

116TH CONGRESS
2D SESSION

H. R. 5908

To establish the National Freight Mobility Infrastructure Fund, and for
other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 13, 2020

Mr. SMITH of Washington (for himself and Mr. MCNERNEY) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish the National Freight Mobility Infrastructure
Fund, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Freight Infrastructure
5 Reinvestment Act of 2020”.

1 **SEC. 2. NATIONAL FREIGHT MOBILITY INFRASTRUCTURE**
2 **IMPROVEMENT PROGRAM.**

3 (a) ESTABLISHMENT.—The Secretary of Transpor-
4 tation shall establish a National Freight Mobility Infra-
5 structure Improvement Program under which the Sec-
6 retary is authorized to make grants, on a competitive
7 basis, to States and designated entities for eligible costs
8 associated with projects to improve efficiency and capacity
9 with respect to freight mobility in the United States.

10 (b) GRANT APPLICATIONS.—

11 (1) IN GENERAL.—To be eligible to receive a
12 grant under the program a State or designated enti-
13 ty shall submit to the Secretary an application at
14 such time, in such form, and containing such infor-
15 mation as the Secretary may require.

16 (2) SOLICITATION.—The Secretary shall con-
17 duct a national solicitation for applications under
18 the program.

19 (c) GRANT CRITERIA.—

20 (1) ESTABLISHMENT.—The Secretary, in ac-
21 cordance with this subsection, shall establish criteria
22 for selecting among applications submitted for
23 grants under the program.

24 (2) REQUIREMENTS.—A project is eligible for a
25 grant under the program only if the Secretary deter-
26 mines that the project—

1 (A) is of national or regional significance,
2 including projects to assist—

3 (i) the construction of grade separa-
4 tions at railroad, highway, and railroad-
5 highway junctions;

6 (ii) the construction of railroad by-
7 passes and spurs;

8 (iii) the construction of railroad side
9 tracks;

10 (iv) the expansion of rail and highway
11 tunnels to accommodate wider, taller, and
12 additional volumes of vehicular and rail
13 freight and container stacks;

14 (v) the addition of railroad track and
15 intermodal facilities at international gate-
16 ways, land, air, and sea ports, points of
17 congestion, and logistic centers;

18 (vi) highway and road construction
19 (including reinforcement for heavy weight
20 vehicles and heavy traffic volume) at inter-
21 national gateways, land, air, and sea ports,
22 points of congestion, and logistic centers,
23 including freight intermodal connectors, to
24 better accommodate and speed the flow of
25 freight traffic;

1 (vii) the construction and improve-
2 ment of rail and highway bridges that
3 carry a substantial amount of freight;

4 (viii) the construction of highway
5 ramps built to carry a substantial amount
6 of freight;

7 (ix) the construction of highway lanes,
8 including lanes that segregate freight and
9 passenger vehicular traffic; and

10 (x) the construction and improvement
11 of marine terminal facilities used for
12 freight;

13 (B) will improve freight mobility, capacity,
14 and efficiency in the United States;

15 (C) is cost effective;

16 (D) is based on the results of preliminary
17 engineering;

18 (E) is justified based on the extent to
19 which the project—

20 (i) will enhance State, regional, or na-
21 tional economic development, performance,
22 and efficiency as measured by—

23 (I) the creation of new businesses
24 and jobs and the retention of existing
25 businesses and jobs;

1 (II) State and local tax receipts;

2 and

3 (III) improved safety, as meas-

4 ured by reductions in accidents, inju-

5 ries, and fatalities; and

6 (ii) will maximize economic opportuni-

7 ties for communities; and

8 (F) is supported by an acceptable degree

9 of non-Federal financial commitments, includ-

10 ing that—

11 (i) the project provides for the avail-

12 ability of contingency amounts that, as de-

13 termined by the Secretary, are reasonable

14 to cover unanticipated cost increases; and

15 (ii) each proposed non-Federal source

16 of financing is stable, reliable, and avail-

17 able within the project timetable.

18 (3) CONSIDERATIONS.—In selecting a project

19 for a grant under the program, the Secretary shall

20 consider the extent to which the project—

21 (A) meets the requirements specified in

22 paragraph (2);

23 (B) facilitates freight throughput of higher

24 volume and values;

(C) uses operational efficiencies, including intelligent transportation systems, that enhance the efficiency or effectiveness (or both) of the project;

(D) helps maintain or protect the environment; and

(E) improves or enhances segments of the National Multimodal Freight Network established pursuant to section 70103 of title 49, United States Code.

(d) CONGRESSIONAL NOTIFICATION AND DIS-
APPROVAL.—

(1) NOTIFICATION.—

(A) IN GENERAL.—At least 60 days before making a grant for a project under the program, the Secretary shall notify, in writing, the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works and the Committee on Commerce, Science, and Transportation of the Senate of the proposed grant.

(B) CONTENTS.—The notification shall include an evaluation and justification for each successful project that includes—

1 (i) a detailed explanation of how the
2 project satisfied grant criteria and consid-
3 erations;

4 (ii) the amount of the proposed grant
5 award; and

6 (iii) an executive summary of the
7 project application submitted for funding.

8 (2) DISAPPROVAL.—The Secretary may not
9 make a grant or any other obligation or commitment
10 to fund a project under the program if a joint reso-
11 lution is enacted disapproving funding for the
12 project before the last day of the 60-day period de-
13 scribed in paragraph (1)(A).

14 (e) REPORTS.—

15 (1) ANNUAL REPORT.—The Secretary shall
16 make available on the internet website of the De-
17 partment of Transportation at the end of each fiscal
18 year an annual report that lists each project for
19 which a grant has been provided under the program
20 during that fiscal year.

21 (2) COMPTROLLER GENERAL.—

22 (A) ASSESSMENT.—The Comptroller Gen-
23 eral of the United States shall conduct an as-
24 sessment of the administrative establishment,
25 solicitation, selection, and justification process

1 with respect to the funding of grants under the
2 program.

3 (B) REPORT.—Not later than 1 year after
4 the initial awarding of grants under the pro-
5 gram, the Comptroller General shall submit to
6 the Committee on Transportation and Infra-
7 structure of the House of Representatives and
8 the Committee on Environment and Public
9 Works and the Committee on Commerce,
10 Science, and Transportation of the Senate a re-
11 port that describes—

12 (i) the adequacy and fairness of the
13 process by which each project was selected,
14 if applicable; and

15 (ii) the justification and criteria used
16 for the selection of each project, if applica-
17 ble.

18 (f) FUNDING.—The Secretary shall carry out the pro-
19 gram using amounts made available to the Secretary from
20 the National Freight Mobility Infrastructure Fund estab-
21 lished under section 9512 of the Internal Revenue Code
22 of 1986.

23 (g) LIMITATION ON GRANT DISTRIBUTION.—Not
24 more than 10 percent of the amounts available during a

1 fiscal year for grants under the program may be used for
2 projects located in a single State.

3 (h) FULL FUNDING GRANT AGREEMENTS.—The
4 Secretary may enter into a grant under the program that
5 provides funding for a project in more than 1 fiscal year.
6 An agreement for such a grant shall—

7 (1) establish the maximum amount of Federal
8 financial assistance for the project;

9 (2) establish the time period for Federal finan-
10 cial assistance for the project;

11 (3) provide grant funds for the fiscal year in
12 which the grant is made; and

13 (4) include a commitment, that is not an obli-
14 gation of the Federal Government and that is con-
15 tingent on the availability of funds, for grant
16 amounts to be provided in fiscal years following the
17 fiscal year in which the grant is made.

18 (i) NON-FEDERAL FINANCIAL COMMITMENTS.—

19 (1) FEDERAL SHARE.—The Federal share of
20 the cost of a project for which a grant is made
21 under the program, as estimated by the Secretary,
22 shall be not more than 80 percent.

23 (2) CONSIDERATIONS.—In assessing the sta-
24 bility, reliability, and availability of proposed sources

1 of non-Federal financing for purposes of subsection
2 (c)(2)(F)(ii), the Secretary shall consider—

3 (A) existing financial commitments;

4 (B) the degree to which financing sources
5 are dedicated to the purposes proposed;

6 (C) any debt obligation that exists or is
7 proposed by the grant recipient for the pro-
8 posed project; and

9 (D) the extent to which the project has a
10 non-Federal financial commitment that exceeds
11 the required non-Federal share of the cost of
12 the project.

13 (j) HIGHWAY CONSTRUCTION.—A grant made to as-
14 sist the construction of a highway under the program shall
15 be subject to the requirements relating to such construc-
16 tion under title 23, United States Code.

17 (k) OTHER TERMS AND CONDITIONS.—The Sec-
18 retary shall ensure that all grants made under the pro-
19 gram are subject to terms, conditions, and requirements
20 that the Secretary decides are necessary or appropriate
21 for purposes of this section, including requirements for the
22 disposition of net increases in the value of real property
23 resulting from the project assisted under the program.

24 (l) ADMINISTRATIVE COSTS.—In carrying out the
25 program, the Secretary shall seek to minimize administra-

1 tive costs, including overhead, enforcement, and auditing
2 costs related to the program.

3 (m) ANNUAL REPORT.—Not later than 1 year after
4 the date of enactment of this Act, and annually thereafter,
5 the Secretary shall submit to the Committee on Transpor-
6 tation and Infrastructure of the House of Representatives
7 and the Committee on Commerce, Science, and Transpor-
8 tation of the Senate a report on the activities of the Sec-
9 retary under the program.

10 (n) REGULATIONS.—Not later than 180 days after
11 the date of enactment of this Act, the Secretary shall issue
12 regulations to carry out this section.

13 (o) DEFINITIONS.—In this section, the following defi-
14 nitions apply:

15 (1) DESIGNATED ENTITY.—The term “des-
16 ignated entity” means—

17 (A) A State or a group of States.

18 (B) A metropolitan planning organization
19 that serves an urbanized area (as defined by
20 the Bureau of the Census) with a population of
21 more than 200,000 individuals.

22 (C) A unit of local government or a group
23 of local governments.

24 (D) A political subdivision of a State or
25 local government.

1 (E) A special purpose district or public au-
2 thority with a transportation function, including
3 a port authority.

4 (F) A Tribal government or a consortium
5 of Tribal governments.

6 (G) A multistate or multijurisdictional
7 group of entities described in this paragraph.

8 (2) ELIGIBLE COSTS.—The term “eligible
9 costs” means the costs of a project with respect to—

10 (A) development phase activities, including
11 planning, feasibility analysis, revenue forecast-
12 ing, environmental review, preliminary engineer-
13 ing and design work, and other preconstruction
14 activities; and

15 (B) construction, reconstruction, rehabili-
16 tation, acquisition of real property (including
17 land related to a project and improvements to
18 land), environmental mitigation, construction
19 contingencies, acquisition of equipment, and
20 operational improvements.

21 (3) PROGRAM.—The term “program” means
22 the National Freight Mobility Infrastructure Im-
23 provement Program established under subsection
24 (a).

1 (4) STATE.—The term “State” has the mean-
 2 ing given such term in section 101(a) of title 23,
 3 United States Code.

4 **SEC. 3. FREIGHT MOBILITY INFRASTRUCTURE TAX.**

5 (a) IMPOSITION OF TAX.—Chapter 33 of the Internal
 6 Revenue Code of 1986 is amended by adding after sub-
 7 chapter C the following new subchapter:

8 **“Subchapter D—Transportation By Freight**
 9 **And Highway**

“Sec. 4286. Imposition of tax.

10 **“SEC. 4286. IMPOSITION OF TAX.**

11 “(a) IN GENERAL.—There is hereby imposed upon
 12 taxable ground transportation a tax equal to 1 percent of
 13 the amount rendered (to the person by whom such trans-
 14 portation is done) as payment for such transportation.

15 “(b) BY WHOM PAID.—

16 “(1) IN GENERAL.—Except as provided by
 17 paragraph (2), the tax imposed by subsection (a)
 18 shall be paid—

19 “(A) by the person rendering the payment
 20 subject to tax, or

21 “(B) in the case of transportation by a re-
 22 lated person, by the person for whom such
 23 transportation is made.

1 “(2) DETERMINATIONS OF AMOUNTS PAID IN
2 CERTAIN CASES.—For purposes of this section, rules
3 similar to the rules of section 4271(c) shall apply.

4 “(c) TRANSPORTATION BY RELATED PERSONS.—In
5 the case of transportation of property by the taxpayer or
6 a person related to the taxpayer, the fair market value
7 of such transportation shall be the amount which would
8 be paid for transporting such property if such property
9 were transported by an unrelated person, determined on
10 an arms’ length basis.

11 “(d) DEFINITIONS.—For purposes of this sub-
12 chapter—

13 “(1) TAXABLE GROUND TRANSPORTATION.—
14 The term ‘taxable ground transportation’ means
15 transportation of property (other than passenger
16 baggage) on railways or roads located in the United
17 States by—

18 “(A) freight rail, or

19 “(B) commercial motor vehicle (as defined
20 in section 31101(1) of title 49, United States
21 Code, determined without regard to subpara-
22 graph (A) of such section) for a distance of
23 more than 50 miles.

1 “(2) RELATED PERSON.—A person (hereinafter
2 in this paragraph referred to as the ‘related person’)
3 is related to any person if—

4 “(A) the related person bears a relation-
5 ship to such person specified in section 267(b)
6 or 707(b)(1), or

7 “(B) the related person and such person
8 are engaged in trades or businesses under com-
9 mon control (within the meaning of subsections
10 (a) and (b) of section 52).

11 For purposes of the preceding sentence, in applying
12 section 267(b) and 707(b)(1), ‘10 percent’ shall be
13 substituted for ‘50 percent’.

14 “(e) EXEMPTION FOR UNITED STATES AND STATE
15 AND LOCAL GOVERNMENTS.—The tax imposed by sub-
16 section (a) shall not apply to amounts paid by the United
17 States, a State, or any political subdivision thereof.”.

18 (b) CREDITS OR REFUNDS TO PERSONS WHO COL-
19 LECTED CERTAIN TAXES.—Section 6415 of such Code is
20 amended by striking “or 4271” each place it appears and
21 inserting “4271, or 4286”.

22 (c) REGULATIONS.—Not later than 180 days after
23 the date of the enactment of this Act, the Secretary of
24 the Treasury shall issue regulations to carry out the
25 amendments made by this section.

1 (d) EFFECTIVE DATE.—The amendments made by
 2 this section shall apply to transportation beginning on or
 3 after the last day of the 180-day period beginning on the
 4 date of the issuance of regulations under subsection (c).

5 **SEC. 4. NATIONAL FREIGHT MOBILITY INFRASTRUCTURE**
 6 **FUND.**

7 Subchapter A of chapter 98 of the Internal Revenue
 8 Code of 1986 is amended by adding at the end the fol-
 9 lowing new section:

10 **“SEC. 9512. NATIONAL FREIGHT MOBILITY INFRASTRUC-**
 11 **TURE FUND.**

12 “(a) CREATION OF TRUST FUND.—There is estab-
 13 lished in the Treasury of the United States a trust fund
 14 to be known as the ‘National Freight Mobility Infrastruc-
 15 ture Fund’ (hereinafter in this section referred to as the
 16 ‘Fund’) consisting of such amounts as may be appro-
 17 priated or credited to such Fund as provided in this sec-
 18 tion or section 9602(b).

19 “(b) TRANSFERS TO THE FUND.—There are hereby
 20 appropriated to the Fund amounts equivalent to taxes re-
 21 ceived in the Treasury under section 4286.

22 “(c) EXPENDITURES FROM FUND.—Amounts in the
 23 Fund shall be made available to the Secretary of Trans-
 24 portation for each of the fiscal years 2019 to 2044, with-
 25 out further appropriation, for making expenditures to

1 meet the obligations of the United States to carry out sec-
2 tion 2 of the Freight Infrastructure Reinvestment Act of
3 2020, not more than 4 percent of which for any fiscal year
4 may be used for administrative expenses.”.

5 **SEC. 5. REPORT TO CONGRESS.**

6 (a) IN GENERAL.—Not later than 1 year after the
7 date of enactment of this Act, the Secretary of Transpor-
8 tation shall submit to Congress a report analyzing whether
9 cargo is being routed to reduce the tax imposed under sec-
10 tion 4286 of the Internal Revenue Code of 1986.

11 (b) CONSULTATION.—In carrying out the study, the
12 Secretary shall consult with the Surface Transportation
13 Board.

14 (c) RECOMMENDATIONS.—If the Secretary deter-
15 mines that cargo is being routed to reduce the tax imposed
16 by section 4286 of the Internal Revenue Code of 1986,
17 the Secretary shall include in the report recommendations
18 on legislation necessary to avoid such routing.

○