

# THE BOND BUYER

Thursday, May 21, 2015 | as of 1:44 PM ET

Infrastructure

## Bill Would Create DOT Competitive Grant Program for Infrastructure

by [Lynn Hume](#)

MAY 20, 2015 3:36pm ET

WASHINGTON - Rep. Brian Higgins, R-N.Y. has introduced a bill that would direct the Transportation Department to establish a competitive grant program for state and local governments, as well as transit and port authorities, to help finance their infrastructure projects.

The bill - H. R. 2332: the Nation Building Here at Home Act of 2015 -- would authorize up to \$985 billion for grants under the program for fiscal years 2016 through 2020.

It would authorize the Treasury Department, in consultation with DOT, to create within 180 days after enactment of the bill, a Nation Building Here at Home Financing Initiative to finance the grants.

The Treasury would be able to issue up to \$300 billion of bonds in amounts and with interest rates as it sees fit to carry out the grant program. The grant program would have to be fully established within 270 days of passage of the bill.

"Infrastructure investment can be an economic game changer," Higgins told colleagues in a speech given on the House floor.

The measure stipulates that up to 85% of the grants could be used for highway, road, bridge, and interchange projects as well as public transportation projects eligible under chapter 53, title 49 of the U.S. Code and passenger or freight rail transportation projects. At least 9% of the grants could be used for water infrastructure projects, 4% for aviation infrastructure projects and 2% for port infrastructure projects. These projects would have to significantly impact a metropolitan area, region or the entire country, according to the legislative text.

DOT would coordinate grants for projects with the Environmental Protection Agency and Secretary of the Army through the Chief of Engineers.

DOT would have to establish criteria for the grants within 90 days after passage of the act, including whether financial commitments had to be in place, the degree of certainty needed for financial commitments, and whether some funding would have to be from non-federal sources.

The grants would have to be distributed geographically in an equitable manner and would have to address the needs of both urban and rural areas. Contractors would have to give veterans a

preference in hiring. In addition, a certain percentage of the grants would have to be expended through small business concerns owned and controlled by socially and economically disadvantaged individuals.

Grants would not be available for projects unless all of the iron, steel and manufactured goods used in them were produced in the U.S., according to the legislation. However, there could be exceptions from this provision if these items were either not available in sufficient quantities in the U.S., would raise project costs by more than 25%, or were "inconsistent with the public interest," under the bill.

The measure would require grant and project information to be made available to the public. In addition, DOT would have to submit to Congress, not later than the year after the first grant was made and annually thereafter, a report on the progress made on the grant-financed projects.

DOT would also be required under the bill to submit to Congress, within 180 days of enactment, a comprehensive report on the transportation needs of the U.S. for 20-, 30-, and 50-year periods.



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