Conference Report for H.R. 22: Fixing America's Surface Transportation (FAST) Act of 2015 (Rep. Shuster, R-PA)

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FLOOR SCHEDULE:

The Conference Report for H.R. 22 is expected to be considered on December 3, 2015, under a closed rule.

The Conference Report bill text can be found here, and the Joint Explanatory Statement can be found here.

TOPLINE SUMMARY:

The Conference Report for H.R. 22 would authorize five 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. The bill would reauthorize federal subsidies for Amtrak. The bill would also reauthorize the Ex-Im Bank for five years. Additional background from the Transportation and Infrastructure Committee can be found here.

COST:

The Congressional Budget Office (CBO) estimates that enacting Conference Report for H.R. 22 would "provide about $281 billion in contract authority for surface transportation programs over the 2016-2020 period." This is above CBO's baseline and above the level provided in the House-passed bill.

FAST Act Highway Trust Fund Contact Authority
(in millions of Dollars)

	2016	2017	2018	2019	2020	2016-2020
CBO Baseline	51,143	51,143	51,143	51,143	51,143	255,715
FAST Act HTF Contract Authority	53,746	55,115	56,112	57,376	58,712	281,061
Rescission in FAST Act					-7,569	-7,569
Total Contact Authority	53,746	55,115	56,112	57,376	51,143	273,492
Change in Contract Authority	**2,603**	**3,972**	**4,969**	**6,233**	**0**	**17,777**

The bill would also provide General Fund (non-Highway Trust Fund) authorization for $25 billion for other transportation programs over the FY 2016 – 2020 period.

The bill would transfer $70 billion from the Treasury's General Fund to the Highway Trust Fund, which must be offset in the House of Representatives. The bill includes a net total of $71 billion in offsets.

The CBO report for the House-Passed Surface Transportation Reauthorization and Reform (STRR) Act of 2015 can be found here and 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:

Increases Spending and Continues 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 *above* the current, unsustainable level that is billions more than the user-paid tax receipts that fund highway programs.

This bill includes a $70 billion bailout of the Trust Fund, $35 billion more than the original House-passed bill. This transfer brings the total bailout of the Highway Trust Fund to over $143 billion since 2008.

Moves in the Wrong Direction Compared to the House-Passed Bill: While the bill that passed the House spent in line with CBO's baseline, the FAST Act authorizes spending increases above the baseline.

The FAST Act includes a General Fund bailout of the Highway Trust Fund that is double the size of the bailout that was in the House-passed bill.

The bill that passed the House would have required federal transportation policy to be revisited in next administration (allowing a president that believes in fiscal responsibility and federalism to put forward conservative reforms), while the FAST Act locks in the current unsustainable policy through the first term of the next president.

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.

Abdication of the Power of the Purse: Some conservatives may be concerned that the bill would allow the Executive Branch to unilaterally increase funding levels – *without appropriation by Congress* - if Highway Trust Fund receives additional money in the future.

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 reducing the Federal Reserve's surplus account. About $60 billion of the $70 billion in offsets deal are derived from within the Federal Reserve.

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 non user-fee related items is 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. These diversions include items such as: 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.

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.

Amtrak Concerns: Some conservatives may be concerned that the highway bill would now be linked to the Amtrak reauthorization.

Some conservatives believe that Amtrak should not be subsidized by the taxpayers. Amtrak has no incentive to improve its performance if it knows that it will be able to count on the taxpayers for a bailout each year. The House-passed Fiscal Year 2016 budget resolution called for eliminating Amtrak operating subsidies. The RSC's Fiscal Year 2016 budget also called for eliminating Amtrak subsidies for operating and capital grants.

Some conservatives may further be concerned that the bill does not put Amtrak on a path to sustainability. The bill would increase yearly subsidy authorization levels for money-losing long-distance routes.

Understanding What is In the Bill: Some conservatives may be concerned that Members will be given a short amount of time to read and understand this 1317 page Conference Report that spans the jurisdictions of at least nine House committees. The Conference report was made publicly available on docs.house.gov at 3:26 pm on December 1, 2015, giving Members less than 72 to review the bill before the scheduled vote, in violation of the spirit of the House Republicans' three-day rule.

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 steps to improve the federal environmental permitting process.

Does Not Follow a Roadmap for Reform: 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 have be reasonably be included in a House-passed highway reauthorization. Unfortunately, the FAST Act fails to meet these principles:

- No tax increases.
  - The FAST Act does not increase the gas tax, but does use higher revenues to pay for its spending increases.
- Align spending with revenues.
  - Current transportation spending exceeds dedicated revenues and the FAST Act further increases spending.
- Establish a pilot program to allow states control of their transportation dollars.
  - The FAST Act allows states more flexibility for some of their transportation funding, but the bill fails to empower state leaders instead of Washington bureaucrats.
- Streamline environmental permitting and approvals.
  - While short of comprehensive reform, the FAST Act takes some steps to streamline environmental regulations.
- Reform labor regulations for transportation programs.
  - The FAST Act fails to address the problems caused by union-friendly Davis-Bacon and Project Labor Agreement regulations.
- Reform discretionary programs.
  - The Fast Act fails to stop the Executive Branch from using discretionary transportation grant programs as political rewards and creates new discretionary programs.
- Keep the highway bill focused on the highway program.
  - The FAST Act includes several unrelated provisions, including a reauthorization of the controversial Ex-Im Bank.
- Stop diverting Highway Trust Fund dollars away from roads and bridges.
  - The FAST Act continues to divert billions of Highway Trust Fund dollars away from their intended purpose.

▪ **Expand the Size and Scope of the Federal Government?** Yes, the bill increases spending, 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 increase spending without a Congressional appropriation in certain circumstances.

▪ **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No, according to the Joint Explanatory Statement.

DETAILED SUMMARY AND ANALYSIS:

Federal Aid Highways:

Funding: 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 – 2020.

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.

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."

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 2020).

The bill rolls the former Transportation Alternatives Program (TAP) into the Surface Transportation Block Grant. The bill reserves $835 million in FY 2016 - 2017 and $850 million in FY 2018 - 2020 of the Block Grant's funding for TAP projects, an increase from 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.

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.

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

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. Projects could include highways, bridges, rail, or intermodal. The federal share of projects is capped at 60 percent.

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 of dollars)					
2015	2016	2017	2018	2019	2020
	800	850	900	950	1000

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 would create 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 25 local governments.

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.

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.

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.

Innovative Public Finance:

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 $1.42 billion for administrative and subsidy costs over the FY 2016 – 2020 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 of dollars)					
2015	2016	2017	2018	2019	2020
1,000	275	275	285	285	300

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.

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.

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

Bus and Bus Facilities Formula Program: The Bus and Bus Facilities Formula Program provides funding to purchase buses and construct bus facilities. The bill would reinstate the nationwide competitive grant program and would retain the high density states program.

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."

Revenues, Bailout of the Highway Trust Fund, and Budgetary Effects:

Highway Trust Fund Authority: The bill extends the expenditure authority from the Highway Trust Fund through FY 2020.

The bill also extends the various taxes that fund the Highway Trust Fund through Fiscal Year 2022, 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 $70 billion to the Highway Trust Fund from the Treasury's General Fund. Of this total, $51.9 billion if for the Highway Account and $18.1 billion is for the Mass Transit Account.

This bailout is $ 35.024 billion more than the one approved by the House.

This transfer brings the total bailout of the Highway Trust Fund to over $143 billion since 2008.

Authority for the Executive Branch to Unilaterally Increase Spending Without Congressional Appropriation: Sec. 1403 of the bill allows that if additional monies are allocated to the Highway Trust Fund by a law enacted subsequent to enactment of the FAST Act, the Secretary of Transportation would be able to make an amount equal to that allocation available for spending *without further action by Congress*.

Some conservatives may be concerned that this provision violates the purpose of the Appropriations clause of the Constitution (Article 1, Section 9), which provides the peoples' elected representatives the power of the purse over the Executive Branch.

Other members may be concerned that this provision would prevent Congress from increasing revenues for the Highway Trust Fund to equal spending as a way of ending the reliance on unrelated and gimmicky offsets for highway spending.

Offsets: The bill includes $71 billion in offsets for the spending provided above the expended level of excise tax receipts.

Motor Vehicle Penalties: The bill directs civil penalties related to motor vehicle safety to the Highway Trust Fund rather than the General Fund. The bill also significantly increases the maximum civil penalties. 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. This provision is estimated to raise $423 million over the FY 2015 – 2025 period.

LUST Trust Fund Transfer: The bill would transfer $300 million from the Leaking Underground Storage tank Trust Fund to the Highway Trust Fund over the next two years.

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 $395 million over the FY 2015 – 2025 period.

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 $2.408 billion over the FY 2015 – 2025 period.

Repeal of Automatic Extension of Due Date for Employee Benefit Plans: The bill would repeal a provision from the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015 that extended the automatic due date for filing an annual actuarial report.

Index Customs Fees for Inflation: The bill would index customs user fees to inflation. This proposal is estimated to raise $5.188 billion over the FY 2015 – 2025 period.

Federal Reserve Surplus Fund: The bill would cap the Federal Reserve's surplus account at $10 billion and remit excess any funds to the U.S. Treasury. This policy would result "in one-time savings on paper but no actual change in the amount of revenue the Treasury would receive over the long term." This policy is a modification of the Neugebauer/Huizenga amendment that would have liquated the surplus account. This provision is estimated to raise $53.3 billion over the FY 2015 – 2025 period.

Under current law, the Federal Reserve is required to transfer its profits to the Treasury. The Fed retains a portion of these profits in its surplus account in an amount equal to the amount of capital that banks have paid to be a member of the Federal Reserve system and is used as a part of the Fed's monetary policy activities. The Fed currently has $29 billion in its surplus account. Additional background from CRS can be found here.

Some conservatives may be concerned that the House adopted the Neugebauer/Huizenga amendment relating to the surplus fund as an alternative to the Senate's provision reducing the dividend for banks, while the Conference report would include versions of both policies.

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. Additional background from CRS can be found here.

The bill would reduce this dividend to the lower of a floating rate tied to the 10-year Treasury note or six percent for banks that hold $10 billion or more in assets beginning January 2016. This policy is a modification of the original Senate bill that would have set the dividend rate at 1.5 percent for banks with $1 billion in assets. This proposal is estimated to raise $6.904 billion over the FY 2015 – 2025 period.

Strategic Petroleum Reserve (SPR) Drawdown and Sale: The bill would require the sale of 66 million barrels of crude oil from the SPR over the FY 2023 – 2025 period, as well as sales in FY 2016 and 2017 that the Secretary of Energy believes would maximize the return to taxpayers. The total sales allowed under this section would be capped at $6.2 billion worth. This proposal is estimated to raise $6.2 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.

Repeal of Bipartisan Budget Act Crop Insurance Pay-For: The bill would repeal the pay-for provision in the Bipartisan Budget Act of 2015 that required the Federal Crop Insurance Corporation to set the target rate of return for private crop insurance at 8.9 percent.

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 $300 million over the FY 2015 – 2025 period.

PAYGO Exemption: The bill would provide that the budgetary effects of the bill shall not be entered on the PAYGO scorecards under the Statutory Pay As You Go Act.

Highway Safety: The bill would authorize appropriations for the National Highway Safety Administration through FY 2020.

Motor Carrier Safety: The bill would authorize appropriations for the Federal Motor Carrier Safety Administration (FMCSA) through FY 2020.

The bill would also make reforms to the FMSCA's regulatory process, including requiring several studies on pending regulations. The bill would consolidate nine grant programs into four.

Innovation: The bill would authorize appropriations for research and innovation activities at the DOT through FY 2020, 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 would authorize appropriations for hazardous safety and grant programs through FY 2020.

The bill would impose new requirements for railroads that carry flammable liquids, including requiring comprehensive oil spill response plans, requiring thermal blankets for new tank cars, and requiring certain upgrades to older tank cars.

Multimodal Freight Transportation: The bill would establish 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 would establish 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 would also establish 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 would reauthorize the Dingell-Johnson Sport Fish Restoration Act through FY 2020.

Amtrak Reauthorization:

The bill would reauthorize federal subsidies for Amtrak through FY 2020. The House passed H.R. 749, the Passenger Rail Reform and Investment Act (PRRIA) of 2015, on March 3, 2015, by a 316 – 101 vote.

According to CRS, Amtrak is "a quasi-governmental entity, a corporation whose stock is almost entirely owned by the federal government. It runs a deficit each year. Congressional appropriations cover about half of Amtrak's total loss, and represent essentially all of its funding for capital maintenance and improvements." Amtrak is projected to run an operating loss of $289.6 million in FY15. The FY 2015 Omnibus appropriated $1.39 billion in subsidies for Amtrak.

Lines of Business: The bill would split authorization levels by Amtrak lines of business. Previous authorizations provided funding in an operating grants account and a capital and debt service grants account.

Instead, the bill would create a new Northeast Corridor Improvement Fund for capital grants and debt service related to the Northeastern Corridor as well as a new National Network account for operating and capital grants for long-distance routes and state-supported routes.

The Northeast Corridor routes between Boston and Washington are profitable for Amtrak on an operating basis, while the other routes are not. The committee believes that separating funding by lines of business will increase transparency and allow profits in the Northeast Corridor to be reinvested there instead of being diverted into unprofitable routes. Analysis of the ridership and profitability of different routes can be found here.

Amtrak Subsidies Authorized Figures are Dollars in Millions						
	FY 2016	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 16-20**
Northeast Corridor Capital Subsidies	$450	$474	$515	$557	$600	$2,596
National Network Operating and Capital Subsidies	$1,000	$1,026	$1,085	$1,143	$1,200	$5,454
Consolidated Rail Infrastructure and Safety Improvement Grants	$98	$190	$230	$255	$330	$1,103
Federal State Partnership for Sate of Good Repair Grants	$82	$140	$175	$300	$300	$997
Amtrak Inspector General	$20	$20.5	$21	$21.5	$22	$105
Total Authorization	$1,650	$1,851	$2,026	$2,277	$2,452	$10,255

Intercity Rail Grants: The bill would create two new grant programs, the Consolidated Rail Infrastructure and Safety Improvements grant program and the Federal-State Partnership for State of Good Repair grant program.

Food and Beverage Services: The bill would require Amtrak to develop a plan to eliminate operating losses on its food and beverage services within five years. After five years, no federal funds are permitted to cover any operating losses on food and beverage service. The rail service managed to lose $388 million on its food and beverage service from Fiscal Years 2010 through –2014.

The bill would require that no employee is allowed to lose a job due to Amtrak's efforts to end these operating losses. The losses in food and beverage service are in large part due to labor costs. On-board Amtrak employees cost $41.19 per hour including benefits, compared to dining service employees that earn $7.75 to $13 an hour on state-run trains that use private contractors. In 2012, Rep. Mica calculated the per-employee loss on food service to be $68,476. Amtrak also provides free wine and champagne on some routes.

Comprehensive Transportation and Consumer Protection Act:

The bill would reauthorize the National Highway Traffic Safety Administration (NHTSA) through FY 2020.

Vehicle Recalls: The bill would allow vehicle recall notifications by electronic means, establish a new pilot program to allow states to notify drivers of vehicle recalls, require auto dealers to check for open recalls and notify owners when performing service, and would require rental car companies to withdraw from service vehicles that are under recall.

Penalties: The bill would increase the maximum civil penalty for violations of motor vehicle safety standards to $105 million (from $35 million). The bill would also extend the time period for automakers to pay for defect remedies from 10 years to 15 years and would extend the period companies must retain safety records from 5 years to 10 years. The bill would direct civil penalties related to motor vehicle safety to the Highway Trust Fund rather than the General Fund.

Miscellaneous Provisions:

Export-Import Bank: The bill would extend the authority of the Export-Import Bank through 2019. The bill would set the Ex-Im Bank's lending cap at $135 billion and increase the portion of bank financing that should go to small businesses to 25 percent. The Ex-Im Bank's charter expired in July, 2015. Earlier this year, the RSC took a position against reauthorization of the Export-Import Bank, citing the need for a competitive free market and the Bank's unchanged culture of corruption.

Energy Bills: The bill includes the text of several bills dealing with energy grid security and reliability.

Financial Services Bills: The bill includes the text of several financial services bills.

The bill includes the text of several Financial Services bills that have previously passed in the House. The measures included are:

1. H.R. 2064, which makes changes related to the treatment of Emerging Growth Companies and their registration with the SEC. Previous RSC Legislative Bulletin available here.
2. H.R. 1525, which simplifies the SEC disclosure process for issuers and investors. Previous RSC Legislative Bulletin available here.
3. H.R. 1698, which amends the requirements for certain coins produced by the U.S. mint. Previous RSC Legislative Bulletin available here.
4. H.R. 432, which reforms the regulation of small business investment company advisors. Previous RSC Legislative Bulletin available here.
5. H.R. 601, which removes the requirement for annual privacy notices from financial institutions and replaces it with a requirement for notices for new accounts and when policies change. Previous RSC Legislative Bulletin available here.
6. H.R. 1839, which would encourage a more liquid secondary market for private securities. Previous RSC Legislative Bulletin available here.
7. H.R. 2482, which amends the Low-Income Housing Preservation and Resident Homeownership Act of 1990 to allow owners (including nonprofits) of HUD federally-subsidized multifamily developments access to remaining profits after all operating expenses and maintenance costs. Previous RSC Legislative Bulletin available here.
8. H.R. 233, which allows tenants on a fixed income to have their income certified and/or verified once every three years rather than annually. Previous RSC Legislative Bulletin available here.
9. H.R. 1047, which allows a private nonprofit organization to administer permanent housing rental assistance provided through the Continuum of Care Program under the Act. Previous RSC Legislative Bulletin available here.
10. H.R. 1091, which would assist state and local agencies in helping families collect child support payments by allowing timelier and accurate access to financial information of those required to pay support. Previous RSC Legislative Bulletin available here.
11. H.R. 2997, which would authorize the Secretary of Housing and Urban Development (HUD) to establish a demonstration program under which the secretary can enter into performance-based,

budget neutral contracts for energy and water conservation improvements for multi-family residential units from FY16 through FY19. Previous RSC Legislative Bulletin available here.

12. H.R. 299. Which would amend current law requirements regarding privately insured credit unions and Federal Home Loan Bank membership eligibility. Previous RSC Legislative Bulletin available here.
13. H.R. 1553, which would amend the Federal Deposit Insurance Act to increase the maximum size of small insured depository institutions from $500 million to $1 billion. Small institutions are eligible for 18- month on-site examination cycles, rather than 12-month examination cycles. Previous RSC Legislative Bulletin available here.
14. H.R. 1723, which would streamline Securities and Exchange Commission's (SEC) Form S-1. Previous RSC Legislative Bulletin available here.
15. H.R. 1334, which would raise the threshold under which a savings and loan holding company (SLHC) must register with the Securities and Exchange Commission (SEC). Previous RSC Legislative Bulletin available here.
16. H.R. 1847, the SWAP Data Repository and Clearinghouse Indemnification Correction Act, which would repeal certain Dodd-Frank indemnification provisions to increase market transparency and ensure U.S. regulators have necessary information from foreign regulators. Previous RSC Legislative Bulletin available here.
17. H.R. 2643, the State Licensing Efficiency Act, which would amend the S.A.F.E. Mortgage Licensing Act of 2008 to ensure state regulators, that are responsible for regulating financial service providers other than Mortgage Loan Originators, can use the Nationwide Multistate Licensing System and Registry in order to process criminal background checks through the Federal Bureau of Investigation. Previous RSC Legislation Bulletin available here.
18. H.R. 1259, the Helping Expand Lending Practices in Rural Communities Act, which would direct the Consumer Financial Protection Bureau (CFPB), authorized under the Dodd-Frank Wall Street Reform and Consumer Protection Act, to develop an application process to designate certain counties as rural areas with regards to financial consumer regulations. Previous RSC Legislative Bulletin Available here.

Federal Permitting Improvement: The bill would establish a Federal Permitting Improvement Steering 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.

Abandoned Mine Land: The bill would require the payment of funds owed to states under the Abandoned Mine Land (AML) program.

MAP-21 capped payments under AML at $15 million annually (regardless of the actually amount owed under the law) and used the amounts that would have been owed over the $15 million as an offset for unrelated spending. This bill would repeal that offset.

Additional Background: The transportation programs were most recently reauthorized through December 4, 2015, by H.R. 3996, the Surface Transportation Extension Act of 2015, Part II, which passed the House on November 16, 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 December 18, another general fund bailout would likely be required. In the event of a shortfall, the DOT would delay reimbursements to states.

OUTSIDE GROUPS:

From the House-passed bill:

Support

- National Association of Manufacturers (NAM): Key Vote Yes
- American Road & Transportation Builders Association
- AFL-CIO
- U.S. Chamber of Commerce
- The House Transportation and Infrastructure has a comprehensive list of groups in support.

Opposition

- Heritage Foundation
- Competitive Enterprise Institute
- Reason Foundation
- Committee for a Responsible Federal Budget

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 replaced the DRIVE Act portions of H.R. 22 under the provisions of the rule providing for consideration of the bill in the House. Additional background on H.R. 3763 from the Transportation and Infrastructure Committee can be found here.

The House Amendments to the Senate Amendments to H.R. 22 were considered beginning on November 3, 2015. After consideration of several amendments (Part I, Part II, Part II), a motion to agree to the House amendments en gros was agreed to by a 363 – 64 vote on November 5, 2015. The rule providing for consideration of the bill provided that upon adoption of the amendments en gros the bill would be considered as passed.

A motion to go to conference was agreed to in the House on November 5, 2015, by a 371 – 54 vote. The Conference Committee held a public meeting on November 18, 2015.

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.

NOTE: *RSC Legislative Bulletins are for informational purposes only and should not be taken as statements of support or opposition from the Republican Study Committee.*

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