

Federal Legislative Update

Freight Advisory Council

December 11, 2015



Federal Legislative Update

My how things have changed !!

Since the last meeting:

- Congress is done with the Iran Nuclear Agreement
- Reached agreement on a new 2-year budget deal (set overall federal funding levels for 2016 and 2017)
- Moved the Debt Ceiling to March 2017
- Extended the Federal Aviation reauthorization until March 2016
- Enacted a multi-year surface transportation authorization

What's left:

- Adoption of FY 2016 Appropriations



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Multi-year Surface Transportation Authorization

- **FAST Act** --- Fixing America's Surface Transportation Act
- Conference Report filed in the House on December 1; Passed the House on December 3; Passed the Senate on December 4 and Signed on December 4, 2015
- 5-year - \$305 billion bill with increased funding averaging nearly 3 percent per year.
- Paid for with over \$70 billion in transfers into the Highway Trust Fund.
- Extended much of MAP-21 but with a "Freight Focus"

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Finance Summary - (Five-year authorizations)

	HTF	GF	Total
	(\$ billions)		
Highway	225.19		225.19
Public Transit	48.90	12.21	61.11
Motor Carrier Safety	3.22		3.22
Highway Traffic Safety	3.73	0.98	4.71
Pipeline/Haz. Mat. Safety		0.42	0.42
Railroad		10.36	10.36
Total	281.04	23.97	305.01
Rescission (July 1, 2020)	-7.57		

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National Freight Focus – Programs

- National Highway Freight Program (23 USC 167)
- Nationally Significant Freight and Highway Project Program (23 USC 117)

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National Highway Freight Program (23 USC 167)

- Formula program increasing from \$1.15 billion in FY 2016 to \$1.5 billion in FY 2020 - a total of \$6.25 billion
- Iowa would receive 1.26 percent of the funding
- Goals:
 - Strengthen contribution of the National Highway Freight Network (NHFN) to the economic competitiveness of the US
 - Reduce the cost of freight transportation
 - Improve the year-around reliability of freight transportation
 - Improve the efficiency and productivity of the NHFN

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National Highway Freight Program (23 USC 167)

- Eligible Projects:
 - A highway or bridge project to improve the flow of freight on the NHFN
 - Any surface transportation project to improve the flow of freight into or out of a ...public or private freight rail or water facility

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Nationally Significant Freight and Highway Project Program (23 USC 117)

- A discretionary / competitive program funded at \$800 million in FY 2016 to \$1 billion in FY 2020 - a total of \$4.5 billion
- A project reasonably expected to exceed \$100 million
- 10 percent reserved for small projects
- Goals:
 - Improve safety, efficiency and reliability of the movement of freight and people;
 - Generate national and regional economic benefits ... increase global competitiveness;
 - Reduce congestion and bottlenecks;
 - Improve connectivity between modes of freight trans..

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Nationally Significant Freight and Highway Project Program (23 USC 117)

- Eligible Projects:
 - A highway freight project ..on the National Highway Freight Network
 - A highway or bridge project ... on the National Highway System
 - A freight intermodal or freight rail project
 - A railroad grade crossing or grade separation project
 - Project assisted with this grant may not exceed 60 percent but other federal funds can be used up to a total of 80 percent

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Freight Related

- State Freight Advisory Committees are encouraged
- Comprehensive state freight plans are required
- No system-wide changes to Interstate truck size and weights
- Many studies and activities within the Highway Traffic Safety and Motor Carrier Safety areas aimed at reducing injuries and fatalities, and improving efficiency..
- Continuing to review the FAST Act

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Iowa Highway Funding Summary - (Five-year authorizations)

Preliminary	Iowa 2016	Iowa Average
	(millions)	
National Highway System	\$292.9	\$305.3
Surface Transportation	135.3	141.6
Highway Safety Imp.	26.8	27.9
Rail Grade Crossings	5.3	5.6
CMAQ	11.2	11.7
Metro Planning	2.0	2.1
National Highway Freight	14.4	15.7
Trans Alter./Rec Trails	10.5	10.6
Total	\$498.5	\$520.6



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FY 2016 Appropriations Status

- The Senate passed another Continuing Resolution to extend funding to December 16 and the House will take it up today.
- The process has been complicated by the number of “policy riders” attached to the Omnibus.
- However, still to not anticipate a federal shutdown – something leadership wants to avoid.

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Surface Transportation Board (STB) Reauthorization

- S. 808 - passed the House yesterday – to the President
- Created in 1996 following the end of the Interstate Commerce Commission
- The first reauthorization of the STB and update in railroad economic regulation in 20 years
- Chairman Shuster - “This bill makes common sense improvements to increase efficiency of the agency’s processes... and ensures that the successful US freight rail transportation system is not smothered by unnecessary regulatory burdens”,

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Surface Transportation Board Reauthorization

- Removes from the U.S. DOT and establishes it as an independent U.S. agency
- Increases board membership from three to five
- There were previous attempt to re-regulate but this bill reforms
 - Reduce litigation costs for small businesses, such as grain shippers
 - Give more certainty to railroads and shippers in the decision-making timeline and processes; and
 - Provide more efficient options for service dispute resolutions

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Pipeline Safety - SAFE PIPES Act

- Securing America's Future Energy: Protecting our Infrastructure of Pipelines and Enhancing Safety Act
- Authorization ends this year – bill will “most likely” need to wait until 2016

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What's next

- Focus on FY 2016 Appropriations to retain the funding levels included in FAST Act and the 2-year Budget Agreement
- Implementation of FAST Act –
 - Guidance, Regulations, Rules
 - Studies
- Continue search for the long term sustainable user fee to provide revenue for the Highway Trust Fund

We are living off the vision of our parents and grandparents !!

What are we going to leave to our children and grandchildren ??

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National Freight Focus - Networks

- National Highway Freight Network
 - Primary Highway Freight System (41,518 miles)
 - Critical Rural Freight Corridors
 - Critical Urban Freight Corridors
 - Other Interstates not on Primary Highway Freight System

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National Freight Focus - Networks

- National Multimodal Freight Network
 - National Highway Freight Network
 - Class I Freight Rail lines
 - Public ports (over 2 million short tons)
 - Inland and Intercostal waterway system
 - Great Lakes and St. Lawrence Seaway
 - 50 largest Cargo Airports
 - Other strategic freight assets