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  – Remove or update a few outdated aviation and rail sections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

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

- **Actual**
- **Projected**

**Billions of Dollars**

- **$12**
- **$10**
- **$8**
- **$6**
- **$4**
- **$2**
- **$0**
- **($2)**
- **($4)**

**Months**


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