



Information Alert

State-Federal Relations Division

House Leadership Releases \$760 Billion Infrastructure Plan

Jan. 30, 2020

House Leadership, including Speaker Nancy Pelosi (D-Calif.), Transportation and Infrastructure Committee Chairman Peter DeFazio (D-Ore.), Ways and Means Committee Chairman Richard Neal (D-Mass.), and Energy and Commerce Committee Chairman Frank Pallone, Jr. (D-N.J.), introduced their 19-page, [\\$760 billion infrastructure plan](#).

The plan, as outlined, would provide significant new federal funding for investments in surface transportation, although a significant portion of these would be sent directly to local governments. Further, the plan includes federal funding for railroads, aviation, broadband, waterways, drinking water, "clean energy," schools and public safety communications.

As for the legislative vehicles, the House would eventually combine a few existing pieces and legislation and a number of yet to be released bills into a single package. However, House leaders offered no specific guidance on when the package would move through the appropriate committees or come to the floor. In terms of investments levels, although the outline did not include anything other than topline figures, the plan would allocate:

- \$329 billion to surface transportation (highways, roads and bridges).
- \$105 billion for transit.
- \$86 billion for broadband.
- \$55 billion for rail.
- \$76 billion for clean and safe drinking water.
- \$30 billion for airports.
- \$10 billion for water infrastructure.
- \$20 billion for ports and harbors.
- \$34 billion for clean energy.
- \$12 billion for public safety.

Overall, the message from leadership was that of change, "We have a tremendous opportunity here to do a transformative 21st century infrastructure package," said DeFazio. "We've been

living off the legacy of Dwight David Eisenhower, with small tweaks, for 75 years. It's falling apart. It needs to be rebuilt."

For states, one of the biggest potential causes of concern in the plan would be changes to the system of federal highway programs that currently allocate \$45 billion a year in funding directly to states through a number of formulas. Instead, a portion of these funds would be sent directly to local governments. Further changes outlined in the plan include a new prioritization of investments that maintain existing roads and bridges as well as ensure that infrastructure resiliency is a factor in project selection.

On the matter of paying for the new investments, the plan does not provide a mechanism that would fully fund these investments, such as a bump in the federal gas tax, which itself has not been increased since 1993. However, it does include some smaller level pay-fors such as an increase in the passenger facility charge, a fee air travelers pay when they travel on a commercial airline, which has not been increased since 2000.

The plan would also direct the government to fully spend all revenues it collects as part of its Harbor Maintenance Tax that would allow for increased investments in ports and waterways. Further, financing infrastructure investments would be aided through a reenactment of the Build America Bonds program as well as raising the cap on private activity bonds. The plan would also expand infrastructure tax credits for community development, low-income housing and rehabilitation of historic buildings.

Although the House has only released this [outline](#), the Senate Environment and Public Works Committee approved its own surface transportation (roads, highways, bridges and transit) package last summer, a five-year bipartisan reauthorization of the 2015 Fixing America's Surface Transportation (FAST) Act.

The bill, [America's Transportation Infrastructure Act](#) (ATIA) represents a significant early victory for states. Not only would ATIA provide \$287 billion over five years, representing a [22% increase](#) from the FAST Act, but nearly \$260 billion is provided to states via a formula, providing states a significant amount of certainty in the amount and types of federal road funding they would receive.

Stay tuned to NCSL throughout 2020 for further updates as these issues move forward in both chambers. If you have any questions, please don't hesitate to contact NCSL staff members [Kristen Hildreth](#) or [Ben Husch](#).