

September 2, 2020

## MEMORANDUM

### RE: One-year Extension of the FAST Act

#### Background

In July, the House passed H.R. 2, the Moving Forward Act. This legislation is a five-year, \$494 billion, reauthorization of surface transportation programs, making direct investments in our nation's highway, transit, and rail systems. The bill includes \$411 billion, paid for out of the Highway Trust Fund (HTF) over five years for highway, transit, safety, and research programs, which represents a 46% increase from current investment levels. To help pay for the \$411 billion in HTF spending, the House Ways and Means Committee transferred \$145 billion over 5 years in Treasury general funds (GF) to the HTF, greater than all GF transfers combined since 2008. Of the \$145 billion total, \$106.7 billion is directed to the HTF Highway Account and \$38.6 billion to the HTF Mass Transit Account.

Over a year ago the Senate Environment and Public Works (EPW) Committee Chairman John Barrasso and Ranking Member Tom Carper introduced, marked up, and voted out of Committee S. 2302, America's Transportation Infrastructure Act of 2019 (ATIA). ATIA is a five-year authorization of \$287 billion from the HTF, which is a 27% increase from FAST Act funding levels for our highway and bridge programs. However, the Senate Commerce and Banking Committees continue to draft their portions of the bill which includes the rail, safety, and transit titles. Even more importantly, neither the House Ways and Means Committee or Senate Finance Committee has yet identified how to pay for their reauthorization bill by solving the long-term solvency of the HTF.

Despite strong industry [advocacy efforts](#) and recent actions taken both in the [House](#) and [Senate](#), it is highly unlikely that Congress will meet the current September 30 deadline set under the Fixing America's Surface Transportation (FAST) Act. Senate Majority Leader Mitch McConnell (R-KY) has not yet provided either the Senate Commerce Committee or the Senate Banking Committee further direction for their titles. Because of this lack of action, the Senate Finance Committee has revealed many details on their pay-for solutions, and we should not expect much activity until further direction is provided.

With only a month before federal surface transportation programs expire, ASCE joined its industry partners in urging for a one-year extension along with additional funding for state departments of transportation (DOTs), transit agencies, and HTF solvency. This extension would provide much needed certainty gearing into the 2021 construction season as well and provide additional time for lawmakers to reach a deal on the next highway bill.

#### Summary

ASCE through the Transportation Construction Coalition (TCC) and the Americans for Transportation Mobility (ATM) Coalition has joined the American Association of State Highway and Transportation Officials (AASHTO) to urge Congress to offer legislation before September 30 that would provide:

- **A turn-key, one-year extension of the current surface transportation law with increased investment levels.** A year-long extension with increased investment would provide the stability

needed to enable the planning, letting, and building of projects through the 2021 construction season and provide more certainty for government entities and private firms. Furthermore, this extension should be “turn-key,” meaning that it avoids the inclusion of new policies and programs that would delay the distribution of federal funding.

- **Federal funding for [state departments of transportation \(DOT\)](#) and public transit agencies—\$37 billion and \$32 billion.** State DOTs and public transit agencies are continuing to face severe losses in transportation revenues due to state and local stay-at-home orders amid the COVID-19 pandemic. As a result, many state DOTs and public transit agencies have imposed furloughs, while delaying or cancelling more than \$8 billion in surface transportation projects. AASHTO estimates that state DOTs need \$37 billion through fiscal year 2024 to offset state transportation revenue losses. Similarly, the American Public Transportation Association (APTA) estimates that public transit agencies require an additional \$32 billion of federal funding to offset pandemic-related costs and revenue losses as they continue providing this critical lifeline for essential workers. Providing the combined \$69 billion in emergency federal funding for state DOTs and public transit agencies will forestall public and private sector job losses and prevent further disruptions to projects that provide long-term benefits to the economy.
- **The [solvency of the Highway Trust Fund \(HTF\)](#).** Prior to COVID-19, the revenue from this user fees was estimated to fall approximately \$195 billion short of supporting even current funding levels for surface transportation programs over the next 10 years. The stay-at-home orders also reduced revenue for the HTF, further exacerbating the impending cash shortfall. The HTF’s shortfall must be addressed for the duration of a year-long extension.

*For questions, please contact the ASCE Government Relations team.*

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