



NACTO analysis of the American Energy and Infrastructure Jobs Act of 2012 (H.R. 7)

The National Association of City Transportation Officials (NACTO) strongly opposes the American Energy and Infrastructure Jobs Act of 2012 (H.R. 7).

Vote “NO” on H.R. 7

U.S. Department of Transportation Secretary Ray LaHood called H.R. 7 the “worst transportation bill” he has seen in 35 years of public service.

If enacted, this terrible bill would demolish three decades of successful investments in mass transit – originally started under President Reagan – by ending the guarantee for dedicated funding for public transportation to build more highways; devolving authority back to states from cities; providing maximum flexibility to state transportation departments to choose what transportation projects to fund without regard to the needs of cities; flatlining suballocation to metro areas to increase funding for state transportation departments; eliminating set-aside funding for bike and pedestrian infrastructure projects; and opening the Congestion Mitigation and Air Quality (CMAQ) program to construction of projects that serve single-occupant vehicles.

Public Transportation: The American Energy and Infrastructure Jobs Financing Act of 2012 (H.R. 3864) terminates all dedicated revenues – 2.86 cents per gallon of the 18.4 cents per gallon of the federal gasoline tax—that have been dedicated to public transit through the Mass Transit Account of the Highway Trust Fund and redirects all the trust fund money to roads and bridges. The Mass Transit Account would receive a one-time infusion of revenues from the general fund (Roughly \$40 billion to be spent down over the life of the reauthorization). The offsets for these funds have not yet been identified and likely will be controversial. These funds would be subject to future budget fights as Congress looks to reduce general fund spending over the balance of this decade. That means that transit would have to struggle (e.g. Amtrak) with others for yearly appropriations. Public transit relies on long-term stable funding in order to carry out long term planning and major construction projects that employ thousands of people in the private sector. This action puts transit projects at risk in cities across America.

Surface Transportation Program (STP): H.R. 7 flatlines STP suballocation to metro areas from the current 62.5% to 50% to reflect the elimination of the Transportation Enhancements set-aside. State suballocation would increase from \$3 billion to \$5 billion. Meanwhile, the metro suballocation that cities depend on for road, transit, bike, and pedestrian infrastructure projects is essentially flat— from \$4.9 billion to \$5 billion. Under H.R. 7, STP is also responsible for funding all repairs to non-NHS bridges. Previously, non-NHS bridge repairs could be funded out of the Bridge program, which was consolidated under STP (non-NHS bridges) and a new National Highway System program (NHS bridges).

Congestion Mitigation and Air Quality (CMAQ): The bill would terminate dedicated funding for CMAQ from the Highway Trust Fund. CMAQ would receive revenues through the new Alternative Transportation Account under the general fund. Offsets under the general fund for CMAQ funding have not been identified and likely will be controversial. CMAQ funding is flat—\$2 billion annually—over the life of H.R. 7. In a significant policy change, states would be permitted to obligate CMAQ funding for new capacity for single occupant vehicles if the project is likely to contribute to congestion mitigation or air quality.

Transportation Enhancements (TE): While states are permitted to fund bike and pedestrian infrastructure projects, H.R. 7 eliminates the requirement that at least 10 percent of a state's annual STP apportionment must be spent on TE.

Transportation Planning: Under H.R. 7, states would be able to ignore MPO decision making for projects of statewide significance on the Interstate system.

Programs Elimination: The following programs and set-asides would be eliminated under H.R. 7: Mass Transit Account; Transportation Enhancements, Safe Routes to School; Community and System Preservation; and Projects of National and Regional Significance.