



The GROW AMERICA Act

Transportation is a critical engine of the Nation’s economy. Investments in the national transportation network over the country’s history, and especially the last half-century, have been instrumental in developing the world’s largest economy and most mobile society. However, before the beginning of this summer the authorities that establish our surface transportation programs will expire. In the face of the uncertainty in Washington, DC, many States and communities are slowing or stopping work on critical transportation projects that our nation depends upon to move people, energy, and freight every day, putting jobs at risk and slowing investment in our future.

The Generating Renewal, Opportunity, and Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout America Act, or **GROW AMERICA Act**, is a \$478 billion, six year transportation reauthorization proposal that provides increased and stable funding for our nation’s highways, bridges, transit, and rail systems. The Administration’s proposal is funded by supplementing current revenues from the Highway Trust Fund in combination with a 14 percent transition tax on the up to \$2 trillion of untaxed foreign earnings that U.S. companies have accumulated overseas. This will prevent Trust Fund insolvency for six years and increase investments to meet national economic goals.

The **GROW AMERICA Act** will provide States and local governments with the certainty needed to effectively plan and start construction on projects that will support millions of good paying jobs over the next several years. It will also enable more transformative transportation projects that will improve the Nation’s global competitiveness and mobility in communities across the country.

The **GROW AMERICA Act** will increase transportation investment to support the needs of our Nation’s communities. The **GROW AMERICA Act** will provide critical investments to fix our decaying roads and crumbling bridges and ensure the safety of our transportation systems. Sixty five percent of America’s major roads are rated in less than good condition, while one in four bridges require significant repair or cannot handle today’s traffic and 45 percent of Americans do not have access to transit. These programs will help communities keep pace with our expanding economy, our growing population, and the traveling needs of the public.

Specifically, the GROW AMERICA Act will provide –

- *\$317 billion to invest in our nation’s highway system and road safety.* The proposal will increase the amount of highway funds by an average of about 29 percent above FY 2015 enacted levels, emphasizing “Fix-it-First” policies and reforms that prioritize investments for much needed repairs and improvements to the safety of our roads and transit services, with particular attention to investments in rural and tribal areas. The proposal will also provide more than \$10 billion for the National Highway Traffic Safety Administration (NHTSA) and Federal Motor Carrier Safety

Administration to improve safety for all users of our highways and roads, providing a benefit of \$21 for every Federal dollar used for infrastructure-related safety investments.

- *\$115 billion to invest in transit systems and expand transportation options.* The proposal increases average transit spending by 76 percent above FY 2015 enacted levels, which will enable the expansion of new projects that improve connectivity (e.g., light rail, street cars, bus rapid transit, etc.) in suburbs, fast-growing cities, small towns, and rural communities, while still maintaining existing transit systems. The **GROW AMERICA Act** proposes a powerful, \$5.1 billion increase in investments to address public transit’s maintenance backlog to reduce bus and rail system breakdowns; create more reliable service; and stop delays that make it harder for all commuters to get to work. The proposal also includes the innovative Rapid Growth Area Transit Program, which will provide \$3.4 billion over six years to fast growing communities for bus rapid transit and other multimodal solutions to get ahead of the challenges caused by rapid growth.
- *Tools and resources to encourage regional coordination and local decision making.* The proposal includes policy reforms to incentivize improved regional coordination by Metropolitan Planning Organizations (MPOs), which are local communities’ main voice in transportation planning. The **GROW AMERICA Act** also strengthens local decision making in allocating Federal funding so that local communities can better realize their vision for improved mobility. High-performing large MPOs will be granted control of a larger portion of funds under two federal transportation programs – the Surface Transportation Program (STP) and the Transportation Alternatives Program (TAP) – and these MPOs will also receive funds through a set aside under the new Fixing and Accelerating Surface Transportation (FAST) program.
- *Improved tools to protect the public from dangerous vehicle and tire defects.* The **GROW AMERICA Act** will give NHTSA the authority to issue imminent hazard orders requiring vehicle manufacturers to immediately take action to alleviate harm in cases where there is an imminent risk of injury or death. Additionally, it will improve vehicle and tire recall efforts by taking steps to ensure the public is informed of recalls at franchise dealerships, independent tire stores and state departments of motor vehicles. The **Act** also provides consumers more time to get tire defects fixed for free.

The **GROW AMERICA Act** will expand economic growth, and create jobs and new opportunities for Americans. The President is dedicated to enhancing opportunity for all Americans and US businesses by investing in transportation projects that better connect communities to centers of employment, education, and other critical services.

The GROW AMERICA Act will -

- *Support ladders of opportunity to the middle class.* Today, 45 percent of Americans lack access to public transportation, limiting the options of many Americans to jobs, education and other necessities. The **GROW AMERICA Act** will provide improved access to safer and less expensive transportation options for millions of Americans in part by investing \$115 billion in public transportation and expanding transportation options for millions of Americans. This proposal includes \$3.4 billion for an innovative Rapid Growth Area Transit Program to provide new bus rapid

transit and other multimodal solutions for rapidly growing regions. The **GROW AMERICA Act** includes \$369 million for workforce development to enhance the size, diversity, and skills of our Nation's construction and transportation workforce through collaborative partnerships with the U.S. Department of Labor, States, and non-governmental organizations.

- *Provide \$18 billion for a multi-modal freight program that strengthens America's exports and trade.* The U.S. transportation system moves more than 54 million tons worth nearly \$48 billion each day, or almost 63 tons of freight per person per year, and freight tonnage is expected to increase 45 percent by 2040. The **GROW AMERICA Act** will help improve the operation of our transportation system to move freight while making critical investments to accommodate this future growth in part through providing \$18 billion over six years to establish a new multimodal freight grant program to fund innovative rail, highway, and port projects that will improve the efficient movement of goods across the country. The **GROW AMERICA Act** will also give shippers and transportation providers a real seat at the table for making investment decisions and incentivizes States to collaborate and establish long term freight strategic plans.
- *Predictable funding for rail investments.* The proposal also includes \$28.6 billion over six years for high performance and passenger rail programs with a focus on improving the connections between key regional city pairs and high traffic corridors throughout the country. This system will provide 80 percent of Americans with convenient access to a high-performance passenger rail system within 25 years.

The **GROW AMERICA Act** will provide more bang-for-the-buck through innovative project finance and delivery improvements. In a time of tight fiscal and budgetary constraints, the President's proposal includes a number of measures to ensure that the American public is getting most out of Federal transportation infrastructure investments that lead to better outcomes for all Americans.

The GROW AMERICA Act will -

- *Utilize competitive funding to spur innovation.* The proposal will provide \$7.5 billion over six years - an increase of more than 100 percent - for the highly successfully TIGER competitive grant program and \$6 billion embedded in the highway and transit requests for a competitive grant program called Fixing and Accelerating Surface Transportation (or "FAST"). Modeled after the Department of Education's Race to the Top program, FAST will award States, Tribes, and MPOs that adopt bold, innovative strategies and best practices in transportation that will have long-term impact on all projects across the transportation programs.
- *Improve project delivery and the Federal permitting and regulatory review process.* The **GROW AMERICA Act** will build on recent efforts to expedite project approval timelines while delivering better outcomes for communities and the environment. The proposal expands on a series of successful efforts by the Administration to expedite high priority projects and identify best practices to guide future efforts without undermining bedrock environmental laws or public engagement. Not only will important projects break ground faster, but the increased level of transparency and accountability will lead to delivering better environmental outcomes, as the proposal will improve

interagency coordination by advancing concurrent, rather than sequential, project reviews and will improve transparency of project reviews and timelines through online “dashboards.” It will also increase flexibility for recipients to use Federal transportation funds to support environmental reviews, and help to integrate overlapping requirements.

- *Incentivize cost effective investments.* The proposal will strengthen the performance incentives to maintain safety and conditions of good repair, and expand research and technology activities in order to improve the productivity of our transportation systems, thereby increasing taxpayer return on investment.
- *Provide \$6 billion to attract private investment in transportation infrastructure.* The Transportation Infrastructure Finance and Innovation Act (TIFIA) program leverages Federal dollars by facilitating private participation in transportation projects and encouraging innovative financing mechanisms that help advance projects more quickly. The **GROW AMERICA Act** calls for \$6 billion in funding over six years, which is estimated to support \$60 billion in loans. The **GROW America Act** will strengthen the Railroad Rehabilitation and Improvement Financing (RRIF) financing Program by reducing the cost of obtaining a loan, making RRIF more accessible to short line and regional railroads. The proposal will raise the cap of Private Activity Bonds (PABs) to \$19 billion, making room for more projects considering a public-private partnership approach to be able to take advantage of this cost-saving tool.

The Administration proposes to fund the GROW AMERICA Act through a pro-growth, business tax reform, without adding to the deficit. As part of transitioning to a reformed business tax system that will encourage firms to create U.S. jobs instead of shifting jobs and profits overseas, the Administration’s proposal will impose a one-time 14 percent transition tax on the up to \$2 trillion of untaxed foreign earnings that U.S. companies have accumulated overseas. Revenue from this proposal – along with projected fuel tax receipts – will pay for the **GROW AMERICA Act**.