

June 8, 2021

The Honorable Peter DeFazio Chairman, House Transportation and Infrastructure Committee U.S. House of Representatives The Honorable Sam Graves Ranking Member, House Transportation and Infrastructure Committee U.S. House of Representatives

Dear Chairman DeFazio and Ranking Member Graves:

On behalf of the National Taxpayers Union, the nation's oldest taxpayer advocacy organization, I write to express our strong concerns regarding the "Investing in a New Vision for the Environment and Surface Transportation (INVEST) in America Act." While NTU understands the importance of fixing America's infrastructure, unfortunately the proposed bill is not a fiscally responsible approach to meeting those demands. We believe that instead, Congress should look toward common sense, bipartisan solutions such as regulatory reforms, new funding mechanisms, and efficient spending to improve our country's transportation systems. To better serve transportation providers and their customers, drivers, and taxpayers, we urge the committee to craft a new, pragmatic, yet bold reauthorization package in place of this flawed legislation.

NTU is eager to work with Congress as it explores policies to reauthorize existing infrastructure programs or to potentially craft a large-scale infrastructure compromise. Outdated infrastructure not only threatens the physical safety of drivers and passengers but also hampers the ability of American businesses to remain competitive in a globalized world. Meanwhile, workers and self-employed Americans lose the equivalent of tens of billions of dollars in time and productivity. A modernized, optimized infrastructure and transportation system can help to address these core economic problems and boost the nation's growth potential.

Our organization supports congressional efforts to rebuild, modernize and reauthorize transportation programs. Ensuring Congress enacts a long-term surface transportation reauthorization prior to their coming expiration at the end of the fiscal year is critical and would provide the certainty of federal commitment to infrastructure projects. Yet simply adding hundreds of billions of dollars in spending, as this legislation proposes, to the national debt without regulatory reform, proper oversight, and careful prioritization is financially unsustainable and irresponsible. Additionally, such spending will only further metastasize a bureaucratic, federally-driven process that has plagued Washington for decades.

Given the historic levels of federal debt and annual deficits, Congress must be cognizant of the fact that money is not unlimited and will require policymakers to work within these fiscal realities. Now, more than ever, Congress must be focused on maximizing the value of every single taxpayer dollar. It is therefore disappointing that the INVEST In America ignores these realities and by extension, fails by a wide margin. As such, we strongly oppose this legislation.

NTU's recent comments to the Senate Environment and Public Works Committee regarding their surface transportation bill are also pertinent to this legislation. At that markup, we highlighted our serious concerns over cost, lack of regulatory reforms, and how it fits in the broader conversation of a potential large scale

infrastructure package. As a resource, NTU submitted a series of papers published this year on infrastructure, exploring potential pay-fors, regulatory revisions, and bipartisan reforms that can make the most of each taxpayer dollar allocated to infrastructure projects.

Generally, NTU offers the same observations on the Senate surface transportation reauthorization as well as the bill before this committee:

 The spending increase it contains is not appropriately offset with regulatory or expenditure reductions.
It should not come in addition to a separate deficit-financed large-scale infrastructure bill that might duplicate or irresponsibly expand the programs envisioned under reauthorization.
This legislation does not adequately address the imbalances of the Highway Trust Fund, nor does it put

the HTF on a path towards fiscal viability.

First and foremost, this partisan exercise misses a prime opportunity to bring much needed reform to how the United States finances, regulates, and operates major infrastructure assets. The proposed legislation spends just shy of \$550 billion over five years - a significant increase compared to the 2015 surface transportation reauthorization bill. This bill also continues the practice of raiding the Highway Trust Fund, which is funded by the federal gas tax, to finance projects outside its intended purpose of repairing roadways. Additionally, it authorizes billions in spending on "green" initiatives such as subsidizing electric-vehicle charging stations, handouts to states for reducing carbon emissions, mass transit, and increased funding for walking and bicycling.

Second, the INVEST In America Act fails to bring much needed regulatory reforms to the significant government-imposed obstacles to building hard infrastructure in the United States. The best way to revitalize the United States's infrastructure and modernize the transportation system isn't simply spending taxpayer dollars, but instead streamlining the process to make building more efficient and less expensive without sacrificing safety. If more money is to be allocated towards fixing and building American infrastructure, maximizing the value of each dollar spent on these projects should also be prioritized. That means enacting NEPA reforms, procurement reforms, labor reforms, and revenue reforms. This approach would modernize and expand our nation's infrastructure so that more projects come online faster and cheaper -- which means a better deal for taxpayers, infrastructure users, and builders. As such, we believe that including provisions from similar bills introduced this Congress would greatly benefit the Committee bill as it presently exists.

Instead of regulatory reforms, this reauthorization doubles down on crippling government rules and actually includes *more* harmful regulations that will further burden American builders and shippers. For example, Section 9506 includes misguided crew size mandates on railroad shippers and Section 8202 prohibits the transportation of liquified natural gas. Neither of these provisions serves a useful purpose and lawmakers would be wise to remove them during the committee markup process.

Finally, this bill would expand upon existing "Buy America" requirements, an economically-flawed policy that increases construction costs without boosting American jobs. These mandates require that certain components of products must be manufactured within the United States. Protectionist policies like "Buy America" laws artificially limit competition, which often lead to higher costs for projects. Essentially, these laws prohibit taxpayers and contractors from getting the best value on projects. Such protectionist measures invite possible retaliation from our trading partners, which could disadvantage domestic industries seeking to export their goods into foreign markets. We specifically recommend that the Committee remove Sections 1112 and 2301.

Taken together, it is abundantly clear that many provisions of this legislation would be a severe net negative for the hardworking taxpayers of our country. We urge the committee to reconsider the entirety of the INVEST in America Act and craft a fiscally responsible bill that protects taxpayers, streamlines regulations, and sets the Highway Trust Fund on a financially viable path forward. NTU is committed to working with the Committee to support a surface transportation bill that would accomplish those aforementioned goals.

Sincerely,

Thomas Aiello Director of Federal Affairs