EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

November 2, 2015
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

Senate Amendment to H.R. 22 – DRIVE Act as Further Amended by H.R. 3763 - Surface Transportation Reauthorization and Reform Act of 2015

(Rep. Davis, R-IL, and 118 cosponsors)

While the Administration is encouraged by the bipartisan effort in the House to advance a surface transportation bill, the current bill has significant shortcomings. H.R. 22 maintains funding at current levels, which are widely acknowledged to be below the level needed to maintain this country's surface transportation infrastructure, let alone improve it. Indeed, as the Nation's population rises and our existing infrastructure ages, funding at baseline levels as proposed in H.R. 22 will guarantee that roadway conditions and congestion worsen in the years ahead. As the President has said repeatedly, in today's economy, to compete we must have a first-class transportation system that attracts first-class jobs and takes American businesses' goods all across the world. The Congress should be thinking big, not locking in a worsening system.

The Administration is particularly concerned that H.R. 22 would cut by 80% funding for the TIFIA loan program, among the Federal Government's most important transportation financing tools. TIFIA has supported many of the Nation's largest and most innovative public-private partnerships and enjoys immense support among local and State governments. Through TIFIA, Federal dollars are leveraged ten to one, providing a strong return on investment.

In addition to inadequate funding levels, the Administration has a number of other specific concerns. H.R. 22 contains several objectionable provisions that would undermine the safety of the Nation's transportation system. These include: requirements mandating that the Department of Transportation (DOT) stop publishing critical safety data about trucks and buses; prohibitions on the performance of safety inspections of operating passenger motor coaches; and new obstacles to implementing DOT's recent rule on pneumatic brake system technology that would prevent accidents involving rail tank cars transporting flammable liquids.

On permitting reform, while the Administration shares the commitment in the bill to expediting project delivery and appreciates the inclusion of many Administration proposals, some provisions, such as those encouraging further delegation of Federal authorities to States, could create inconsistency across the country and inefficiency in implementation. H.R. 22 also includes two provisions that would modify the Federal Motor Carrier Safety Administration's regulatory process. First, it may force the agency into negotiated rulemakings in certain circumstances; negotiated rulemakings have proven costly and inefficient, and the Administration opposes this change. Second, it would require periodic review of agencies' regulations, but the Administration has already established an effective retrospective review process without legislation.

The Administration also reiterates the critical importance of making the investments necessary to modernize the Strategic Petroleum Reserve (SPR) and ensure it continues to support U.S. energy security. In keeping with the Bipartisan Budget Act of 2015, SPR sales authorized to generate revenues for surface transportation funding should be carried out in a way that is fully consistent with the Department of Energy's ability to invest in the SPR and the President's authority to fully utilize the SPR.

In contrast to the inadequate funding levels and concerning provisions in H.R. 22, the GROW AMERICA Act would provide robust funding for all modes of surface transportation, shortening commute times and expediting travel for families and freight. The GROW AMERICA Act would also streamline project approval processes, implement innovative transportation policies to make better use of taxpayer dollars, and codify and expand the extraordinarily popular TIGER program. The Administration's proposal is fully paid for in each of the six years authorized in the Act through existing revenues and by reforming the international business tax system to help create jobs and spur investment while eliminating loopholes that reward companies for moving profits overseas.

Notwithstanding the concerns above, the Administration strongly supports the provisions reauthorizing the Export-Import Bank, or "EXIM," which is a critical tool in the bipartisan trade agenda that helps U.S. businesses succeed in global markets and grow their exports, resulting in more Made-in-America exports and more well-paying jobs supported in cities and towns here in the United States, rather than overseas. With more than 80 export credit agencies worldwide, EXIM ensures that American businesses can compete on a level playing field. Despite bipartisan support for reauthorization in both the House and the Senate, EXIM's full authority lapsed on June 30, 2015. This has left American businesses and American workers without access to important financing tools that help high quality and innovative American-made products compete in markets all around the world. The Senate passed a long-term EXIM reauthorization with 64 Members in support and the House recently passed identical legislation that garnered well over two-thirds support of the House. In FY 2014, EXIM supported 164,000 U.S. jobs and sent $675 million in deficit-reducing receipts to the U.S. Treasury. However, the Administration strongly opposes the addition of any amendments to the legislation that would hinder EXIM's ability to promote U.S. businesses.

The Administration is focused every day on what can be done to expand opportunity for every American. For America to succeed, we need the best, safest infrastructure in the world, and the Federal Government needs to lead the way. We look forward to continuing to work with the Congress to pass a more meaningful transportation bill and an EXIM reauthorization.

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