to their authorized depths and widths. The HMTF is based upon a user fee collected from shippers that utilize the nation's coastal ports. Unfortunately, we do not invest all of these fees back into harbor maintenance. In FY 2010 the HMTF grew by \$1.3 billion, but only \$828.6 million was spent. If the status quo continues, the HMTF is estimated to have a balance of \$6.93 billion at the end of FY 2012:
- This proposal calls for HMTF expenditures to be tied to revenues and spent for harbor maintenance as intended.

