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RSC THE REPUBLICAN STUDY COMMITTEE

H.R. 22: Surface Transportation Reauthorization and Reform Act of 2015 (Rep. Shuster, R-PA)

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FLOOR SCHEDULE:

The House amendment to the Senate amendment to H.R. 22 is expected to be considered on November 3, 2015, under a structured rule.

The rule is expected to use the Senate-passed highway bill (H.R. 22) as the vehicle for the House Transportation and Infrastructure Committee's highway bill (H.R. 3763, the Surface Transportation Reauthorization & Reform (STRR) Act). The rule is likely to replace the Senate's transportation related provisions with a Rules Committee Print based on H.R. 3763 while leaving in place the Senate's provisions related to offsets, the Export-Import bank, and other provisions.

The Rules Committee is scheduled to meet November 2, 2015 for consideration of general debate and amendments, and to meet again on November 3, 2015, for further consideration of amendments.

Additional analysis of amendments will be available prior to floor consideration after Rules Committee meets to make amendments in order.

TOPLINE SUMMARY:

H.R. 22 would authorize six years of funding for federal highway and mass transit programs and includes offsets to provide funding for the difference between excise tax revenues and authorized spending for three years. The bill would also reauthorize the Ex-Im Bank for five years.

COST:

A CBO report for H.R. 22, as amended by the Rules Committee (the bill as under consideration on the House floor) is not available at this time.

The Congressional Budget Office (CBO) estimates that enacting the Rules Committee Print of an amendment to H.R. 22 would "result in outlays of $137 billion over the 2016-2020 period assuming appropriation actions consistent" with authorized amounts. This estimate does not include the effects of the Senate provisions of H.R. 22 left in by the Rules Committee.

The CBO report for the Senate's DRIVE Act (H.R. 22) can be found here.

The treatment of Highway Trust Fund spending is unique. Authorizations that provide Budget Authority (called contract authority) are considered mandatory, while outlays are controlled by annual appropriations bills through obligation limits which are considered discretionary.

CONSERVATIVE VIEWPOINTS:

Continues Overspending and Bailouts: Since 2008, Congress has transferred $73 billion from the Treasury's General Fund to the Highway Trust Fund. Some conservatives may be concerned that this legislation would continue the cycle of overspending and bailouts by spending at the current, unsustainable level that is billions more than the user-paid tax receipts that fund highway programs.

Violates Principles Called for in House Republican Budgets: Some conservatives may be concerned that the bill fails to meet the recommendations in the Fiscal Year 2016 House Republican Budget to align "spending from the Trust Fund with incoming revenues." Every House Republican Budget since 2011 has included this proposal.

Six Years of Spending, Three Years of Pay-Fors: Some conservatives may be concerned that the bill authorizes spending through FY 2021 while only providing a Highway Trust Fund bailout that would last through FY 2018. Conservatives may further be concerned that the six year authorization may make it more difficult for the next President to implement conservative transportation reforms in his first term.

Questionable Pay-Fors: Some conservatives may be concerned by both the grab-bag nature of the Senate offsets and with the underlying policies these provisions contain. These include: selling Strategic Petroleum Reserve oil, reducing the dividend paid on non-marketable Federal Reserve stock required to be held by banks, and further diverting TSA fees to the general fund.

Continues Diversions: Some conservatives may be concerned that the bill continues to divert billions of Highway Trust Fund dollars to projects that are not related to the user-fees that populate the fund. Funding things like local mass transit; bike paths, historical preservation, archeological activities, landscaping, environmental mitigation, and scenic overlooks through the Transportation Alternatives Program (TAP); and diesel engine retrofits, telecommuting, public education, and carpools through the Congestion Mitigation and Air Quality Improvement (CMAQ) Program are an inappropriate use of Highway Trust Fund dollars because these programs violate the user-pays principle by using primarily gas tax revenues to fund non-road projects.

State Control of Transportation: Some conservatives will be pleased that the bill would convert the second largest Federal Aid Highway program into a Surface Transportation Block Grant program to provide more state control over its transportation projects. Other conservatives may be concerned that this block grant program still comes with federally imposed strings attached.

Streamlining of Federal Permitting: Some conservatives will be pleased that the bill takes important steps to improve the federal environmental permitting process.

Creates New Programs: Some conservatives may be concerned that the bill expands the federal role in transportation by establishing new programs, such as the Nationally Significant Freight and Highway Projects program, the National Electric Vehicle Charging, Hydrogen, and Natural Gas Fueling Corridors, and the national multimodal freight policy and strategic plan.

Reauthorization of the Ex-Im Bank: Some members may be concerned that the bill reauthorizes the Ex-Im bank. Some conservatives argue that the Export-Import Bank has become a symbol for crony capitalism, forces taxpayers to bare the risk of loans to private firms, and is plagued by corruption and mismanagement. Some believe American businesses are strong enough to compete on their own, without taxpayer-funded subsidized financing. The RSC position on the Ex-Im Bank can be found here.

Concentration of Power: Some conservatives may be concerned that the bill would allow the executive to unilaterally increase funding levels if Highway Trust Fund revenues exceed the baseline and that the offsets for the bill include provisions that would allow the Department of Transportation to retain funds from vehicle safety enforcements and settlements, creating an incentive for the executive to seek higher penalties in court in order to directly fund favored transportation projects.

- **Expand the Size and Scope of the Federal Government?** Yes, the bill establishes new programs and expands the eligibility of federal transportation dollars to new uses.

- **Encroach into State or Local Authority?** Yes. As stated in the RSC Budget, "Congress should devolve the federal government's control over most highway and transit programs to the state and local governments." Federal transportation spending should be limited to core federal duties, including the interstate highway system and transportation infrastructure on federal land.

- **Delegate Any Legislative Authority to the Executive Branch?** Yes, the bill provides funding for grant programs that permit the Executive Branch to direct where tax dollars are spent. Further, the measure would allow the executive to unilaterally adjust budget authority authorizations under some circumstances.

- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No, according to the Committee Report for H.R. 3763.

DETAILED SUMMARY AND ANALYSIS:

On July 13, 2015, RSC Chairman Flores and other RSC members wrote to House Transportation and Infrastructure Committee Chairman Bill Shuster with policy recommendations for the upcoming highway bill that would help commuters get the best value for their gas taxes, ensure funding for the core highway programs, give flexibility to states that want it, end highway bailouts, and unify the Republican Conference.

The recommendations included common-sense principles that could be reasonably be included in a House-passed highway reauthorization:

- No tax increases.
- Align spending with revenues.
- Establish a pilot program to allow states control of their transportation dollars.
- Streamline environmental permitting and approvals.
- Reform labor regulations for transportation programs.
- Reform discretionary programs.
- Keep the highway bill focused on the highway program.
- Stop diverting Highway Trust Fund dollars away from roads and bridges.

A detailed summary of the bill's provisions follows below:

Federal Aid Highways:

Funding and Apportionment: The bill authorizes appropriations for the Federal-Aid Highway Program, Nationally Significant Freight and Highway Projects, Transportation Infrastructure Finance and Innovation Program (TIFIA), Tribal Transportation Program, Federal Lands Transportation Program, Federal Lands Access Program, Territorial and Puerto Rico Highway Program, and the Disadvantaged Business Enterprise Program for Fiscal Years 2016 – 2021. Authorizations are provided that are consistent with CBO's baseline, which assumes that current funding levels increase annually with inflation.

The bill specifies that “no funding, authorization of appropriations, and contract authority” for FY 2019 – 2021 “shall exist unless and only to the extent that a subsequent Act of Congress causes additional monies to be deposited in the Highway Trust Fund.” Thus, if Congress fails to enact additional offsets, the second half of the bill’s six-year authorization would not apply.

The bill allows that if, for Fiscal Years 2015 – 2019, the level of receipts to the Highway Trust Fund is different than the level of receipts estimated by the CBO in August 2015, the Secretary of the Treasury will adjust the amount authorized by an equivalent amount. This would allow for spending to be unilaterally increased by the executive branch if revenue were to exceed projections, even if revenues still fall short of the spending level authorized by the bill.

The apportionments (allocation of program funds to each state) of funds for the different programs are generally similar to the formulas included in MAP-21.

Major Federal-Aid Highway Programs: The Department of Transportation runs a number of different programs to fund roads that are collectively referred to as the Federal-Aid Highway Program (FAHP). The bill continues the major programs, including:

National Highway Performance Program (NHPP): The NHPP is the largest highway program and supports the Interstate System highways and bridges as well as most other major highways on the National Highway System.

Under the bill, the NHPP would be authorized for a total of $140.4 billion over the FY 2016 – 2021 period.

National Highway Performance Program (Fiscal Year authorization in millions)						
2015	2016	2017	2018	2019	2020	2021
21,908.178	22,273.974	22,665.773	23,122.942	23,633.678	24,125.476	24,641.856

The bill expands eligibility of NHPP funds to include additional bridges that are not a part of the National Highway System as well as subsidy and administrative costs for Transportation Infrastructure Finance and Innovation Act (TIFIA) projects.

Surface Transportation Block Grant: The bill converts the current Surface Transportation Program to a new Surface Transportation Block Grant. According to CRS, “unlike some other block grant programs, the Surface Transportation Block Grant Program would not provide the states with unrestricted lump sums of money.”

Under the bill, the Surface Transportation Block Grant would be authorized for a total of $65.4 billion over the FY 2016 – 2021 period.

Surface Transportation Block Grant (Fiscal Year authorization in millions)						
2015	2016	2017	2018	2019	2020	2021
10,077.075	10,315.855	10,529.934	10,783.941	11,006.886	11,266.427	11,526.256

The Block Grant specifies a wide range of eligible projects that states may fund, including:

- Construction of highways, bridges, and tunnels
- Ferry boats and terminal facilities
- Transit capital projects

- Infrastructure-based intelligent transportation systems capital improvements
- Truck parking facilities
- Border infrastructure projects
- Traffic monitoring, management, and control facilities and programs
- Environmental measures
- Highway and transit safety infrastructure improvements
- Fringe and corridor parking improvements
- Recreational trails projects
- Pedestrian and bicycle projects
- Safe Routes to School Program projects
- Boulevards and roadways largely in the right-of-way of former Interstate System routes or other divided highways
- State asset management plans
- Protection and evaluation of bridges and tunnels
- Surface Transportation planning programs
- Infrastructure modifications to facilitate access into and out of ports
- Projects to support congestions pricing
- Subsidy and administrative costs for credit assistance programs
- Public Private Partnerships (P3s)
- Transportation Alternatives Program projects

The bill requires that in FY 2016 51 percent of the funds to be allocated within the state based upon population (this percentage increases to 55 percent in FY 2021).

The bill rolls the former Transportation Alternatives Program (TAP) into the Surface Transportation Block Grant. The bill reserves $819.9 million each year of the Block Grant's funding for TAP projects, an amount equal to current funding. TAP diverts highway funding to projects such as bike paths, trails, medians, sidewalks, historical preservation, archeological activities, landscaping, environmental mitigation, and scenic overlooks.

The bill does allow metropolitan planning areas to transfer 50 percent of TAP funds to any other project eligible for funding under the block grant. The bill also allows states to opt out of the recreational trails program.

Highway Safety Improvement Program: The Highway Safety Improvement Program (HSIP) funds projects that are meant to improve safety, such as upgrading intersections or adding safety features.

Under the bill, the HSIP would be authorized for a total of $14 billion over the FY 2016 – 2021 period.

Highway Safety Improvement Program (Fiscal Year authorization in millions)						
2015	2016	2017	2018	2019	2020	2021
2,192.406	2,222.689	2,260.744	2,305.983	2,351.218	2,398.82	2,446.484

The bill expands the eligibility of HSIP funds to also include installation of vehicle-to-infrastructure equipment, pedestrian hybrid beacons, and roadway improvements that provide separation between pedestrians and motor vehicles.

Congestion Mitigation and Air Quality (CMAQ): The CMAQ program provides highway funding to a variety of non-highway programs that are supposed to reduce congestion and improve air quality. Projects can include diesel engine retrofits, transit projects, encouraging telecommuting, public education about transportation choices, carpool and vanpool marketing, carsharing, and alternative fuels and vehicles. States are not allowed to use these funds on expanding highway capacity.

Under the bill, CMAQ would be authorized for a total of $14.2 billion over the FY 2016 – 2021 period.

Congestion Mitigation and Air Quality Program (Fiscal Year authorization in millions)						
2015	2016	2017	2018	2019	2020	2021
2,266.89	2,250.761	2,290.352	2,336.548	2,382.742	2,431.112	2,479.539

Nationally Significant Freight and Highway Projects: The bill creates a new grant program to fund road, rail, and intermodal freight projects that are projected to be very expensive.

To be eligible for funding, a project must cost at least $100 million or be equal to at least 30 percent of the state's apportioned funds (or, if it is a multi-state project, cost 50 percent of the apportioned funds of the participating state with the largest apportionment). Projects should be "of national or regional significance" and improve the safety, reliability, and efficiency of the movement of freight and people, generate economic benefits, reduce congestion, or improve connectivity between modes of freight transportation. The Secretary of Transportation will make grants under the program on a completive basis. The bill gives Congress 60 days to disapprove a proposed grant.

Under the bill, Nationally Significant Freight and Highway Projects would be authorized for a total of $4.5 billion over the FY 2016 – 2021 period.

Nationally Significant Freight and Highway Projects (Fiscal Year authorization in millions)						
2015	2016	2017	2018	2019	2020	2021
	725	735	750	750	750	750

Transportation Infrastructure Financing and Innovation Act (TIFIA): The TIFIA program provides subsidized loans and loan guarantees for transportation programs.

Under the bill, TIFIA would be authorized for a total of $1.2 billion for administrative and subsidy costs over the FY 2016 – 2021 period. This is a large reduction from current levels. As with most federal credit programs, calculating the cost of the program based on the credit subsidy understates the actual exposure of taxpayers to financial losses if a borrower defaults.

Transportation Infrastructure Financing and Innovation Act Program (Fiscal Year authorization in millions)						
2015	2016	2017	2018	2019	2020	2021
1,000	200	200	200	200	200	200

Acceleration of Project Delivery: The bill includes a number of provisions that would take steps to streamline regulatory permitting to help speed the delivery of transportation projects. According to the Transportation and Infrastructure Committee, under current laws and regulations it can take up to 14 years to complete a transportation project using federal funds.

The bill includes a provision to avoid duplicative analysis for the use of historic sites.

The bill exempts common concrete and steel bridges built after 1945 from certain [NEPA historical use reviews].

The bill establishes deadlines for NEPA reviews for transportation projects, including a requirement that all participating agencies must be identified in 45 days and a plan for coordinating public and agency participation within 90 days. The bill also makes the development of a schedule for the completion of the review process mandatory.

The bill requires the DOT to maintain an online database showing the status of environmental reviews for federal highway projects.

The bill requires the DOT to delegate responsibility to the states for project design, plans, specifications, estimates, contract awards, and inspection of projects to the maximum extent possible. The bill also requires the DOT to submit recommendations to Congress to permit the delegation of additional responsibilities in cooperation with the states.

The bill provides an inflation adjustment for the level of projects that qualify for a categorical exclusion for environmental reviews due to limited federal funding.

The bill expands the use of categorical exclusions to all DOT projects (including multimodal projects).

The bill makes it easier for a state that has assumed NEPA assignment authority to carry out those authorities.

The bill creates a pilot program to allow up to five states to apply their state environmental laws instead of federal NEPA. To be eligible, the DOT and the Council on Environmental Quality must determine that the state and federal laws are at least equivalent. A state participating in the pilot may also exercise its authority for up to 10 local governments.

The bill requires a GAO report on the progress of efforts to accelerate project delivery under this bill and previous legislation.

The bill requires the DOT and other federal agencies to develop a coordinated environmental review and permitting process when initiating a NEPA environmental impact statement.

Prohibition on Federal Funds for Automated Traffic Enforcement: The bill prohibits the use of federal funds for automated traffic enforcement.

Alternative Fuel Vehicle Charging and Fueling Corridors: The bill establishes National Electric Vehicle Charging, Hydrogen, and Natural Gas Fueling Corridors.

Pollinator Habitats: The bill expands the use of Highway Trust Fund dollars that are diverted for landscaping and scenic enhancement to also include the encouragement of pollinator habitats, including for Monarch butterflies and honey bees.

Service Club, Charitable Association, and Religious Signs: The bill allows states to allow the maintenance of signs of service club, charitable association, and religious services that are equal or less than 32 square feet if the state notifies the Federal Highway Administration.

Motorcycle Advisory Council: The bill establishes a Motorcycle Advisory Council to advise the DOT on issues of concern to motorcyclists.

Public Transportation:

Major Public Transit Programs: The Federal Transit Administration runs a number of different public transit programs, most of which use funds from the Mass Transit Account of the Highway Trust Fund. The bill continues the major programs, including:

Urbanized Area Formula Grants: The Urbanized Area Formula program funds public transportation projects in urban areas using Highway Trust Fund dollars.

Under the bill, the Urbanized Area Formula program would be authorized for a total of $27.7 billion for administrative and subsidy costs over the FY 2016 – 2021 period.

Urbanized Area Formula Program (Fiscal Year authorization in millions)						
2015	2016	2017	2018	2019	2020	2021
4,458.65	4,458.65	4,458.65	4,549.161	4,640.144	4,734.724	4,829.418

Rural Formula Grants: The Rural Area Formula program funds public transportation projects outside of urban areas using funds from the Mass Transit Account of the Highway Trust Fund.

Under the bill, the Rural Area Formula program would be authorized for a total of $3.8 billion for administrative and subsidy costs over the FY 2016 – 2021 period.

Rural Area Formula Program (Fiscal Year authorization in millions)						
2015	2016	2017	2018	2019	2020	2021
607.8	607.8	607.8	620.138	632.541	645.434	658.343

State of Good Repair: The State of Good Repair Grant program provides funding for repairing and upgrading rail and fixed guideway transit systems.

Under the bill, the State of Good Repair program would be authorized for a total of $13.8 billion for administrative and subsidy costs over the FY 2016 – 2021 period.

State of Good Repair Program (Fiscal Year authorization in millions)						
2015	2016	2017	2018	2019	2020	2021
2,165.9	2,198.389	2,237.520	2,282.941	2,382.600	2,376.064	2,423.585

Capital Investment Grants (New Starts): The Capital Investment Grants program (commonly referred to as the New Starts program) provides funds from the Treasury's General Fund for the construction of local fixed-guideway public transportation systems. Often this program funds streetcar systems, such as the H

Street Streetcar boondoggle in Washington, D.C. Much like other discretionary (non-formula) programs, projects are selected by the administration, often for political purposes. According to the Cato Institute, the program "gives transit agencies incentives to choose high-cost" systems instead of more cost-effective options and "to get as much New Starts money as possible, transit agencies have planned increasingly expensive rail projects". In 2010, the Obama administration "scrapped a George W. Bush-era rule that had weighed funding decisions most heavily on whether transportation projects were cost-effective and would reduce commuting time."

Under the bill, the New Starts program would be authorized for a total of $12.8 billion for administrative and subsidy costs over the FY 2016 – 2021 period.

New Starts Program (Fiscal Year authorization in millions)						
2015	2016	2017	2018	2019	2020	2021
1,907	2,029	2,065	2,106	2,149	2,193	2,237

Highway Safety: The bill authorizes appropriations for the National Highway Safety Administration at levels consistent with the CBO baseline.

Motor Carrier Safety: The bill authorizes appropriations for the Federal Motor Carrier Safety Administration (FMCSA) at the FY 2015 level.

The bill also makes reforms to the FMSCA's regulatory process, including requiring several studies on pending regulations.

Innovation: The bill authorizes appropriations for research and innovation activities at the DOT, including the university transportation centers, the Bureau of Transportation Statistics, and training programs. The bill requires several studies and new grant programs, including a grant program for states to demonstrate alternative funding mechanisms.

Hazardous Materials Transportation: The bill authorizes appropriations for hazardous safety and grant programs.

The bill imposes new requirements for railroads that carry flammable liquids, including requiring comprehensive oil spill response plans.

Multimodal Freight Transportation: The bill establishes a new national multimodal freight policy and strategic plan. The bill also requires each state to develop a state freight plan.

National Surface Transportation and Innovative Finance Bureau: The bill establishes a new National Surface Transportation and Innovative Finance Bureau to advise state and local governments and provide assistance in financing surface transportation projects.

The bill also establishes a Council on Credit and Finance made up of political appointees at DOT to make recommendations to the Secretary of Transportation about applications for grant programs and credit assistance.

Sport Fish Restoration and Recreational Boating Safety: The bill reauthorizes the Dingell-Johnson Sport Fish Restoration Act.

From the Senate Bill:

Highway Trust Fund Authority: The bill extends the expenditure authority from the Highway Trust Fund through FY 2021.

The bill also extends the various taxes that fund the Highway Trust Fund through Fiscal Year 2023, including the 18.4 cent per gallon federal gasoline tax and the 24.4 cent per gallon federal diesel tax.

General Fund Transfer: The bill immediately transfers a total of $45.615 billion to the Highway Trust Fund from the Treasury's General Fund. Of this total, $34.401 billion if for the Highway Account and $11.214 billion is for the Mass Transit Account.

This transfer brings the total bailout of the Highway Trust Fund to $107 billion since 2008.

Offsets:

Motor Vehicle Penalties: The bill directs civil penalties related to motor vehicle safety to the Highway Trust Fund rather than the General Fund. Recent and ongoing investigations issues with several auto manufacturers, including Volkswagen and General Motors, are likely to produce large penalties or settlements that would be covered by this provision. Combined with the Secretary of the Treasuries authority under the bill to increase the total budget authority authorized by the legislation upwards if Highway Trust Fund revenue exceeds the baseline (see above), this provision could result in additional highway spending above the authorized level.

Reporting the Value of Property by Estates: The bill would require the executor of an estate subject to the Death Tax to report to the IRS the value of property transferred to those inheriting the property upon the death of the original owner. The goal of this provision is to prevent those who inherit property from overstating the value of the property when they inherited the item when it is eventually sold, giving them a smaller tax burden.

This provision has already been enacted into law by H.R. 3236, the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015.

Revocation of Passport for Unpaid Taxes: The bill would deny a passport for any individual that owes more than $50,000 in unpaid taxes which the IRS is collecting through an enforcement action. This provision is estimated to raise $398 million over the FY 2015 – 2025 period.

Statute of Limitations for Certain Tax Cases: The bill would allow the IRS to reassess taxpayers who substantially understate their income by misrepresenting the basis or original cost of property within six years. Under current law, the IRS generally has a six year statute of limitations in cases where a taxpayer substantially understates their income, but the Supreme Court has ruled that this does not apply in cases dealing with misrepresentation of basis.

This provision has already been enacted into law by H.R. 3236, the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015.

Mortgage Interest Reporting: The bill would require mortgage lenders to report to the IRS additional information about mortgages, including mortgage origination date, the amount of the outstanding principal, and the address of the property. Current law requires reporting of certain information about mortgages, including the name, address, and tax identification number of borrowers. The goal of this policy is to encourage tax compliance with regard to the mortgage interest deduction.

This provision has already been enacted into law by H.R. 3236, the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015.

Dates of Certain Tax Returns: The bill would modify the due dates for certain tax returns for partnerships, S corporations, and C corporations.

A similar provision has already been enacted into law by H.R. 3236, the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015.

Reform of Rules Related to Qualified Tax Collection Contracts: The bill would require the federal government to use private debt collection agencies to help collect back taxes. This requirement would only apply to taxes owed where the IRS has removed the receivable from the active inventory for lack of resources or an inability to locate the taxpayer, more than one-third of the statute of limitations has elapsed and the receivable has not been assigned to an IRS employee for collection, or a receivable which has been assigned for collection but there has been more than 365 days without interaction with the taxpayer.

This provision is estimated to raise $2.481 billion over the FY 2015 – 2025 period.

Extension of Transfer of Excess Pension Assets to Retiree Health Accounts: The bill would extend the provision of current law that allows employers to transfer excess defined benefit plan assets to retiree medical accounts and retiree group-term life insurance, while denying a tax deduction for such transfers.

This provision has already been enacted into law by H.R. 3236, the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015.

Budgetary Treatment of TSA Fees: The bill would reclassify the budgetary treatment of fees collected by the TSA from offsetting discretionary to offsetting mandatory in Fiscal Years 2024 and 2025. The TSA would collect no new fees under this provision.

CBO's budget rules allow certain fees collected by the government to offset spending. Depending on the way the fee is classified, the offset can be applied to either discretionary spending or mandatory spending.

The Ryan-Murray Bipartisan Budget Act made two changes to the fees TSA collects. First, Ryan-Murray raised the fees paid by passengers. Second, it reclassified a portion of the fees from discretionary to mandatory and credited to the Treasury's General Fund over the FY 2014-2023 period.

After 2023, the budgetary treatment was to reset back to its prior classification where all TSA fees (above $250 million) would be treated as discretionary, authorized annually by appropriations bills, and used to offset spending in the appropriations bills.

Instead, the bill would credit $1.75 billion of fees to the General Fund as mandatory collections in FY 2024 and FY 2025.

A similar provision has already been enacted into law by H.R. 3236, the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015.

Index Customs Fees for Inflation: The bill would index customs user fees to inflation. This proposal is estimated to raise $5.7 billion over the FY 2015 – 2025 period.

Change the Fixed Dividend Rate Paid by the Federal Reserve: Under current law, member banks of the Federal Reserve System are required to purchase stock issued by the Fed which pay a dividend of 6 percent.

The bill would reduce this dividend to 1.5 percent. This proposal is estimated to raise $17.5 billion over the FY 2015 – 2025 period.

One hundred fifty members signed a letter raising concerns about this proposal. Additional background from CRS can be found here.

Strategic Petroleum Reserve (SPR) Drawdown and Sale: The bill would require the sale of 101 million barrels of crude oil from the SPR over the FY 2018 – 2025 period. This proposal is estimated to raise $9 billion over the FY 2015 – 2025 period.

A similar provision to sell $58 million barrels of the SPR over this time period has already been enacted into law by H.R. 1314, the Bipartisan Budget Act of 2015.

Extend the Fannie and Freddie Guarantee Fees: The bill would extend the guarantee fees charged by Fannie Mae and Freddie Mac through 2025. Using these fees, which are intended to cover the cost of potential portfolio losses at the GSEs, to cover current spending would result in taxpayers being exposed to additional losses in the event of housing price declines and mortgage defaults exceeding the GSEs expectations, such as occurred in 2008. In that instance, taxpayers were forced to provide bailouts of hundreds of billions of dollars.

This proposal is estimated to raise $1.9 billion over the FY 2015 – 2025 period.

Interest on Overpayments Paid to the Office of Natural Resources Revenue: The bill would strike the requirement that the Office of Natural Resources Revenue pay interest on royalty overpayments. This proposal is estimated to reduce outlays by $320 million over the FY 2015 – 2025 period.

Federal Permitting Improvement: The bill would establish a Federal Permitting Improvement Council made up of the Departments of Agriculture, the Army, Commerce, Interior, Energy, Transportation, Defense, Environmental Protection Agency, Federal Energy Regulatory Commission, Nuclear Regulatory Commission, Homeland Security, Housing and Urban Development, and the Advisory Council on Historic Preservation. The task of the Council would be to monitor and coordinate the review and approval of permitting for infrastructure projects.

Hire More Heroes: The bill includes the text of the Hire More Heroes Act.

Export-Import Bank: The bill extends the authority of the Export-Import Bank through 2019. The bill sets the Ex-Im Bank's lending cap at $135 billion and increases the portion of bank financing that should go to small businesses to 25 percent.

Additional Background: The transportation programs were most recently reauthorized through November 20, 2015, by H.R. 3819: Surface Transportation Extension Act of 2015, which passed the House on October 27, 2015, by a voice vote.

The Department of Transportation (DOT) has established a Highway Trust Fund Ticker to show the funding status of the Highway and Transit accounts within the Trust Fund. To continue funding highway and transit programs at current levels past November 20, another general fund bailout would likely be required. In the event of a shortfall, the DOT would delay reimbursements to states.

OUTSIDE GROUPS:

Support

- American Road & Transportation Builders Association also provides analysis of the bill here.
- AFL-CIO
- U.S. Chamber of Commerce
- The House Transportation and Infrastructure has a comprehensive list of groups in support.

Opposition

- Heritage Foundation resources.
- Competitive Enterprise Institute
- Reason Foundation

COMMITTEE ACTION:

H.R. 22 was originally introduced on January 6, 2015, as the Hire More Heroes Act. The House passed the Hire More Heroes Act on January 6, 2015, by a 412 – 0 vote. In the Senate, H.R. 22 became the vehicle for the Senate's highway bill, the Developing a Reliable and Innovative Vision for the Economy (DRIVE) Act. The Senate passed the DRIVE Act on July 30, 2015, by a 65 – 34 vote.

The House Transportation and Infrastructure Committee marked up and reported H.R. 3763, the Surface Transportation Reauthorization & Reform (STRR) Act, on October 22, 2015, by a voice vote. The STRR Act is the basis of the Rules Committee Print that is replacing the DRIVE Act portions of H.R. 22 under the expected rule. Additional background on H.R. 3763 from the Transportation and Infrastructure Committee can be found here.

ADMINISTRATION POSITION:

No Statement of Administration Policy is available at this time.

CONSTITUTIONAL AUTHORITY:

The Constitutional authority statement for H.R. 22 has not been updated to reflect the transportation related amendments.

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