SENATE DEMOCRATS' JOBS & INFRASTRUCTURE PLAN FOR AMERICA'S WORKERS

Returning the Republican Tax Giveaways for the Wealthy to the American People

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Introduction

America's physical infrastructure is the backbone of our economy, impacting how we get to work and school, how much groceries cost at the store, the size of our water and sewer bills, and so much more. The availability and quality of infrastructure determines where companies locate and where jobs are created. In short, Americans depend on our nation's infrastructure every single day.

Yet, despite its critical importance to our lives and our economy, we have allowed our nation's infrastructure to fall into a state of disrepair. Today, we spend less on infrastructure as a percentage of GDP than at any time in the past twenty years, and the results are plain to see. Every day, Americans get stuck in traffic jams, drive on potholed roads, cross bridges in disrepair, and ride in overcrowded subways. Far too many students attend school in buildings that are crumbling, and millions of Americans lack access to high-speed internet. Local governments are stuck with the impossible choice of allowing water and sewer systems to deteriorate further or raising local taxes.

The American Society of Civil Engineers says we must spend over $2 trillion above current levels just to get our infrastructure to a state of good repair. Our deteriorating infrastructure already costs the economy more than $200 billion per year, and if we do not make these needed investments now, they will simply cost us more later.

The Senate Democrats' Jobs and Infrastructure Plan would make a historic $1 trillion federal investment to modernize our crumbling infrastructure and create more than 15 million good-paying jobs that American families desperately need.

Our plan will improve the daily lives of millions of American families by creating a 21st century transportation network, rebuilding water systems and schools, making our electric system stronger and our communities more resilient, and much more. Our plan will invest directly in communities because Democrats know that we can't fix a problem of this magnitude simply by tolling more highways or privatizing water and sewer systems that profit on ratepayers. We will prioritize projects and communities across the country. We will have robust set-asides for small towns, rural communities, tribal lands, and underserved populations. And we will make these critical investments without undermining important environmental protections.

At a time when our middle class is struggling, wages are stagnating, and people are working longer hours just to get by, we will create 15 million new jobs. Moreover, these jobs will be in sectors of the economy especially hard hit by the Great Recession and that have been slower to recover, like the construction trades and manufacturing. And, these will be decent paying middle-class jobs that cannot be outsourced.

In order to pay for this historic level of investment, we will repurpose some federal revenues spent in the Tax Cuts and Jobs Act of 2017 that benefited only wealthy individuals and corporations. Specifically, the proposal returns income and estate taxes on high-income earners and the wealthy to 2017 law. It also closes the carried interest loophole and modestly increases the corporate tax rate from 21 to 25 percent.

By avoiding gimmicks and giveaways that reward the few Americans at the very top, and instead focusing on meaningful investments that will strengthen the middle class, we can create jobs, fix our infrastructure, and grow our economy. This plan is a real and substantive vision for how to accomplish the record level of investment our infrastructure desperately needs and we strongly support quickly enacting it into law.

Responsible Offsets to Pay for $1 trillion in Needed Infrastructure Investments

Last summer, Senate Democrats sent a letter to Senators Hatch and McConnell, expressing the desire to work on bipartisan tax reform that was fiscally responsible, focused on the middle class, and done through regular order. Ignoring that offer, Republicans instead used procedural maneuvers to ram through a budget-busting $1.5 trillion tax cut for multinational corporations and the top one percent.

Rather than provide a windfall to the wealthiest Americans, Senate Democrats are proposing to get rid of the tax giveaways to the wealthy in the Republican tax bill in order to fund a historic $1 trillion investment to improve the nation's infrastructure and create more than 15 million good-paying jobs. Specifically, we propose to:

A. **Restore the Top Individual Tax Rate to 39.6 Percent**
The Republican tax bill both reduced the top individual tax rate to 37 percent and raised the income threshold at which it applies to $600,000 for married couples ($500,000 for individuals). This is a tax cut solely for the top one percent. Senate Democrats would reverse the cut in the top individual tax rate, returning it to 39.6 percent for income above $600,000 for couples ($500,000 for individuals).

This provision is estimated to increase federal revenues by $139 billion over 10 years.

B. **Restore 2017 Parameters to the Alternative Minimum Tax**
The Alternative Minimum Tax (AMT) ensures that high income taxpayers cannot avoid taxes by abusing the deductions and other loopholes that still litter the tax code. Prior to the Republican tax bill, the AMT fully exempted the first $54,300 of income for an individual ($84,500 for a married couple). These exemptions were phased out at a 25 percent rate for those with incomes over $120,700 ($160,900 for married couples). These thresholds, indexed for inflation, were agreed to on a bipartisan basis in the American Taxpayer Relief Act of 2012 (ATRA). The Republican plan increased both the exemption levels and the income threshold at which the exemptions phase out, a boon for the wealthiest taxpayers. Senate Democrats would restore the AMT to the 2017 thresholds.

This provision is estimated to increase federal revenues by $429 billion over 10 years.

C. **Restore 2017 Parameters to the Estate Tax**
The federal estate tax previously affected fewer than 2 out of every 1,000 estates each year. Families with estates worth less than $11 million ($5.5 million for an individual) were fully exempt from the federal estate tax in 2017. Like the AMT, these thresholds were agreed to on a bipartisan basis in the ATRA. However, in a giveaway to the billionaire class, Republicans doubled the estate tax exemption levels to $11 million for individuals and a whopping $22 million for married couples. These changes did nothing to help the more than 99.6 percent of

family farms who owe no estate tax. Instead it provided an $83 billion tax cut for millionaires and billionaires. Senate Democrats would restore the 2017 parameters for the estate tax.

This provision is estimated to increase federal revenues by $83 billion over 10 years.

D. Close the Carried Interest Loophole

The president spent the 2016 campaign claiming he would close the carried interest loophole. During his confirmation proceedings, Treasury Secretary Steven Mnuchin identified it as a tax break he wanted to eliminate. However, despite the claims of Congressional Republicans, the carried interest loophole continues, allowing Wall Street high fliers to continue to disguise their compensation income as capital gains. Senate Democrats would shut down the carried interest loophole.

This provision is estimated to increase federal revenues by $12 billion over 10 years.

E. Bring the Corporate Tax Rate to 25 Percent

Over the past decade, both Democrats and Republicans have expressed interest in reducing the corporate tax rate in a fiscally responsible manner, with proposals ranging from a reduced rate of between 24 and 28 percent. Rather than engage with Democrats, Republicans rammed through a budget-busting tax cut, slashing the corporate tax rate to 21 percent, while corporations today already enjoy the highest after-tax profits since the 1950s. Republicans claim this cut will trickle down to workers. Rather than relying on a repeatedly debunked economic ideology, Senate Democrats would bring the corporate tax rate to a competitive 25 percent.

This provision is estimated to increase federal revenues by $359 billion over 10 years.

$140 billion to Repair America's Roads & Bridges

The Federal Highway Administration provides a critical source of federal investment, which States and communities need to build and maintain a transportation network that keeps America moving. Safe and efficient roadways are the backbone of our transportation network and are a vital component to economic growth and sustainability. This system relies on an integrated Federal-State partnership to design, construct, and operate the nation's existing 3.9 million miles of roadways.

States and localities face an $836 billion roadway maintenance backlog, which includes a $123 billion backlog for bridges alone. DOT estimates that an additional $28.9 billion is needed annually to dramatically improve conditions and performance. Unfortunately, current funding levels permit limited progress toward addressing these backlogs and meeting the needs of the future.

Senate Democrats would allow the existing Federal-aid highways and federal and tribal owned lands programs to continue to grow at FAST Act levels, and additionally would increase funding by $100 billion over ten years above baseline. A portion of those funds would advance ongoing transportation research in order to improve program deployment and innovation, and $3 billion would be targeted to meet critical needs in the Federal Lands and Tribal Transportation programs. Additionally, a new $40 billion discretionary grant program would target funding to reduce the investment deficit in critical bridges.

A. **Funding Proposal**: We will provide $97 billion in direct federal spending for the Federal-aid highway program.

   a. We will preserve the existing programs for distributing funds while providing funding certainty for a ten-year period. This would enable state, and local governments to undertake critical projects with the certainty that funding would remain available through completion. Providing robust, long-term funding will get critical projects moving quickly in order to renew and improve our nation's transportation system.

   b. We will provide funding for targeted, applied research and development of new technologies that have the potential to create dramatic breakthroughs for safety, innovation, and operations of our nation's highways. The Senate Democrats' funding for research programs includes programs to advance and deploy technology such as Intelligent Transportation Systems. These research programs will help to identify and accelerate technologies that will bring significant benefits to our transportation system, creating smart cities with vehicle-to-vehicle, and vehicle-to-infrastructure technology as well as other initiatives to improve transportation efficiency, safety, and reliability.

   c. We will provide funding to support the Disadvantaged Business Enterprise (DBE) program, which ensures that a portion of contracts for federally assisted highway, transit and aviation projects are accessible to small businesses that are women and minority owned. State DOTs will each set a goal of the percent of their federal contracts that will go to DBE firms.

   d. We will ensure that critical funding is made available to support infrastructure needs in the Territorial and Puerto Rico highways program to address their significant infrastructure maintenance backlogs and deficiencies.

B. **Funding Proposal**: In addition to increasing all of the Federal highway apportioned programs, the Senate Democrats will include additional funding above the baseline increases to address the significant needs for improvements to infrastructure on Federal and Tribal lands.

   a. $3 billion additional funding for the Federal Lands and Tribal Transportation program over ten years to address significant backlogs and deficiencies. Less than ten percent of the roads owned and maintained by Indian Tribes are paved. Similarly, only 26 percent for roads owned and maintained by the Bureau of Indian Affairs are paved, and unintentional injuries (including traffic fatalities) are the number one cause of death for American Indians and Alaska Native under age 44.

      i. This additional increase in funding will begin to address the great need to improve the infrastructure in Indian Country. Improving infrastructures in tribal communities is imperative to improving economies on tribal lands, where unemployment can reach as high as 90 percent on some reservations. In addition, improved roads and bridges can improve public safety by decreasing travel times during emergencies where officers and emergency responders travel great distances between tribal communities. Finally, students on many rural Indian reservations spend over two hours travelling to and from school and this is time that could be better spent in learning environments or in their communities. By increasing funds for tribal transportation programs, the Senate Democrats' plan continues to uphold the federal government's treaty and trust responsibility to America's first people.

C. **Funding Proposal:** We will also provide $40 billion for a new Bridge Investment Program over 10 years. The need for greater investment in bridges is clear: there is more than a $123 billion backlog of bridge repair and improvement projects, including $17 billion for the repair and improvements of rural and local bridges located off of the federal-aid highway network. Additionally, large bridge projects can often be challenging to complete due to cost and complexity particularly when they cross state or other jurisdictional lines. This focused federal program would fund bridge construction targeting resources to bridges that are structurally deficient, functionally obsolete, fracture critical, or in need of other significant repairs or improvement, and would facilitate coordination between communities to reduce cross-jurisdictional barriers.

   a. The program would provide competitive grants to projects that rehabilitate, improve or replace bridges of all sizes. The program would allocate funding as follows:
      i. 20 percent to rural areas,
      ii. 20 percent for bridges not on the Federal-aid system,
      iii. 40 percent for large projects, and
      iv. 20 percent for nationally or regionally significant projects.

$10 billion to Expand the Successful TIGER Grant Program

The bipartisan TIGER grant program has been highly successful in helping States and local communities make multi-modal transportation investments that address congestion, improve safety and expand economic opportunities across the country. However, demand for this program far exceeds available funds, making TIGER one of the most oversubscribed federal programs. In the 2016, DOT was able to fund only 5% of the total amount requested by States and local communities, leaving many projects unfunded. The popularity of the TIGER program remains strong in spite of its oversubscription, and as a result applicants are driven to develop projects that encourage innovation, quick action, and new thinking. As one of the few opportunities for local governments to directly secure federal transportation funding, the best innovations from cities and towns across America come to the table and leverage investment in unlooked for ways that educate both the applicant and DOT on what is possible. In fact, every dollar invested in the TIGER grant program generates $3.6 dollars of additional investment from State, local and private funds. Increasing resources to this program will help communities make transformative investments in their transportation infrastructure to fix freight bottlenecks, shorten commutes, and expand access to jobs and schools.

A. Funding Proposal: We will triple current funding for the TIGER grant program in order to –

a. Invest in highways, bridges, public transportation, passenger and freight rail, port infrastructure, and intermodal transportation projects to advance planning, design, construction, and rehabilitation activities;

b. Balance the needs between urban and rural areas by including a set aside for rural projects, and requirements for geographical distribution;

c. Prioritize projects that improve safety, the condition of existing transportation systems, economic competitiveness, the environment, and access to transportation facilities and systems; and,

d. Focus on innovative strategies and technologies.

$115 billion to Modernize America's Water & Sewer Systems

The vast majority of America's drinking water and wastewater systems were built over 50 years ago, and in some places, critical water infrastructure is as much as 150 years old. The effects of this problem are felt everywhere in America from big cities to small towns and rural communities. Each year our country experiences about 240,000 water main breaks, costing communities and ratepayers over $2.6 billion in losses as a result of leaked and wasted drinking water. Moreover, billions of gallons of raw sewage are discharged into local waterways each year as a result of aging sewer systems ill- equipped to handle modern volumes. According to the EPA, America must invest over $655 billion dollars in our water infrastructure over the next 20 years to keep pace with projected investment needs.

A. **Funding Proposal**: We will provide $92 billion to Modernize Water & Sewer Infrastructure, by providing $46 billion dollars in addition to current fiscal year 2018 funding for drinking water and $46 billion for wastewater programs at the U.S. Environmental Protection Agency (EPA). The EPA water and wastewater funding will be distributed using the following criteria:

a. States will receive the additional funding through the existing SRF formula program. States must spend at least 50% of these additional funds as grants, but will be given the flexibility to spend as much as 100% of the funds as grants if they chose to do so.

b. Funds must be spent first on disadvantaged communities such as Flint; second on Indian Tribes, and third on general infrastructure improvements and expansions (including resilience, lead testing, and other compliance related issues). Any money the state chooses to award in loans will be repaid under the same terms of the existing state revolving funds and will stay with the state when repaid. This will unlock thousands of new water and sewer infrastructure projects without burdening local ratepayers.

c. For the new funds provided under the plan, Senate Democrats propose eliminating the local matching funds required of states and local governments. Many of these communities simply cannot afford to take on more debt. By removing the match for these additional funds, we mitigate future emergency funding needs by helping all communities address their most pressing concerns now.

B. **Funding Proposal**: We will provide $23 billion dollars for water infrastructure through the U.S. Department of Agriculture (USDA) Rural Development Water and Waste Water Grant Program, which provides funding for such projects in small towns and rural communities under 10,000 in population. As has been previously, including in the American Recovery and Reinvestment Act (ARRA), these funds will be provided in a way that ensures they lead to the creation of good-paying middle class jobs.

C. **Policy Proposal**: We will enact bipartisan Integrated Planning legislation to help communities' better advance water and sewer projects in an effective manner. By taking this important step we can help support more comprehensive and sustainable solutions, and further advance projects that improve water quality, including green infrastructure.

$115 billion to Repair & Improve Public Transportation

Public transit ridership has increased by 37 percent over the past twenty years, nearly double the rate of population growth, but repair, construction, and expansion projects have not kept pace with the dramatic increase in demand. The U.S. Department of Transportation estimates there is a $90 billion backlog of repair projects facing the nation's public transportation systems. Decades of heavy use and underinvestment have resulted in decayed infrastructure and aging vehicles that need replacement. These circumstances contribute to significant delays and service outages for transit riders, and increased safety risk for riders and workers. Meanwhile, many subway and bus routes are overcrowded, yet 45% of American households – many in suburban and rural areas – lack any meaningful access to transit. Existing federal grant programs have huge funding backlogs, which cause significant delays in project delivery and increased construction costs.

A. **Funding Proposal**: Investment of $90 billion to address State of Good Repair backlog issues. Specifically, we will provide:

a. <u>Critical Asset Repair, $15 billion</u>: The plan invests $15 billion to support large-scale, urgent repair projects that address critical safety and operational risks facing public transportation agencies. Competitive grants under the plan will allow transit agencies to undertake long-delayed projects to repair and improve degraded infrastructure. The acceleration of needed repairs will mitigate safety issues, prevent the loss of transit service and reduce delays to riders that result from the failure of critical infrastructure such as tracks, bridges, signal and communications networks, and power systems.

b. Replacement of Outdated Buses and Rail Cars, $30 billion. The plan provides $30 billion to replace buses and rail cars that have exceeded their useful service life. The Federal Transit Administration estimates that 45,000 buses and 8,000 rail vehicles will exceed their useful service life by 2026 and need replacement. The continued use of outdated vehicles by transit agencies results in less reliable service and delays from breakdowns, and the cost of operating outdated vehicle is significantly higher because of frequent repairs. Applications for bus replacement funding in FY 2016 were 8 times greater than the level of available funding under the "Buses and Bus Facilities Competitive Grants" program, and many rail transit providers do not have access to sufficient funding from any source to replace their outdated fleets.

c. Core Formula Investments, $35 billion: public transportation providers rely heavily on federal formula funding to support critical repair projects. The core transit formula programs ("Urbanized Area Formula Grants" and "State of Good Repair" formula grants), which support both bus and rail projects, grew slightly under the 2015 transportation bill, but current funding levels are grossly insufficient to eliminate the growing backlog of maintenance and repairs.

d. Rural, Tribal, Seniors and Persons with Disabilities Formula Investment, $10 billion: the current rural transit formula program is inadequate to replace specialized vehicles and update facilities that serve rural and tribal transit providers. Rural transit services provide mobility for residents of some of the most underserved communities in the nation. Additional funding for specialized transit services (Sec. 5310) is also needed to replace custom vehicles and modernize service delivery within agencies and non-profits that assist seniors and persons with disabilities.

B. **Funding Proposal**: We will invest $25 billion for the construction of new transit lines and the expansion of overcrowded facilities.

a. "Capital Investment Grants" Program (New Starts, Small Starts, Core Capacity projects), $25 billion: The highly successful program provides federal assistance that is matched by state and local funding to build or expand subway, light rail, commuter rail, streetcar and bus rapid transit (BRT) projects after such projects complete an intensive evaluation process. Additional funding is needed to keep pace with the growing number of projects seeking funding nationwide. Unless new funding is identified, all projects in the program could face significant delays, budget cuts and increased construction costs. Funds proposed in the plan will supplement current funding, which is provided by annual appropriations.

$50 billion to Modernize America's Rail Infrastructure

Our energy-efficient railroads move more freight than ever, and Amtrak's ridership has never been higher. Around the nation, Amtrak serves more than 500 destinations supporting the development of state and local economies, connecting communities, and contributing nearly $7 billion to the US economy. In the Northeast alone, each day 800,000 people travel on rail systems from Washington, DC to Boston, contributing $50 billion to our national economy. Yet, much of our nation's passenger rail infrastructure was built during the New Deal and WWII and each day is falling into a further state of disrepair. In its current state, service disruptions on the Northeast Corridor (NEC) alone cost the national economy over $500 million per year and a loss of transit service on the NEC for a single day would cost the US $100 million. Further, passenger and freight rail service frequently share the same rail lines, which can lead to delay and safety challenges. While we debate the merits of federal investment in high-speed rail, countries across Europe and Asia have made it a national priority to build vast rail networks that whisk passengers safely and efficiently at more than 150 miles per hour.

A. **Funding Proposal**: We will invest $50 billion to address critically important passenger and freight rail infrastructure. Specifically, funds will be provided to:

   a. <u>Amtrak - $20 billion</u>:
      i. We will make robust investments in Amtrak and provide dedicated, predictable funding to fix the backlog of infrastructure needs and spur new projects to meet the growing demand for safe passenger rail service, including funding to address challenges on the Northeast corridor and service on the National Network.

   b. <u>Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program – $15 billion:</u>
      i. These funds will be made available to projects that improve the safety, efficiency, and reliability of passenger and freight rail systems, and we support the use of these funds for all uses made eligible by the authorizing statute. The funding will support the deployment of rail safety technologies, including positive train control to cash-strapped commuter railroads. It also supports capital projects to address congestion, ridership growth, highway-rail grade crossing safety, rail relocations and improvements, among other projects. These funds will benefit both urban and rural areas that rely on passenger and freight rail service to move people and goods, and can also help support the development of high-speed rail lines.

   c. <u>Federal-State Partnership Program - $10 billion:</u>
      i. These funds will be aimed at reducing the state of good repair backlog on publically-owned and Amtrak infrastructure. This funding will include capital projects to increase capacity and bring existing assets into a state of good repair.

This program will help to address aging rail infrastructure that can impede current operations and the ability to meet future growth.

d. <u>Restoration and Enhancement Grants - $5 billion:</u>
   i. These funds will be used to initiate, restore, and enhance intercity passenger rail transportation. This program can help start and restore rail service for projects around the country.

$40 billion for a Vital Infrastructure Program (VIP)

Senate Democrats propose to create a Vital Infrastructure Program (VIP) that would make funds available to States, cities, transit agencies, ports, railroads, and other project sponsors. This new grant program contains a megaprojects program to fund large-scale transformational projects.

A. **Funding Proposal:** We will provide $40 billion for megaprojects

a. A new megaprojects program would provide funding for critical, large, complex transportation infrastructure projects that will significantly improve transportation networks. These types of transformative projects, which have the potential to revolutionize mobility, are too rarely funded due to their size, complexity, and cost. Investing in major projects is difficult to do within the structure and annual funding levels of the existing formula grant program, particularly for non-roadway projects. This failure to invest in major infrastructure projects leaves our country at risk of falling behind other nations, which have chosen to invest in faster trains, deeper ports, more efficient highways, and more comprehensive public transportation networks that keep their economies growing.

   This new program would provide competitive grants for large capital projects that improve freight movement or passenger mobility, including:

   i. roads
   ii. rail
   iii. public transportation
   iv. airports
   v. ports, and
   vi. intermodal facilities

b. Grants would be targeted for major capital projects, defined as those that have a project cost of $500 million or more in urban areas, or $100 million or more in rural areas. The grants would be divided between freight movement and personal mobility projects, with a third portion of funds dedicated to planning grants.

i. Freight movement grants would be for capital projects to improve the safe and efficient movement of freight, such as projects to develop freight facilities and corridors, improve intermodal connections, and reduce congestion and bottlenecks.
ii. Personal mobility grants would improve the safety, affordability, reliability, and connectivity of personal travel networks, such as projects to create or enhance multimodal networks, to improve the condition of existing transit or rail systems, to improve access to real-time travel information, or remove barriers to mobility and network connectivity.
iii. Planning grants would enable communities to develop megaproject solutions to regional transportation challenges, and would support multijurisdictional efforts to integrate transportation, infrastructure, housing, land use, and economic and workforce development plans.

c. This program will enable changes in the way we move goods and freight and in how we modernize our highways, railways, ports, and transit system, by providing the federal funding needed to make big ideas a reality. Investments in major projects is an investment in the future of our country, one that will redefine communities and regional economies for generations to come.

$30 billion to Revitalize Main Street & Promote Innovative Transportation

A. **Funding Proposal:** A $3 billion additional increase will be provided for the Transportation Alternatives Program (TAP). In addition to baseline inflationary increases Senate Democrats would increase TAP by an additional $3 billion over ten years above the FAST Act funding level.

   a. The TAP funds are used by states and metropolitan planning organizations (MPOs) for a variety of smaller-scale transportation projects that improve safety and access for pedestrians and bicyclists. TAP funds are critical to local communities, which can include projects such as pedestrian and bicycle facilities, recreational trails, safe pedestrian routes for children and older adults, and other community and environmental improvements.

B. **Funding Proposal:** $16 billion will be included for Transportation Performance Incentive Funds.

   a. The transportation system is transitioning into a performance-based program, with more States and MPOs integrating performance targets into their transportation plans each year as was required in the Moving Ahead for Progress in the 21st Century Act (MAP-21). Performance-based planning and data-driven decision-making will ensure that transportation dollars are invested into the projects that will best achieve development and safety goals. As Federal requirements go into effect this year this new program would incentivize states and MPOs to set and achieve ambitious targets to improve safety, reliability and the condition of our roadways through a combination of performance bonus awards and competitive grants. The competitive grants program would be directed to innovative projects that advance local performance goals in critical areas, including safety performance, “Fix-It-First” maintenance, environmental quality and climate resilience.

C. **Funding Proposal:** $3 billion will be provided for charging and refueling infrastructure

a. This new program would provide grants to align the necessary charging and refueling infrastructure with the FAST Act designated national electric vehicle (EV) charging, hydrogen, propane, and natural gas fueling corridors. Currently, no dedicated funding is associated with these designated charging or refueling corridors and in many cases the infrastructure is lacking or inadequate. Without a reliable coast-to-coast network for zero emission and alternative fuel vehicles, lack of consumer confidence will limit adoption of these vehicles, which otherwise have the potential to dramatically reduce the emissions of pollutants and climate-change inducing greenhouse gases.

This competitive grant program would provide critical seed funding for cities and States to design, build, install, operate, and maintain charging or refueling infrastructure. This initial funding will serve as a down payment on a coast-to-coast national network of charging and refueling infrastructure that is safe, convenient, and accessible.

D. **Funding Proposal:** $8 billion for Economic Development Administration

a. The Economic Development Administration (EDA) at the U.S. Department of Commerce contributes more than 40 percent of its annual budget to infrastructure development through its Public Works grant program. Generally, these projects assist local governments to enhance their infrastructures through smaller project requests. Public Works grants can help local communities improve water and sewer facilities, port and rail infrastructure, industrial parks and business centers, broadband infrastructure, and business incubator facilities.

From FY 2012-2016, approximately two thirds of EDA funding went to infrastructure investments in rural areas. According to the EDA, every $1 of EDA construction project funding helps generate $15 in private investment. Under the Senate Democrats’ plan, funding for the EDA would incrementally increase over ten years to $1 billion to ensure that local communities have ample avenues to attain assistance.
In addition to increased funding levels, the Senate Democrats’ plan includes changes to the underlying programs at the Economic Development Administration to ensure that funds are impacting economically-distressed communities. By modifying local contribution requirements, increased federal resources will target local communities that need assistance the most.

$62 billion for Neighborhood Revitalization, Lead Remediation, and Affordable Housing

Many local communities are plagued by homelessness, a lack of affordable housing, and an aging housing stock, and require the resources necessary to increase affordable housing, address blight, and improve the livability of their neighborhoods. Over the past decade, rising housing costs have left more families struggling to pay for rent and other necessities, let alone save for a down payment. According to the Economic Innovations Group, one-fifth of U.S. zip codes are considered distressed communities, with nearly one in seven homes being vacant. Our Nation's public housing stock alone, which is home to more than 1.1 million low- and extremely low-income households of which over half are headed by people who are elderly and/or have disabilities, has accrued a $26 billion backlog of capital repairs with an additional annual accrual of $3 billion. As a result, these very same households are vulnerable to unsafe, unhealthy living conditions, and other threats, including lead-based paint hazards. These same housing conditions exist across our nation's housing stock. In fact, there are approximately 24 million homes in the United States that contain deteriorated lead-based paint and lead-contaminated dust, and more than 4 million of those units are homes to children under the age of six, including over 1 million low-income households, who are at the greatest risk for lead poisoning. By increasing Federal investments in these areas, communities will be able to increase access to safe, healthy, and affordable housing, and as a result, spur local economies and job opportunities.

Cities and towns already have new ideas for how to improve safety, enhance quality of life, generate economic development, address housing challenges, and improve mobility through innovation. Collectively, these local initiatives could transform the nation, one neighborhood at a time, but in order to accomplish this cities and towns need the resources to make those ideas a reality.

A. **Funding Proposal**: We will provide additional federal support to locally driven initiatives to preserve and expand affordable housing in cities, suburbs, rural communities and on tribal lands through a combination of direct investment and tax incentives. Specifically, we will:

   a. Preserve the Nation's public housing stock by increasing capital investments to public housing agencies across the country in order to make necessary capital repairs, conduct significant rehabilitation, and, in some cases, replace units with newly-constructed affordable housing;

   b. Provide grants to States and local communities through the HOME Investment Partnerships Program and Housing Trust Fund to address their affordable housing production and repair priorities, such as: affordable housing for seniors, people with disabilities, and families; supportive housing for the homeless; and repairs that help seniors and persons with disabilities stay in their homes.

c. Strengthen the Low-Income Housing Tax Credit (LIHTC), which provides tax incentives for private investment in the creation and preservation of affordable housing. The recently-enacted Republican tax cuts reduced the number of affordable homes that will be produced with LIHTC by an estimated 235,000 units over the next 10 years.

d. Boost funding for initiatives like Choice Neighborhoods and Community Development Block Grants to spur investments and job creation in communities struggling to maintain legacy infrastructure, address vacant and abandoned properties, and create viable economic opportunities. These critical programs enable communities to build on public-private partnerships that result in community-driven infrastructure, revitalization, mitigation from natural disaster, and housing construction projects.

e. Preserve and expand affordable housing in rural and tribal communities through targeted investments. Improve affordable housing in rural communities with investments in USDA's Rural Housing Service rental housing and homeowner assistance programs. In addition, address the unique housing challenges on tribal lands by providing new investments in the Indian Housing Block Grant (IHBG) created through the Native American Housing Assistance and Self Determination Act (NAHASDA).

f. Make cost-effective investments to protect the health and future of our children by addressing lead-based paint hazards in America's housing stock. Exposure to lead can undermine children's neurological and physical development, and the CDC now estimates that 535,000 American children under the age of 6 are affected by lead poisoning. Every $1 invested in lead hazard control saves $17 in health, educational, criminal justice, and other societal costs.

$50 billion to Rebuild America's Schools

School facilities represent the nation's second largest sector of public infrastructure spending after highways and bridges, and many public schools and community colleges are in dire need of infrastructure improvements. The American Society of Civil Engineers recently gave public school buildings an overall grade of D+ in their 2017 report card. Analysis has also shown our nation's current system of facilities funding leaves a $46 billion gap between what school districts should be and are spending on capital construction and basic maintenance and operations of existing buildings. Previous estimates have shown deferred maintenance at community colleges of at least $100 billion. These are urgent problems, and there is a growing body of evidence that shows the impact of a high-quality school and college facilities on student achievement, student health and behavior, staff satisfaction and retention, and raising property values. The condition of a school building is an outward demonstration to students and parents of the value their community places on their education and career goals. They deserve better. Additionally, it is critical to ensure that community colleges have functioning facilities and equipment to address America's workforce demands.

A. **Funding Proposal**: We will provide $50 billion in funding to assist states, school districts and community colleges in closing funding gaps for critical capital modernizations and repairs.

   a. The funds will be distributed on a formula based on need and fiscal capacity, facility condition, student demand, and future plans for maintenance. Funding will ensure that school construction and modernization projects can get underway quickly without placing an undue financial burden on local taxpayers.

   b. The $50 billion funding plan includes $40 billion for our nation's public schools, including Bureau of Indian Education funded schools, and $10 billion for community colleges (including tribal colleges).

   c. Eligible projects will not be limited to major construction, but can also include projects with scopes limited to repair and replacement of a school facility's central mechanical and electrical systems, water systems, building structure, physical plant support spaces, or building envelope including roofs, windows, and floors. After years of deferred maintenance, projects such as these can also be very costly to school districts and community colleges.

   d. We will also reauthorize the Qualified Zone Academy Bonds program and expand its use to help public schools located in economically distressed and high-poverty communities invest in their school districts.

$30 billion to Modernize America's Ports and Waterways

The economy of the United States depends heavily upon our status as a maritime nation with an inland marine transportation system and seaport system that support more than 26 percent of the U.S. economy, employs more than 23 million people in the United States, and generates nearly $4.6 trillion in total economic activity. U.S. ports and waterways handle more than 2 billion tons of domestic and import/export cargo annually, and by 2020 the total volume of cargo shipped by water is expected to be double.

Yet despite the importance if ports to our supply chain and overall global competitiveness, today not a single U.S. container port is in the top 15 container ports globally according to the Journal of Commerce. This in part stems from a lack of direct federal investment in port infrastructure, and a backlog of waterways maintenance and dredging projects.

Further, the Army Corps of Engineers estimates its overall construction backlog to be in the neighborhood of $96 billion. This backlog includes critical projects such as the Soo Locks on St. Mary's River between Lake Superior and the Lower Great Lakes, the Upper Mississippi River System's Navigation and Ecosystem Sustainability Program, and the Inner Harbor Navigation Canal Lock in the Lower Mississippi River.

A. **Funding Proposal**: We propose $5 billion in funding for multi-modal port and freight network projects through a combination of competitive grants and loan programs.

   a. We will provide funding to support marine highways and short-sea shipping programs to address freight mobility challenges and expand intermodal capacity. This will enable ports to make access improvements to improve safety, procure cranes and equipment to more efficiently and safely handle cargo, and invest in new energy efficient cargo handling equipment to reduce carbon emissions and fuel costs.

   b. We will ensure that all freight projects have access to federal funding by removing any restrictions on the amount of funding that can be spent on multimodal projects, such as ports.

   c. We will make it easier for port projects to access existing federal programs, such as RRIF and TIFIA, which will assist with developing on dock rail and related connectivity to the national rail network as well improving roadways access and throughput.

A. **Funding Proposal**: $25 billion to the Corps of Engineers to address the backlog of water and harbor infrastructure projects.

   a. We will direct the Chief of Engineers to distribute these funds among the 38 domestic civil works districts. Each Corps district will be required to develop a 5-year plan to spend the money it receives on currently authorized, but yet uncompleted, projects.

   b. We will double both the current project and program limits for the Corps' Continuing Authorities program (CAP). The program authorization currently allows the Corps to plan and implement projects of limited size, cost, scope and complexity. Under the Democratic plan, the new program authorization would dramatically increase the size, complexity and scope of projects the Corps could tackle with appropriated funds for both backlogged and future initiatives. Under the current program projects, on the large side are no more than $10 million. The new authorization would increase this to $20 million. This program includes funding of key priorities such as shoreline and beach erosion protections, hurricane and storm damage reduction, flood control, and environmental respiration to name a few. This will allow the Corps to move more backlogged projects through the CAP program, as long as it continues to be funded.

$40 billion to Improve America's Airports & Airspace

Aviation infrastructure is critical to our national economy and comprises 5% of our gross domestic product. With over 2 million passengers transiting more than 19,000 airports in the United States every day, aviation adds more than $1 trillion to our economy. Yet, despite the significance of this transportation sector, investment in airport infrastructure is insufficient to keep pace with demand. According to the Federal Aviation Administration (FAA), over the next five years airports have $32.5 billion in construction projects eligible for federal airport improvement funds. At current spending levels, however, only half of those needs will be met.

As air traffic increases to support our growing economy, we will also need to continue to support the development of our Next Generation Air Transportation System (NextGen). By transitioning the FAA's ground-based radar to satellite-based technologies, we have the opportunity to improve reliability and productivity. With the infusion of additional resources, the FAA can accelerate the deployment of NextGen technologies, which would cut travel times, reduce emissions, and better manage congestion and noise. As noted by the FAA, NextGen deployment will provide $160 billion in cost-benefits to the traveling public by 2030.

In addition, we need to address the fundamentals of sustaining the world's largest, safest, and most complex air transportation system by investing in FAA facilities and equipment, and most importantly its workforce. With a targeted evaluation of FAA assets, we can direct additional resources to essential facilities and optimize our air traffic controller workforce to meet the increased tempo that the traveling public demands and public safety requires.

A. Funding Proposal: We propose a major investment in America's airports as well as FAA's facilities and equipment and operations. Specifically, we will provide funding increases for the following programs:

   a. The Airport Improvement Program (AIP) finances necessary improvements at large, medium, and small airports across the country such as the construction and rehabilitation of runways and taxiways.

   b. A new competitive grant program will be created to fund terminal construction and improvements, landside projects, the purchase of the latest security screening equipment, and other projects to improve the passenger experience at airports. Funding would be prioritized towards airports that are capable of making transformative improvements with a set-aside of least 25% for medium and small airports.

   c. We also propose $6 billion to address the modernization of FAA's facilities and equipment and to accelerate NextGen deployment.

$25 billion to Build More Resilient Communities

Extreme weather, such as hurricanes, severe flooding, tornadoes and wildfires, lead to the destruction and damage of housing, local businesses, and public infrastructure each year. This can displace many families from their homes forcing thousands of Americans into homelessness. In 2017, according to the National Oceanic and Atmospheric Administration (NOAA), there were 16 weather and climate disaster events with losses exceeding $1 billion each across the U.S. These events resulted in more than 360 deaths and a cumulative cost of $306 billion, which is a new annual record for the U.S. Many of these major natural disasters occur repeatedly in disaster-prone regions. In fact, over the last decade, 30 states have received 10 or more major disaster declarations, and 6 states have received 20 or more during that same period.

As these communities strive to recover, rebuilding homes and restoring public facilities is vital. However, limited state and federal resources can only restore this critical infrastructure to its pre-disaster condition and those dollars do little to help communities withstand future disasters. Without strategic investments in housing and public infrastructure that mitigate the risks of future natural disasters, including housing elevation, storm water management, and resilient public facilities, disaster-devastated or disaster-prone areas will continue to degrade, resulting in a reduction in workforce, unstable housing markets, and declining economies. Further, the lack of investments in resilient infrastructure results in more costly recovery after a disaster event. A recent National Institute of Building Sciences report found that every dollar invested in hazard mitigation can save the nation $6 in future disaster costs.

While supplemental resources are directed to meet the immediate response and long-term recovery needs in disaster-affected communities, robust funding is needed for resilient infrastructure projects that give greater protections and certainty to renters, homeowners, businesses and local leaders in anticipation of future disasters. The Community Development Block Grant Disaster Recovery (CDBG-DR) program has been the primary tool for communities to rebuild post-disaster infrastructure with enhanced resilient features to mitigate future risk. In 2015, the Department of Housing and Urban Development (HUD) awarded nearly $1 billion to states and local communities impacted by Hurricane Sandy or other disasters between 2011 and 2013. This funding enabled thirteen communities to rebuild housing, businesses, and public infrastructure that is resilient to sea level rise and other hazards. However, countless other communities have unmet resilient infrastructure needs. We need to establish more proactive resiliency grants and revolving loan programs to mitigate risk before a natural disaster occurs.

A. Funding Proposal: To help communities better prepare for disasters, we will invest $25 billion to support three individual resiliency programs. The federal funding will be used to support:

  a. PROTECT Grant Program – This is a new, critical infrastructure resiliency competition, which is called "Promoting resilient operations for timely and efficient, community transformation (PROTECT) grant program," or PROTECT grants.
     i. This program will build upon the framework of HUD's National Disaster Recovery Competition to provide competitive grants to communities and tribes for the purpose of planning and constructing resilient infrastructure, which will allow for critical investments to minimize risk and enable rapid recovery after a disaster. This funding will help communities to reduce the vulnerability to hazards posed by extreme weather and natural disasters by building storm surge and flood protection infrastructure, as well as implementing community-based solutions that ensure critical infrastructure is capable of operating through and surviving major disaster events.

  b. Resilient Communities Revolving Loan Fund
     i. Modeled on the Environmental Protection Agency's successful Drinking and Clean Water Revolving Funds, the Resilient Communities Revolving Loan Fund

will provide low and no interest loans to communities for investment in resilient infrastructure. This fund will be able to finance projects that address a variety of infrastructure vulnerabilities. For example, in coastal states the fund may finance projects such as shoreline protection, wetlands restoration, and sea level rise mitigation, while in tornado and wildfire prone states the fund may finance hardening of at-risk infrastructure and exposure assessments.

c. National Oceans and Coastal Security Fund
   i. Eligible uses of funds are expected to include habitat restoration and protection, managing smart coastal development, cooperative fisheries and resource management, oil spill research and response, protection of critical coastal public infrastructure, and baseline data collection on the effects of sea level rise, changing ocean chemistry, erosion, and other coastal processes.

$80 billion to Bring Innovation to America's Energy Grid

A. **Funding Proposal:** We will provide increased funding for research, development, demonstration and technical assistance for electric grid modernization, smart technologies, and DOE research.

   a. Research, development, and demonstration programs for energy storage and other advanced grid technologies, including microgrids and distribution-level investments, will help integrate more renewable energy onto the grid, empower consumers, improve the security of the grid, and help meet electricity demand. Federal technical assistance and planning tools for state and regional grid operators and regulators will accelerate the transition to a modernized grid. Innovation in these areas will help drive a new energy infrastructure and help create jobs.

   b. Funding and sustaining mission-ready infrastructure and fostering safe and environmentally responsible operations will advance scientific and technological innovation at laboratories. These investments would provide state-of-the-art facilities and infrastructure that are flexible, reliable, and sustainable in support of scientific discovery.

   c. Increasing funding for "smart" technologies for infrastructure including smart buildings, transportation, cities, and the grid will drive economic growth and efficiency. The federal government should invest in advanced building management and controls in federal facilities, including research in coordination with the private sector into what technologies have the most promise for increasing building energy savings, building performance, and providing services beneficial to building owners and the electric grid. Smart technologies are projected to increase U.S. GDP 25-40% by 2030 and for every billion invested in wireless infrastructure, 12,000 jobs are created.

B. **Funding Proposal:** We will provide new funding for electric grid resilience programs.

   a. Research, development, and demonstration programs and planning assistance for grid resilience to wide-area outages of long duration will improve emergency response infrastructure, reduce the impact and recovery time from disruptive natural disasters, and improve public safety. Financial losses from natural disasters including hurricanes and wildfires in the U.S. in 2017 exceeded $300 billion, setting a new record.

C. **Funding Proposal:** We will provide greatly needed increases in federal investment in cybersecurity programs.

   a. Establishing a program at the Department of Energy to develop advanced cyber applications and technologies for the energy sector will help to identify and mitigate vulnerabilities, advance security of third party control systems, and assess risks. These investments will also help establish better mechanisms to identify and test vulnerabilities of supply chain products and develop procurement guidelines for energy sector supply chain products.

D. **Funding Proposal:** We will authorize greater investment in federal electric power upgrades and grid modernization.

   a. The federal Power Marketing Administrations (Bonneville, Western, Southwestern and Southeastern) and the Tennessee Valley Authority serve millions of consumers nationwide, particularly in rural areas, and operate networks of nearly 50,000 circuit-miles of high-voltage transmission. Increasing existing borrowing authority and accelerating federal investments in upgrades at multi-purpose hydroelectric and associated facilities, in coordination with needs identified by preference customers, will strengthen this important component of the nation's electric infrastructure.

E. **Funding Proposal:** We will invest in Interregional Transmission Lines

   a. Investment in high-efficiency electric transmission projects will help efficiently transport renewable energy sources across the country and improve grid operations. These investments will help move clean, renewable power, such as abundant wind power from the Midwest, to areas without as many renewable resources. As we continue to make substantial investments in renewable energy production, we also need to make investments in advanced grid infrastructure that will help transport and distribute this energy.

      A recent study by the Eastern Interconnection States Planning Council, National Association of Regulatory Utility Commissioners, and the Department of Energy projected a $50-110 billion interregional transmission investment need over the next 20 years. A cost-shared, targeted federal investment would accelerate upgrading existing interregional transmission lines and potentially construct new segments.

F. **Funding Proposal:** We will advance Regional Energy Innovation Partnerships

   a. Establishing regionally-focused clean energy innovation partnerships around the country will support regionally relevant technology neutral clean energy R&D needs and opportunities to support accelerated clean energy technology commercialization, economic development, and manufacturing.

G. **Funding Proposal:** We will invest in Energy Efficiency Upgrades for Public Infrastructure

a. Supporting energy efficiency is integral to any national infrastructure plan, as cutting energy waste generates cash flow that can be used to pay for the investments and/or other priorities. Investing in buildings efficiency alone generates over $64 billion in annual revenue with 50% growth over the past five years. The federal government should also support renovation (or new construction) of state, municipal and county buildings. Improved productivity from energy efficiency could add more than $17 billion to our GDP and create or save 611,000 jobs economy-wide.

H. **Policy Proposal:** We will consolidate almost all existing renewable energy tax incentives into three new provisions that provide a dramatically simpler set of long-term, performance-based energy incentives that are technology-neutral and promote clean energy in the United States. The new incentives, based on performance rather than specific technologies, will promote innovation, increase investment, and lower costs for consumers. We will also provide appropriate transition relief during this period.

a. Incentives for Clean Electricity: A technology-neutral tax credit for domestic production of clean electricity. This would be open to all resources, based on a simple rule: the cleaner the facility the larger the credit. It would be available as either a production tax credit of up to 2.3 cents per kilowatt hour or an investment tax credit of up to 30 percent. The credit would also be available for carbon capture equipment, energy storage, and investments in grid security and resiliency to further reduce emissions and increase grid reliability.

b. Incentives for Energy Conservation: A performance-based tax credit for energy efficient homes and tax deduction for energy efficient commercial buildings – the more energy conserved, the larger the incentive. The incentives promote energy efficient construction of new buildings as well as retrofits to existing buildings, encouraging rehabilitations to reduce energy consumption.

c. Incentives for Clean Transportation Fuel: A technology-neutral tax credit for domestic production of clean transportation fuel. Again, this would be open to all resources and be based on the rule: the cleaner the fuel, the larger the credit. This would provide a production tax credit of up to $1 per gallon. The existing tax credit for fuel cell vehicles would be made permanent, and the per-manufacturer limitation for the electric vehicle tax credit would be eliminated, accelerating the transition to a cleaner transportation system.

$40 billion to Provide Universal High-Speed Internet

Every American home, school and small business should be connected to high-speed internet. Unfortunately, there are still too many communities in America that are simply being left behind. In 2016, the Federal Communications Commission found that over 34 million Americans, including 23 million rural Americans, do not have internet service available to them at an adequate speed and quality. While the private sector has delivered high-speed internet to many, millions of Americans in less profitable rural and urban areas have been left out.

A. Funding Proposal: We will provide $40B in direct federal funding to connect all of America to affordable high speed internet based on the following principles:

a. Provide direct federal support for a Universal Internet Grant Program to close the 'last mile' gap based on the following criteria:
    i. Focus on those areas that need adequate, affordable high-speed internet the most
    ii. Upgrade existing infrastructure where reasonable.
    iii. Leverage competition to make sure federal resources are used most efficiently.
    iv. Use tax-payer resources responsibly.
    v. Tackle the tribal broadband gap

b. Create accurate maps of areas that lack adequate internet access.

c. Deliver internet speeds needed to compete in the 21st century, including speeds adequate for modern challenges like rebuilding Main Street, completing homework assignments, precision agriculture, and access to health care, classrooms and other business applications.

d. Upgrade the nation's critical safety infrastructure, most importantly our aging 9-1-1 system.

B. Additional Details: Additional background on our Universal High-Speed Internet proposal can be found here: https://www.democrats.senate.gov/a-better-deal-universal-high-speed-internet

$15 billion to Address the Construction Backlog on America's Public Lands

Our National Parks, National Forests, National Wildlife Refuges, National Monuments, and other public lands are places where Americans go to learn about our cultural and natural history, to play and recreate, and to hunt and fish. They are also a significant economic driver in many rural communities around the country. However, the infrastructure that makes this possible has not kept up with the demand from the millions of Americans that visit our iconic places each year.

Addressing public land infrastructure needs to encompass the deferred maintenance of facilities, roads and trails, and other restoration needs on lands managed by the National Park Service, Forest Service, Fish and Wildlife Service, and the Bureau of Land Management. Together, these agencies have roughly $19 billion in identified infrastructure needs. The Park Service alone has an $11.3 billion deferred maintenance backlog.

In addition, we need to protect communities at-risk from wildfires, particularly those surrounded by some of the 58 million acres of National Forests have a high risk of ecologically destructive wildfire. We also must support infrastructure and economic development on public lands and historic properties in conjunction with State, local, and private partners through land and water conservation and historic preservation funding.

To help improve our public lands, preserve historical and cultural resources, protect unique landscapes, plants, wildlife, and communities, and make those places more accessible, we will invest $15 billion in the following areas:

A. **Funding Proposal**: Provide $5 billion in funding for the highest priority deferred maintenance needs at the National Park Service. Funds will address visitor service facilities, roads and trails at parks across the nation.

B. **Funding Proposal**: Provide $2 billion in funding for deferred maintenance needs at the U.S. Forest Service, for visitor facilities, campgrounds, roads, bridges, and trails. The Forest Service currently faces a backlog of $5.2 billion.

C. **Funding Proposal**: Provide $1 billion for deferred maintenance needs at the Fish and Wildlife Service, Bureau of Land Management, Bureau of Reclamation, and other Department of the Interior agencies with public facilities to improve accessibility, infrastructure resiliency, and recreational opportunities. The National Wildlife Refuge System has a backlog of $800 million while the Bureau of Land Management has a $1 billion backlog. The Bureau of Reclamation, the largest water provider in the nation, estimates that increased maintenance and upgrades at all of its facilities exceeds $3 billion.

D. **Funding Proposal**: Provide $2.5 billion to the U.S. Forest Service for fuels reduction and forest restoration treatments – projects that reduce fire risk and generate jobs in rural areas.

    a. $1.5 billion will be spent on Federal lands and $1 billion will be provided through grants to States for treatments on non-Federal lands. Though not a traditional infrastructure program, fuels and restoration treatments put local contractors to work in areas that desperately need economic stimulus, and help protect homes, businesses and natural resource values from the risk of catastrophic wildfire.

E. **Funding Proposal**: Provide $4 billion for the Land and Water Conservation Fund (LWCF).

    a. $2 billion will provide grants to states to support local projects that create urban parks and open spaces and develop outdoor recreation facilities.

    b. $2 billion will fund federal programs to improve recreational access to our federal lands, and protect iconic landscapes.

F. **Funding Proposal**: Provide $500 million for historic preservation needs, including funds for grants for States and Tribes and for competitive grants to support bricks and mortar infrastructure and economic development opportunities for historic properties. Funds would include grants to restore properties at Historically Black Colleges and Universities and other minority-serving institutions and protect and preserve civil rights sites.

Over $10 billion for Tribal Infrastructure

Indian communities continue to experience a housing crisis, inadequate access to healthcare, a severe backlog on school maintenance needs, deteriorating and non-existent water infrastructure, a growing need to improve and maintain roads and bridges, a digital divide due to lack of investment in high-speed internet on tribal lands, and a lack of funds to address climate change's impacts on tribal homelands.

A. **Funding Proposal**: To meet the needs of tribal communities, we will invest $10 billion directly into Tribal infrastructure. These funds will be in addition to dollars set aside for tribal infrastructure from highway programs, housing programs, and resiliency efforts. Specifically, we will provide:

    a. $7.5 billion to the Health Care Facilities Construction program for the construction of new facilities, the renovation and rehabilitation of existing facilities, and investments in cutting-edge medical equipment so that Native Americans can receive the same level of care expected nationwide.

    b. $2.5 billion so that Indian Country has access to clean, reliable water supplies.
        i. $1 billion for water infrastructure associated with water rights settlements.
        ii. $1 billion for Indian Irrigation projects.
        iii. $500 million for dam safety

    c. $500 million in funding to reduce the Bureau of Indian Affair's deferred maintenance backlog for roads and begin the process of reducing the number of unsafe bridges in Indian Country.

$10 billion to Address VA Construction Backlog & Other Infrastructure Critical to Our Nation's Heroes

Sixty percent of VA's buildings are 50 years or older and the VA's rolling facilities assessment shows more than $14 billion in code deficiencies at existing clinics and hospitals across the country. In addition, the VA's Long Range Strategic Capital Investment Plan estimates a need of $55-$67 billion over a 10 year period to close currently identified gaps in capital infrastructure and activate new and renovated clinics and hospitals. Moreover, VA often relies on the States for assistance in meeting the long-term care needs of America's Veterans. For instance State Veterans homes provide more than half of VA's long-term care workload, yet these homes receive less than 15 percent of VA's long-term care budget. In

FY 17, the VA had a 57 projects totaling almost $640 million on its Priority 1 grant list. These projects have the State matching requirement and would renovate and construct new State extended care facilities. In addition, National Guard Readiness Centers are critical to protecting communities across the country from and number of threats, but a lack of investment threatens to push these critical centers into failing condition within the next 10 years.

A. **Funding Proposal:** To begin to address VA's aging infrastructure and to recapitalize State veterans Homes, we will invest $9 billion into new infrastructure for hospitals, clinics and extended care facilities to meet the needs of the veteran population. In addition, we will invest in National Guard Readiness Centers. Specifically, we will provide:

   a. $8.5 billion to the VA's major and minor construction programs to construct, renovate, and rehabilitate VA's aging hospitals and clinics and help address the VA's growing backlog of code violations and deficiencies at existing medical facilities.

   b. $1 billion to help address capital backlogs at domestic military, including National Guard and Reserve Centers.

   c. $500 million to provide grants to States to renovate and construct new Extended Care Facilities to address the needs of the aging veteran population.

$20 billion in Innovative Financing Tools

The American Society of Civil Engineers reports that the US would have to invest $3.6 trillion just to bring our existing infrastructure into a state of good repair by 2020 – a level that far outpaces current federal investments. This continued gap could strip an estimated 2.5 million jobs and $4 trillion of gross domestic product from the economy. While this plan will go a long way toward addressing this shortfall, more can and should be done to drive even greater investment into our infrastructure and to tap into new and innovative pools of potential investments.

To ensure that the direct federal investments we have proposed can be leveraged to provide the most value and create the most jobs, we will strengthen and expand the tools available to State and local governments to reduce financing costs and attract additional outside investment. While not the entire solution to our infrastructure challenges, these tools when utilized correctly can be a useful addition to the major direct investments we are proposing.

A. **Funding Proposal**: We will establish an Infrastructure Financing Authority to help close America's widening infrastructure gap. The Financing Authority would be independent of the political process, financing the most important and most economically viable projects nationwide, and incentivize private investment while also maintaining strong rural protections. While it would receive initial funding from the government, it would become self-sustaining over time.

a. Projects would be required to go through rigorous analysis and to show clear public benefit, as well as meet economic, technical, labor, and environmental standards.

b. The entity would include an Office of Technical & Rural Assistance to provide assistance to states and localities, particularly in rural areas. The Office would assist in identifying and developing a pipeline of viable projects which are suitable for financing through innovative project financing mechanisms.

c. The Financing Authority would operate outside of the influence of either party – Democrat or Republican – to make investment decisions solely on the merits of the project and its associated risk, rather than involving politics. A non-partisan board not subject to the influence of a particular administration will bolster that independence.

B. **Funding Proposal**: We will protect and expand existing federal financing programs available under USDOT and other agencies, including the Railroad Rehabilitation and Improvement Financing (RRIF) program, the Transportation Infrastructure Finance and Innovation Act (TIFIA), and EPA's Water Infrastructure Finance and Innovation Act (WIFIA).

C. **Policy Proposal**: We will also ensure that State and local governments have flexibility to finance infrastructure projects as efficiently as possible, by eliminating arbitrary tax barriers for infrastructure projects that benefit the public. In addition, we will create a new direct-pay bond program for qualified infrastructure projects, deepening the lending market and allowing large investors, like pension funds, to more easily invest in rebuilding America's infrastructure.

$140 billion to Ensure the Solvency of the Highway Trust Fund for the Next 10 Years

The Highway Trust Fund is a critical source of funding for America's roadways and public transportation infrastructure. It's the primary source of federal funding for state projects to improve and maintain transportation and it must be protected. Unfortunately, the Highway Trust Fund is on a path to run out of money by 2021. Based on current estimates the Highway Trust Fund will need at least $140 billion in additional support over the next ten years just to meet current spending levels, which by themselves are still insufficient to maintain our highway and public transportation infrastructure. Rather than provide leadership and solutions to this critical shortfall, the Administration's FY 2019 Budget proposed to slash spending from the Highway Trust Fund by more than $100 billion. This is not the way to improve the conditions of our nation's critical surface transportation infrastructure.

A. **Funding Proposal**: In addition to the new investments proposed above we propose that at minimum we provide $140 billion in investment into the HTF in order to maintain its solvency over the next 10 years.

a. We propose that this $140 billion be distributed between the Highway Account and the Mass Transit Account in order to ensure that both remain solvent until at least 2027. Since 1983, when President Reagan signed the legislation that created the Mass Transit Account, Congress has allocated at least 20 percent of new revenue deposited in the Highway Trust Fund to the Mass Transit Account, and the proposal continues that tradition.

B. **Policy Proposal**: We recognize that there are a number of proposals and ideas on how best to address the shortfall in the Highway Trust Fund and we are committed to exploring bipartisan solutions that ensure the long-term solvency of the Highway Trust Fund beyond this initial 10 year window. In the FAST Act, Congress created a pilot program to explore alternative revenue sources that could address the insolvency crisis, and there is growing interest in developing new policy options that could support the Highway Trust Fund. Through this additional funding to the Highway Trust Fund, we will create a ten year period of funding certainty during which the right solution can be identified and implemented.

Enhanced Buy America Requirements for All Infrastructure Projects

Buy America policies ensure that the economic benefits of infrastructure investment flow to American firms and their workers—not foreign firms selling the cheapest materials available. Infrastructure legislation should strengthen existing Buy America requirements to ensure that federally supported infrastructure project uses iron, steel, manufactured goods, and commodity construction materials that are produced in the United States.

A. Policy Proposal: Buy America Preference Policies For All Federally Financed Infrastructure Projects

a. Buy America laws have been a part of most transportation infrastructure programs for decades, but other federal infrastructure programs are not covered by Buy America or must be renewed annually in spending bills (e.g. Drinking Water State Revolving Fund). We propose applying Buy America standards to all federally supported infrastructure investment, including public-private partnerships that receive any federal grants or loans, to ensure that U.S. taxpayer dollars support U.S. workers and American-made goods to the greatest extent possible.

B. Policy Proposal: Expand the Scope of Materials Subject to Buy America

a. Buy America laws in many cases apply only to iron, steel, and sometimes manufactured goods. We propose expanding the covered materials to include (but not be limited to): non-ferrous metals (e.g. copper), plastic and polymer based products (e.g. PVC pipe, composite building materials), concrete and other aggregates, glass (including optic glass to cover broadband deployment), lumber, and drywall.

C. **Policy Proposal:** Require Public Disclosure of All Buy America Waivers & Support Development of U.S. Industries in those Sectors

   a. The Buy America waiver process can vary by agency. In addition to standardizing the process, we propose posting all waivers on a public website, BuyAmerican.gov, along with a justification for the waiver. The public should be provided a comment period before the waiver is provided. This will empower small and medium sized manufacturers, assist contracting personnel in identifying potential suppliers and create desperately needed transparency.

   b. The information gathered by the BuyAmerican.gov waiver database will be analyzed for items that are routinely unavailable from domestic suppliers. If certain foreign products are repeatedly procured through a Buy America waiver, the SBA will be directed to provide a loan preference for businesses that would make a substitute product.

D. **Policy Proposal**: Maintain and Strengthen the 'All Manufacturing Processes' Standard & Apply it to More Materials

   a. Current Buy America standards for iron and steel require that all manufacturing processes occur in the United States. However, these requirements are often waived. We propose that federal agencies produce public policies and guidance to minimize waivers from current standards and establish new standards for other construction materials.

E. **Policy Proposal:** Help States Buy America

   a. Frequently states are the end-users of federal infrastructure dollars. And, more states are putting their own state-level Buy America rules in place. We propose using data-sharing, market research, and waiver research to ensure that states can effectively administer federal and state-level Buy America requirements and create good-paying manufacturing jobs in their communities.

Ensuring Infrastructure Investments Create Good-Paying American Jobs

A. **Policy Proposal**: Inclusive Hiring

   a. We will make all efforts to ensure that the workforce on federally funded infrastructure projects be as diverse as possible, by bringing in workers who may not have been traditionally hired to work on such projects. This plan recognizes that infrastructure projects require highly skilled workers in occupations as diverse as engineering, project management, environmental management, construction, accounting/finance, and more. In particular, employment outcomes for people with disabilities are particularly poor.

Therefore, inclusive hiring should include the hiring of workers with disabilities by requiring 14 percent of a company's workers to be people with disabilities, consistent with current federal hiring practices. Further, companies should maintain fully competitive, integrated employment settings, and pay workers with disabilities prevailing wages or, when necessary, at least the full federal contract minimum wage of $10.35.

B. **Policy Proposal:** Working with Companies that Respect Workers' Rights

   a. Federally funded infrastructure projects must only go to companies that respect workers' rights, including their right to be paid the wages they have earned and their right to a safe and harassment-free workplace. Companies bidding on a federally funded infrastructure project must disclose previous violations of workers' rights under federal labor, employment, and civil rights law, and companies with a troubling history of violations should not receive federal funding unless they commit to reforming their practices to respect workers' rights.

C. **Policy Proposal:** Respect for Workers' Choice

   a. Federal funding should never be used to stop workers from exercising their rights under federal law. Accordingly, companies receiving federal infrastructure funding should not interfere with workers' decision on whether or not to exercise their right to join a union and federal policies should ensure workers have the freedom to negotiate. Strong contracting requirements should be followed where workers can exercise their rights at work so that they can standup for themselves and one another.

D. **Policy Proposal**: Ensuring Fair Wages for Workers

   a. Taxpayers' infrastructure dollars should never be used to undermine labor standards for American workers. Accordingly, consistent with long-established federal policy, workers on infrastructure projects receiving any amount of federal funding should be paid at least the locally prevailing wages for their work. Prevailing wages should also be paid to workers that make all materials, supplies, articles, or equipment furnished for infrastructure projects. Further, employees who work on infrastructure projects for more than 40 hours per week should be guaranteed overtime pay if they earn less than $48,412 per year.

E. **Policy Proposal**: Utilizing Project Labor Agreements (PLAs) to Advance Projects Efficiently

   a. Because large-scale federal infrastructure projects often involve multiple employers and can be complicated, PLAs can help ensure stable labor relationships and efficient, high-quality projects by creating uniform dispute-resolution procedures that minimize conflict and promote coordination. PLAs are good for workers, good for the project, and good for taxpayers. Unless extraordinary circumstances show that PLAs would not serve the public interest on a project, agencies executing federally funded infrastructure projects should consider the use of PLAs.

F. **Policy Proposal:** Supporting the Public Transportation Workforce.

   a. The plan will support the public transportation workforce by continuing current worker protections, protecting against privatization schemes and by investing in much needed public transportation workforce training activities based on proven, effective approaches. In addition to maintaining current protections that exist for the transportation workforce, we will also ensure that all new programs or new financing initiatives for public transportation projects are be covered by "13(c)" requirements, which have applied to federal transit programs for decades. The "FAST Act," the current authorizing law for public transportation programs, ensures that incentives for public-private partnerships include protections to prevent public transportation workers and riders from being harmed by privatization schemes, and the plan would maintain those protections.

G. **Policy Proposal:** Ensuring a Harassment-Free Workplace

   a. Workers on federally funded infrastructure projects should have the right to a harassment-free workplace. A worker who experiences harassment or assault at work, including sexual harassment or assault, should have the right to their day in court, and should never be forced to arbitrate their claims in secret. Companies receiving federal infrastructure funding should not be allowed to force their workers to enter into pre-dispute arbitration agreements or non-disclosure agreements for disputes arising out of Title VII of the Civil Rights Act or torts related to sexual assault or harassment.

H. **Policy Proposal:** Re-engage Americans Out of the Workforce or Underemployed

   a. Too many American workers have fallen out of the labor market. Investments in infrastructure are fundamentally investments in rebuilding the foundation of our economy for the next wave of innovation and growth. Essential to this growth will be the return to the workforce of millions of sidelined individuals or those who are seeking better employment opportunities. Providing education and training opportunities for infrastructure related jobs, or the growth that results from it, is essential to rebuilding America's strength and competitiveness and bring more Americans fully into the labor market.

I. **Policy Proposal:** Invest in workforce training programs to ensure Americans are ready to fill the new jobs that increased infrastructure investment will create.

   a. To keep up with the new demand for skilled workers we will need to dramatically increase our infrastructure workforce. This infrastructure plan will create well over 15 million new jobs and these jobs and careers will be filled by middle- and high-skilled, world-class employees, and an investment in workforce training now will ensure that positive returns on these investments will be realized over decades, not just years. As a result, we will provide major increases in support for workforce training programs, including:

i. Promoting and giving preference to registered apprenticeships
ii. Reauthorizing and increasing funding for Perkins Career and Technical Education (CTE) to support all in-demand fields in the 21st century.
iii. Increase investments in the Workforce Innovation and Opportunity Act (WIOA) and work-based learning (WBL)
iv. Improve the infrastructure of CTE education and training centers
v. Invest in energy workforce training to meet the operations needs of 21st century energy generation.
vi. Invest in public transportation workforce training and development.

Rebuilding Our Infrastructure with America's Small Businesses

Safe, reliable infrastructure is essential for our economy to grow. American companies need good roads, bridges, railways, airports and high-speed internet access to reach their customers and find new markets. That's especially true for small businesses, which create two out of every three jobs in the United States.

The historic investment included in this plan also represents a tremendous opportunity to boost small businesses and help them create jobs in local communities around the country, including rural areas. To help make this opportunity a reality and grow small businesses, we will:

A. **Policy Proposal:** Ensure that 33 percent of New Infrastructure Contracting Dollars Go to Small Businesses and 33 percent of All Large Contracts to be Subcontracted to Small Businesses

   a. Every year, the federal government is expected to meet an overall goal of awarding 23 percent of eligible federal contracting dollars to small businesses. Federal agencies significantly outperformed this goal for spending provided by the Recovery Act, awarding 31 percent to small businesses. We will grow this percentage to 33 percent. Agencies would be held accountable by a separate report on the performance of federal agencies on infrastructure spending issued by the Small Business Administration.

   b. We propose requiring agencies making awards to large businesses to set a goal that at least 33 percent of a given contract's work be subcontracted to small businesses. In the event that this is not feasible, the federal agency would work with the contractor to document the rationale.

   c. We also propose the creation of an interagency task force geared toward outreach and contract matchmaking efforts and support additional resources in the SBA budget to help with small business outreach and certification.

B. **Policy Proposal:** Increase the Ability of Small Businesses to Obtain Surety Bonds.

   a. We propose providing authority for the SBA to increase this ceiling to $10 million and index the ceiling to inflation.

Requiring Meaningful Participation from Minority, Women, and Veteran Owned Businesses

By rebuilding our infrastructure and creating over 15 million new jobs we can help jumpstart our economy. However, we must make sure that additional momentum is shared across all of America and not just limited to certain groups or regions. In an effort to help make sure that the jobs created by our infrastructure investments are shared across all businesses, and to help promote business growth for minority, women, and veteran owned businesses, we will:

A. **Policy Proposal**: Include specific provisions that require meaningful participation for Minority Businesses Enterprises (MBEs), Veteran Business Enterprises (VBEs), and Women-Owned Businesses (WOBs) in all sectors of our infrastructure investments.

   a. The meaningful participation of MBEs, VBEs, and WOBs, should not be an afterthought, or a footnote, but rather should be a focus of our job creation efforts.

   b. In addition, we will support efforts at the Small Business Administration and the Department of Transportation to bring additional MBEs, WOBs, and VBEs into the supply chain, therefore increasing the number of businesses working in this space.

B. **Policy Proposal**: We will support additional successful programs, and work to make sure they continue to benefit the companies the need the support the most resulting in meaningful impacts for MBEs, VBEs, and WOBs. Including continued support for:

   a. Boots to Business Program

   b. Office of Veterans Business Development

   c. Office of Women's Business Ownership (OWBO)

   d. 8(a) Business Development Program

Improving Public Safety through Smart Transportation Policy

In 2016, more than 37,000 people were killed on our highways, and we have seen a disturbing trend over the last few years as this number continues to rise. More than 10,000 fatalities involved a drunk driver; more than 3,000 involved a distracted driver, and more than 4,000 involved a large truck. Unfortunately, these numbers are on the rise as fatalities among pedestrians, children, impaired drivers, and older drivers continue to increase. Off the highway, safety continues to be a problem as recent rail and transit incidents have shown. While aviation and rail are some of the safest modes of transportation, any incident can have a devastating impact. Aging and deteriorating infrastructure can present substantial safety hazards to the travelling public, and the lack of sufficient funding to meet our basic maintenance and repair requirements presents an unnecessary risk to commuters, freight and the traveling public alike. To address these issues, we propose:

A. **Policy Proposal**: Spur the advancement of new safety technologies.

   a. Implementing and incentivizing new technologies can help address safety challenges. We recommend advancing the use of improved safety technologies, such as advanced driver assistance systems for cars and trucks; and additional funding for research into Intelligent Transportation Systems to improve highway safety; funding for the implementation of positive train control, particularly for passenger and commuter rail systems; and the continued implementation of NextGen and other initiatives to make aviation even safer.

B. **Policy Proposal**: Strengthen enforcement efforts on drugged, drunk, and dangerous driving.

   a. As we continue to see accidents across industries caused by drunk, drugged or distracted operation of vehicles, as well as fatigue issues, we plan to bolster programs like state safety grants, public awareness campaigns, enforcement, and drug screening and medical reviews, including for opioids to help curb these activities.

C. **Policy Proposal**: Ensure all vehicles meet safety standards and improve the recall process.

   a. We will ensure that all vehicles on the road are safe by ensuring stringent safety standards, effective rules for safe operation, improved recalls to address safety challenges like malfunctioning air bags and other vehicle defects, and sufficient resources for agencies to conduct implementation and oversight.

D. **Policy Proposal**: Prohibit the rollback of critical safety rules.

   a. The Department of Transportation is responsible for safety across modes of transportation. Working in connection with Congress, the Department has advanced critical safety rules, such as hours of service to keep tired operators from using their vehicles, increasing pilot certification and qualification requirements for air carrier operations, and efforts to improve truck and bus safety. These rules help protect the traveling public, and we will work to prevent any rollback of existing safety laws.

   b. We also plan to ensure that all safety agencies at the Department of Transportation have the funding they need to address the growing safety challenges.

E. **Policy Proposal**: Ensuring Highway and Pedestrian Safety

   a. In order to address rising numbers of pedestrian and bicyclist fatalities and injuries, we plan to expand investment in the Highway Safety Improvement Program and the

Transportation Alternatives Program, both of which enable communities to build out networks for walking and biking safely.

b. Additionally, this proposal expands on the performance-management framework established in MAP-21, which requires States and metropolitan areas to consider how investments will affect highway safety. This proposal creates incentives for States and metropolitan areas to set and achieve ambitious goals to improve the safety of their road networks.

c. Every day, our nation takes millions of trips across structurally deficient bridges, which must be monitored carefully to prevent structural failures, and many more trips occur on old bridges with outdated designs that can contribute to traffic accidents. With targeted investments into replacing these bridges, we will reduce the risks posed by these potentially unsafe crossings.

F. Policy Proposal: Improve Public Transportation and Passenger Rail Safety

a. Decades of heavy use and underinvestment have resulted in severely decayed infrastructure that serves our nation's passenger rail, commuter rail and subway lines. Careful monitoring of aging tracks, tunnels and bridges can reduce the risk of crashes and accidents, but only significant investment to rehabilitate and replace degraded infrastructure can fully mitigate safety risks and eliminate traveler delays that result from present conditions. This proposal addresses this challenge head on by dramatically increasing investments in this aging infrastructure.

Protecting Tax Payers from Waste and Ensuring Federal Infrastructure Dollars Are Well Spent

With any investment of this size and scope it's critical to have a strong system of accountability and oversight. A strong and meaningful oversight function can help ensure dollars are well spent and tax-payer resources are not wasted.

A. **Funding Proposal**: We will provide adequate resources for the Government Accountability Office and agency Inspector Generals to ensure that taxpayer funds are not wasted as a part of this national rebuilding effort.