



# FEDERAL UPDATE – Freight Advisory Council

JUNE 19, 2020



# CURRENT TRANSPORTATION TOPICS IN CONGRESS

## **Reauthorization**

Multi-year bill authorizing surface transportation programs and setting funding levels

Also WRDA?

## **COVID-19 response: revenue**

To help state and local governments cope with revenue loss and costs of the pandemic

## **Stimulus**

Extra funds for infrastructure

# SURFACE REAUTHORIZATION STATUS

| <b>Current bill</b>    | <b>Senate proposal</b> | <b>House proposal</b>   |
|------------------------|------------------------|-------------------------|
| FAST Act               | ATIA (S 2302)          | INVEST (now HR 2)       |
| Expires Sept. 30, 2020 | Passed EPW July 2019   | To the floor next week? |
| All modes              | Highway only, so far   | All modes               |
| 5 years                | 5 years                | 5 years*                |

*\*FY 21 extension, FY 22-25 reauthorization*

## “INVEST” WOULD COMBINE:

- **Extension** of the FAST Act through FY 21, and -
  - Provides highway funding at current levels but with 100% federal share
  - Adds \$14.7 billion extra, with eligibility for operating expenses
- *PLUS*
- **Reauthorization** for FY 22-25 - re-establish/remake programs, policies, funding levels for:
  - Surface programs: Highway, Transit, Safety, Motor Carrier
  - Hazardous Materials
  - Rail

## “INVEST” - HIGHWAY

- Formula highway funds top FAST Act by ~31 percent (\$56.8 billion per year 21-25)
- Throughout: emphasis on resilience, GHG reduction, etc.
- National Highway Freight Program – repeals 10% limit on intermodal/port project
- Authorizes Automated Vehicle research on improving safety and expanding accessibility
- Establishes a national VMT pilot program for passenger and CMVs in all 50 states

## “INVEST” – FREIGHT RAIL

- Prohibits LNG transport by rail pending extensive safety evaluations
- CRISI funds top FAST Act by nearly 90 percent, with expanded eligibility
- Nearly doubles the highway-rail grade crossing program funding
- Requires studies on trains longer than 7,500 feet, and impacts of the precision scheduled railroading model
- \$150 million to help certain borrowers pay the Credit Risk Premium in the RRIF program

## “INVEST” - CMVs:

- Would suspend changes made to HOS rule
  - require FMCSA to review impacts of the current HOS rules
  - prohibit proposed expansion of on-duty time from taking effect until 60 days later
- Would create a task for to examine truck lease agreements, incl. impact on pay
- Increase funding for state truck safety oversight

## “INVEST” - MULTIMODAL

- Establishes a multimodal freight research program to make freight movement greener, safer and more efficient
- Establishes a deadline for designating a **final** National Multimodal Freight Network
- Establishes a Joint Task Force with the IRS to study a fee on multimodal freight



## “INVEST” - NEW DISCRETIONARY PROGRAMS

- “New” Projects of National and Regional Significance’ (revised INFRA, adds rail)
- Community transportation investment grants – highway and transit
- EV charging and hydrogen fueling infrastructure (on Alternative Fuel Corridors)

### One-time only:

- Gridlock Reduction Grants (UZAs of one million or more)
- Parking for Commercial Vehicles
- Rebuild Rural Grants (FY 21 only) – includes off-system grants

## THE COST OF “INVEST”

*Not counting revenue changes due to COVID-19:*

\$75 billion (to keep HTF solvent through FY 25 at FAST Act levels)

\$65 billion (to pay for increases proposed in INVEST)

**\$140 billion** in additional revenue or transfers required if INVEST enacted

## HIGHWAY TRUST FUND OUTLOOK – HIGHWAY ACCOUNT

- Due to coronavirus impacts on travel, etc. and the resulting loss of revenue, without new revenue or other funds, ***USDOT now projects:***
  - May 2021 – potential impacts to reimbursements to state DOTs
  - July 2021 - significant impacts to reimbursements (balance down to zero)

## NEXT COVID-19 RESPONSE - STATUS

- Senate – may or may not write a “narrowly crafted” bill
- House – passed “Heroes Act” May 15

# COMPARING “CARES” AND “HEROES”

|  | Enacted                      | Proposed                          |
|--|------------------------------|-----------------------------------|
|  | <b>CARES (HR 748) ~\$2 T</b> | <b>Heroes (HR 6800) ~\$3+ T</b>   |
| State and local govts:<br><b>general purpose incl.<br/>replace lost revenue*</b> | 0                            | \$915 B                           |
| Roads/bridges  | 0                            | \$15 B (STBG plus operations)     |
| Transit  | \$25 B                       | \$15.75 B                         |
| Airports   | \$10 B                       | Funds necessary for AATF solvency |

\*\$150B was included for state/local gov for **costs** resulting from the pandemic

## “HEROES” (AS PASSED HOUSE) – DETAIL:

### **\$915 B for state and local governments would consist of:**

- \$540B for **states, territories, etc.**
- \$187.5B directly to **counties** – allocated via population
- \$131.25B for **cities** - allocated via HUD Community Development Fund formula
- \$56.25B for local gov other than counties, in areas not covered by CDF – alloc. via population

**House approps estimated total to Iowa: \$5.8 billion**

## “HEROES” (AS PASSED HOUSE) – DETAIL CONT.

### Funds for specific modes:

**Highways** - \$15B (100% federal share) via STBG plus eligibility for operations, etc.

### **Transit –**

- \$11.75B (100% federal share) for UZAs over three million
- \$4B for transit at 100% federal share – discretionary (NOFOs by mid-June?)

**Aviation** - automatic backfill of the AATF if it becomes insolvent

**All modes: hazard pay for frontline workers**



QUESTIONS?