



REGIONAL TRANSPORTATION COMMISSION

Metropolitan Planning • Public Transportation & Operations • Engineering & Construction

Metropolitan Planning Organization of Washoe County, Nevada

MEETING DATE: April 16, 2021

AGENDA ITEM 6.2

From: Bill Thomas, Executive Director

Monthly update/messages from RTC Executive Director Bill Thomas on federal matters related to the RTC – *no action will be taken on this item.*

ATTACHMENT

- A. Written report prepared by Cardinal Infrastructure and Thompson Coburn

Federal Update for the Regional Transportation Commission of Washoe County
Prepared by Cardinal Infrastructure and Thompson Coburn
April 16, 2021 Board of Commissioners Meeting
Prepared April 9, 2021

Infrastructure Proposal

On March 31st, President Biden announced his Administration's American Jobs Plan; a \$2.25 trillion infrastructure initiative over eight years. The investments proposed would be, if enacted, in addition to the surface transportation reauthorization bill (previously proposed at \$494 billion under the INVEST in America Act). The proposal includes, but is not limited to:

- \$85 billion to modernize transit services and help agencies expand their systems to meet rider demand.
- \$115 billion to modernize bridges, highways, roads, and main streets in most critical need of repair.
- \$174 billion investment in electric vehicles; establishing grant and incentive programs for state and local governments to build a national network of 50,000 electric vehicle chargers by 2030; and replacing 50,000 diesel transit vehicles and electrify at least 20% of school buses.
- \$20 billion to improve road safety for all users, including increases to existing safety programs and a new Safe Streets for All program to fund state and local "vision zero" plans and other improvements to reduce crashes and fatalities, especially for cyclists and pedestrians.
- \$20 billion for a new program to reconnect neighborhoods cut off by historic investments and ensure new projects increase opportunity, advance racial equity and environmental justice, and promote affordable access.
- \$25 billion for a dedicated fund to support ambitious projects that have tangible benefits to the regional or national economy but are too large or complex for existing funding programs.
- Smart, coordinated infrastructure permitting to expedite federal decisions while prioritizing stakeholder engagement, community consultation, and maximizing equity, health, and environmental benefits.
- \$213 billion for the construction and preservation of affordable housing.

A document from the U.S. Department of Transportation (U.S. DOT) was provided to Congress that provides a further breakdown of the funding dedicated to transportation, including but not limited to:

- \$25 billion - Zero emission transit vehicles
- \$55 billion - Transit State of Good Repair (maintenance of existing infrastructure)
- \$25 billion - Transit Expansion
- \$50 billion - "Fix it Right" road modernization
- \$5 billion - Transportation Alternatives
- \$8 billion - Highway Safety Improvement Program
- \$10 billion - Safe Streets for All Fund
- \$15 billion - Highways to Neighborhoods Program
- \$25 billion - Transformational Infrastructure Projects Fund
- \$5 billion - Expand BUILD program

To pay for this infrastructure proposal, the Administration is coupling the American Jobs Plan with a Made in America Corporate Tax Reform Plan that would offset the full cost of the infrastructure initiative over 15 years, raising over \$2 trillion. The proposed tax changes include increasing the corporate tax rate to 28%, increasing the minimum tax on U.S. multinational corporations, preventing tax havens, and increasing Internal Revenue Service enforcement.

The plan faces an uphill battle in Congress, not only due to the types of investments made, but on the proposed tax changes to pay for the bill. The tax proposal has already proved to be a hard sell to the GOP, with the Republicans on House Ways and Means Committee condemning the "series of job-killing tax hikes as a part of his next spending plan." On the flip side, the Congressional Progressive Caucus has said the overall figure is too small, and more dedicated funding is needed for investments in green infrastructure.

President's Budget

On April 9th, the President released an overview of the Administration's FY 2022 Budget Request to Congress. The budget requests \$769 billion for non-defense programs and \$753 billion in national defense funding, which represents a 16% increase to non-defense programs from current funding levels. Overall, the request is an 8.4% increase from FY 2021 levels.

The request includes \$25.6 billion for U.S. DOT. This is a \$317 million increase over FY 2021 funding, providing a \$3.2 billion (14%) increase for U.S. DOT discretionary programs, including, but not limited to:

- \$250 million for Low-No Emission Vehicle Grant Program
- \$2.5 billion for the Capital Investment Grant Program
- \$1 billion for BUILD
- \$110 million for a new Thriving Communities Initiative Pilot Program

Surface Transportation Reauthorization

House Transportation and Infrastructure Committee Chairman DeFazio said he intends for the Committee to markup a surface transportation reauthorization bill in the Spring, with a formal process to accept earmarks submitted by Members. (A similar earmark solicitation process is also underway at the House Appropriations Committee for the FY 2022 appropriations bills.) The Transportation Committee will hold a Member Day hearing on April 14th to hear policy and project priorities.

On the Senate side, the Senate Environment and Public Works Committee aims to advance a bipartisan surface transportation authorization bill out of Committee by Memorial Day. Chairman Carper intends to work from top-line funding levels proposed last year in the Senate's \$287 billion America's Transportation Infrastructure Act bill and the House's \$494 billion INVEST in America Act bill.

At this point, the timing is uncertain on when the Senate Commerce, Senate Banking (with jurisdiction over the transit programs), and Senate Finance Committees will act - though they are ready when leadership directs them.

FTA Nomination

On April 9th, the White House submitted its nomination to Congress for Nuria Fernandez to serve as Administrator of the Federal Transit Administration. Ms. Fernandez currently serves as Deputy and Acting Administrator. While the timeline for a confirmation hearing is uncertain, the Senate Banking Committee, of which Senator Cortez Masto is a member, has jurisdiction over the nomination.

APTA Legal Affairs Seminar

Cardinal Infrastructure and Thompson Coburn participated in the APTA Legal Affairs Seminar, where we received an update FTA's Deputy Chief Counsel, Dana Nifosi.

Dana discussed the steps FTA has taken to encourage transit agencies to partner with their state and local health officials to make sure that transit workers are deemed essential workers and receiving vaccines. She mentioned some incentives agencies are providing employees for vaccinations are eligible for reimbursement under CARES, CRRSA, and ARPA funding. Furthermore, Dana discussed the federal mask order and the security directive. What is required are "best efforts" in implementing the order and directive.

Dana gave a general overview of available funding from the previous relief bills. She encouraged everyone to "try to keep moving on the obligation side of things." The current breakdown is: CARES - more than 70% of funds obligated have been drawn down by grantees; CRRSA - FTA has awarded 28 grants totaling \$337.8 million of the \$14 billion available, with \$2.1 billion "in process."

Dana discussed the Administration's priorities most relevant to DOT and FTA specifically; COVID response, climate change, equity and support for underserved communities, and Buy America. These priorities are implemented in competitive grants, as evidenced by the highlighted priorities in the recent Low-No solicitation. Furthermore, FTA is examining circulars, orders, guidance documents, to identify anything inconsistent with the Executive Orders, and will make updates as necessary.

Hydrogen

The House Transportation and Infrastructure Highways and Transit Subcommittee held a hearing on March 25th, "The Administration's Priorities for Transportation Infrastructure," with Transportation Secretary Buttigieg. Highways and Transit Ranking Member Davis asked Secretary Buttigieg about the department's view on hydrogen fuel cell electric buses and received a positive response.

Question

"A transit agency in my district, Champaign-Urbana Mass Transit District, and many others across the country, they're utilizing hydrogen fuel cell electric bus technology as they transition their fleets to zero emission propulsion. While I appreciate the role battery electric buses will play in our future, I want to communicate the importance of hydrogen as Congress and the Administration makes investments in zero emission buses and also infrastructure. Can you speak to whether zero emission hydrogen fuel cell electric buses will be a priority for the Department?"

Answer

"I think this is a great time to take that up...as you know, in most areas the electric technology has been more widely adopted, but there is a lot of promise on hydrogen technology too. We should recognize that what's right for a bus may be in one region than another and is also different than personally owned cars. We should encourage that whatever gets us towards zero emissions in the most efficient way possible, to the extent that hydrogen is a part of that story, would love to be working on that as well."

Business Case for Climate Solutions

The House Transportation and Infrastructure Committee held a hearing on March 17th entitled, "The Business Case for Climate Solutions, "to explore private sector actions to develop and implement solutions to climate change, with an emphasis on the surface transportation sector."

Proterra CEO Jack Allen, among the Committee's witnesses, noted Proterra's support for increased Low or No Emission Vehicle grant program and zero emission grant program funding, expanded eligibility for the Advanced Technology Vehicle Manufacturing loan program, and support for a "Low-No-type" program for school buses and municipal fleets, and federal fleet electrification.

Highways and Transit Subcommittee Chairwoman Norton (D-DC) mentioned that WMATA has concerns about manufacturers meeting the demand for battery electric buses; asking how Congress can support scaling up of manufacturing to meet the growing demand for electric buses. Allen emphasized increased funding to existing discretionary grant programs, and other witnesses endorsed the increased funding to help increase the transition to zero emission vehicles while also providing resources for related charging infrastructure.

Chairman DeFazio said there are a number of issues with hydrogen distribution and questions the current cost effectiveness of zero carbon green hydrogen compared to hydrogen from fossil fuels. Throughout the hearing, hydrogen was brought up numerous times, mostly by members in support for investing in the technology and related infrastructure.

Environmental Justice

Cardinal Infrastructure joined the first meeting of the White House Environmental Justice Advisory Council. The Council will provide advice and recommendations on issues including but not limited to the clean energy transition, sustainable infrastructure, transportation, and NEPA.

The Council discussed the Justice40 Initiative, the White House initiative with the goal of delivering 40% of the overall benefits of relevant federal investments to disadvantaged communities and track performance toward that goal through an Environmental Justice Scorecard. The Office of Management and Budget is developing interim guidance for federal agencies on how to implement Justice40.

Christopher Coes, Acting Assistant Secretary for Transportation Policy at U.S. DOT, discussed advancing transportation equity, including environmental justice. To that end, Secretary Buttigieg created an Equity Leadership Team (ELT), taking a deep dive in how they can advance transportation equity. Secretary Buttigieg also established the Equity Task Force (ETF), which includes 90 DOT-wide staff. The ETF is working to incorporate Justice40 principles in discretionary grants - as can be seen in the Low or No Emission Vehicles Grant Program and INFRA Grant Program notices.