

Lawmakers Unveil US Infrastructure Investment Blueprint

By **Linda Chiem**

Law360, New York (January 11, 2018, 3:40 PM EST) -- A bipartisan group of lawmakers on Wednesday laid out principles for investing in U.S. infrastructure and streamlining environmental reviews for projects in a report it hopes will serve as the “bedrock” for an eventual infrastructure plan to tackle surface transportation, ports, aviation, energy and broadband upgrades.

The so-called Problem Solvers Caucus, made up of 24 Democrats and 24 Republicans, released a report called “Rebuilding America’s Infrastructure,” laying out a series of recommendations from the caucus’ Infrastructure Working Group to build a 21st century infrastructure network.

The report suggested modernizing existing user fees and using more public-private partnerships to pay for crucial rebuilds of highways, roads, bridges, transit, railways, ports and airports, water and sewer systems, energy systems and the power grid, and broadband and communications networks.

Notably, the report recommended “modernizing” the Highway Trust Fund, the pot that serves as the major source of federal surface transportation funding, to ensure that it is flush with money for the long term.

The Highway Trust Fund is paid for by the 18.4-cent-per-gallon federal gas tax. The tax has not been raised since 1993, and Congress has repeatedly refused to approve any hikes to the tax.

The report proposed alternative user fees, such as introducing what it called a “modest” annual registration fee on fully and hybrid electric cars that currently contribute nothing or very little to the Highway Trust Fund, yet they travel on U.S. roads.

Another suggested alternative is creating incentives to test mileage-based user fees on cars, or introduce a user fee based on the value of freight being hauled by trucks by assessing the fee through waybill taxes. It is a way to broaden an existing tax on air cargo to truck cargo, the report said.

The report also recommended expanding several federal programs that have been used to finance infrastructure projects, such as the Transportation Infrastructure Finance and Innovation Act program, and maintaining the federal tax-exempt status for municipal bonds and private activity bonds.

Experts say it is heartening to see a bipartisan group of lawmakers step forward with specific ideas on advancing infrastructure investment in the U.S.

“The report recognizes that we need an ‘all of the above’ approach to funding, including federal, state, and local government resources, user fees, and private funding and financing,” said Mitch Holzrichter, a partner in Mayer Brown LLP’s government and global infrastructure practices.

Members of the Infrastructure Working Group said they met with over 100 outside stakeholder organizations, the Trump administration, and leaders in Congress to develop bipartisan concepts such as streamlining review processes and finding sustainable, long-term funding solutions to move an infrastructure plan forward.

“In doing so, we’ve signaled to President Trump, as well as leaders on both sides of the aisle in the House and Senate, that we are ready to work in a bipartisan manner to move our nation’s infrastructure forward,” Rep. John Katko, R-N.Y., co-chair of the Infrastructure Working Group, said in a statement.

Rep. Elizabeth Esty, D-Conn., the group’s co-chair, said you cannot build a 21st century economy with mid-20th century infrastructure.

“Our country became great because Americans dreamed big, built big, and made bold decisions. Working together, we spanned rivers, electrified rural America, built railroads across the continent, connected cities thousands of miles apart with highways, and moved information faster than humans ever imagined possible,” Esty said in a statement.

“Those investments created millions of jobs, led to unprecedented mobility and innovation, and established America as the envy of the world,” Esty added. “Today, millions of Americans see aging airports and rightly wonder if we’re still capable of tackling the toughest challenges our country faces in a bold, bipartisan manner.”

The Problem Solvers Caucus is led by co-chairs and Reps. Tom Reed, R-N.Y., and Josh Gottheimer, D-N.J.

--Editing by Edrienne Su.