

State and Federal Legislative Activity

Freight Advisory Council

June 26



State Legislative Activity

State Legislative Activity

- Iowa DOT Omnibus Bill
 - Passed on June 5 awaiting Governor signature
(Note: was signed about the same time as this presentation)
 - Update Iowa Code chapters 307 and 307A
 - Remove or update a few outdated aviation and rail sections
 - Update some driver license issues
 - IRP late fees and undercover license plates
 - Commercial Learner's Permit
 - “Non-controversial” – last item of session

Federal Legislative Activity

Federal Legislative Activity

The Process is:

- Interesting to some ...
 - Frustrating to others ...
 - A mystery to many ...
 - Ignored by most ... and
 - Dominated by funding issues

Federal Legislative Activity

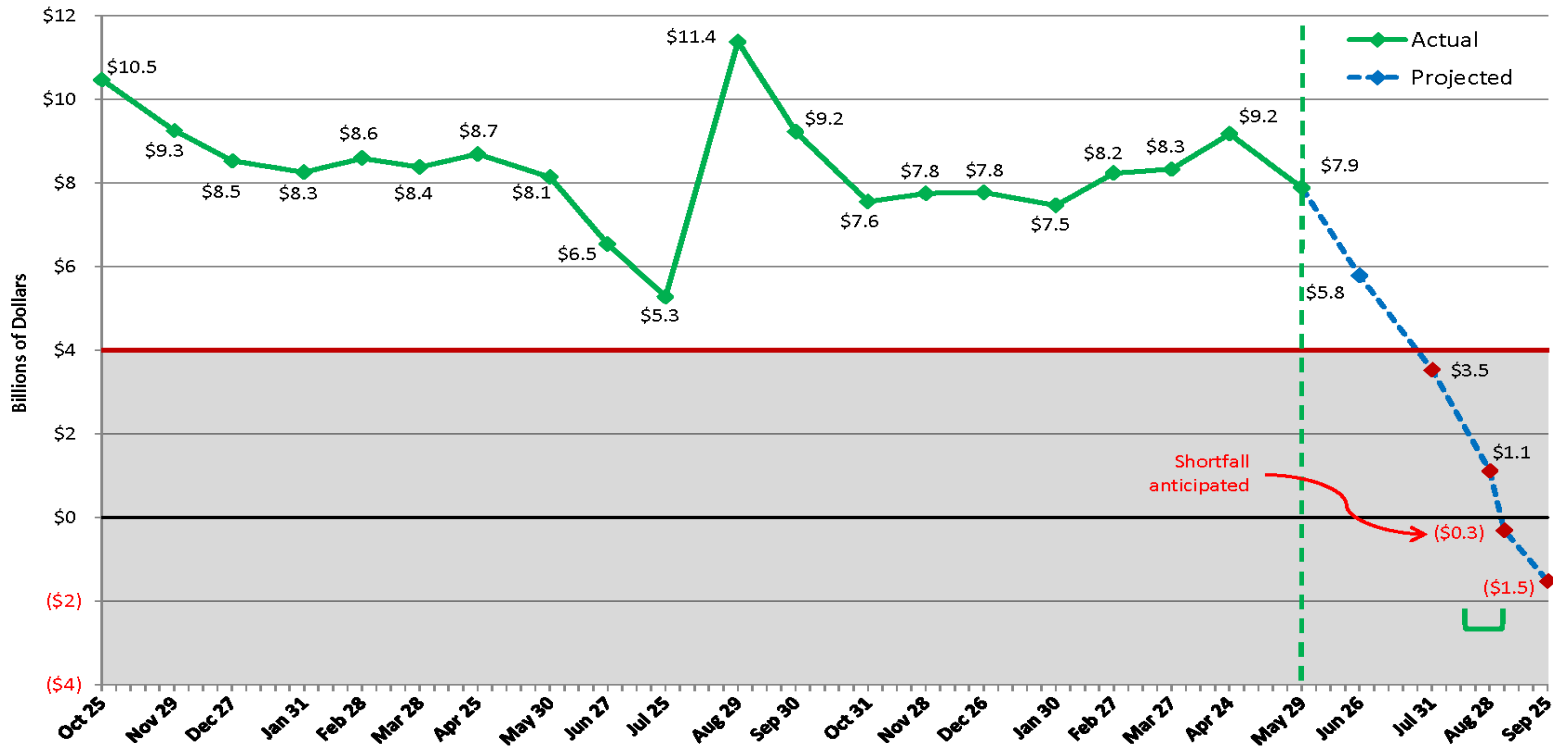
- Surface Transportation Program Authorization
 - 2nd Extension of MAP-21 expires July 31, 2015
 - Without extension cannot access HTF – impacts obligation of new projects and reimbursements
 - Need \$3 billion to get to end of FY 2015 and estimated to need \$8 billion to get to the end of calendar 2015

Federal Legislative Activity

- Need Stable Federal Funding
 - More than a decade of investing more than available receipts into the trust fund
 - Estimates vary but \$16 billion+/- per year is necessary for current investment levels
 - Support for transportation investments but not enough support to find revenues to pay for it

FY 2014 & FY 2015 Projected Estimates for End-of-Month Cash Balances (as of 5/29/15) ^{1/ 2/ 3/ 4/}

Highway Account of the Highway Trust Fund (Includes FHWA, FMCSA & NHTSA)



1/ Graph reflects actual data through 5/29/15 and end-of-month projections for the remainder of FY 2015.

2/ Total receipt and outlay projections are based on FY 2016 President's Budget Baseline assumptions. Projected monthly receipt and outlay rates are based on historic averages.

3/ Range of anticipated shortfall: Green brackets denote the estimated window of when the anticipated shortfall will occur.

4/ The shaded area represents when the Highway Account balance drops below \$4 billion, at which point cash management procedures may become necessary.

Source: FHWA

Federal Legislative Activity

- Senate Environment and Public Works Committee has approved the “DRIVE Act” (S. 1647)
 - Developing a Reliable and Innovative Vision for the Economy Act.
 - A six year highway bill - \$278 billion
 - Dedicated Freight Program (Sec 1014)
 - \$2 billion in 2016 increasing to \$2.5 billion in 2021
 - Formula distribution
 - Based on our share of the overall formula funding
 - Eligible projects - lists 22 eligible project activities

Federal Legislative Activity

- National Freight Program
 - National Freight Strategic Plan
 - National Highway Freight Network
 - Primary Highway Freight System (max 30,000 miles)
 - Critical Rural Freight Corridors
 - Critical Urban Freight Corridors
 - Other Interstates not on Primary Highway Freight System
 - State Freight Advisory Committees and State Freight Plan within 2 years

Federal Legislative Activity

- Commerce, Science and Transportation Committee – Highway Safety and Motor Carrier
- Banking Committee – Transit
- Finance Committee is work on the Revenue Title of bill
 - Needs \$69 billion to maintain current funding levels – highway account
 - Additional \$11 billion for inflation based increases
 - Numbers do not include any transit programs or mass transit account funding

Federal Legislative Activity

- House Transportation and Infrastructure Committee
 - Responsible for all transportation activity
 - Chairman Shuster
- House Ways and Means Committee
 - Holding hearings all aspects of funding and finance
 - Chairman Ryan

Federal Legislative Activity

- FY 2016 Appropriations Status
 - House passed bill - June 9
 - Senate Approps Committee – June 25
 - Best hope is for level funding
 - Can't pass increase in user fees
 - More difficult to get some transfers from General Fund
 - Expect FY 2016 funding to proceed with a series of Continuing Resolutions

Federal Legislative Activity

- Outlook

- There is no evidence that Congress is willing to face the funding issue for a long term solution (at this time).
- It has been 15 years since there has been enough revenue to meet outlays
- 7 years of backfilling the HTF with general fund revenues
- Short term authorization measure - Continue to “Kick the Can Down the Road” – to the end of the calendar year?

Federal Legislative Activity

- Outlook
 - Some in Congress talk about finding additional revenues for the federal-aid highway program
 - Some members are looking to reduce the federal role in transportation programs
 - As the process continues, the disagreements surface between
 - Highway and Transit and Non-traditional
 - State and Local and Federal
 - Rural and Urban

Federal Legislative Activity

- Outlook

- However, *the Election is only 512 days away !*
- Focus on long-term sustainable funding during the next Congress – 2017
- Will we see the return of Congressional Earmarks?

Our Future ??

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

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

Federal Legislative Activity

State Legislative Activity

- Revenue Package
 - 10 cents per gallon plus few fees
 - Estimated total revenue of \$213 million per year
 - 47.5% to DOT; 32.5% to Counties; 20% to Cities
 - Passed on February 24
 - Signed on February 25
 - Effective on March 1
 - \$33 million in projects were added to the Department's program on March 10

State Legislative Activity

- 2016 - 2020 Improvement Program
 - Adopted June 9
 - An additional \$501 million in DOT highway improvements were programmed
 - Projects included in program as a result of the additional revenue are identified in the back of program
 - “Under a microscope”

Federal Legislative Activity

- Outlook