Federal Legislative Update

Freight Advisory Council

September 11
Federal Legislative Update

• Congress returned on September 8 following their August Recess. Issues facing Congress include:
  - Resolution on the Iran Nuclear Agreement
  - Adoption of FY 2016 Appropriations (or continuing resolution) by September 30, 2015 to avoid a federal government shutdown
  - Reauthorization (or extension) of federal aviation programs and activities which expire on September 30, 2015
  - Reauthorization (or extension) of MAP-21 which expires on October 29, 2015
  - Debt Ceiling may be reached in early December (CBO)
Federal Legislative Update

• Surface Transportation Program Authorization
  - 3rd Extension of MAP-21 was passed which expires October 29, 2015
  - Included a $8 billion general fund transfer to get to the end of calendar 2015 - now estimated to last through the end of June 2016
  - Without extension cannot access HTF – impacts obligation of new projects and reimbursements
  - Funding remains the dominate issue

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

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

<table>
<thead>
<tr>
<th>Month</th>
<th>Actual</th>
<th>Projected</th>
</tr>
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<tbody>
<tr>
<td>Oct '14</td>
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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
FY 2014 & FY 2015 Projected Estimates for End-of-Month Cash Balances (as of 7/31/15) \(^1/2/3/\)

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

1/ Graph reflects actual data through 7/31/15 and end-of-month projections for the remainder of FY 2015.

2/ Total receipt and outlay projections are based on FY 2016 Mid-Session Review assumptions. Projected monthly receipt and outlay rates are based on historic averages.

3/ 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 Update

• Senate - passed an amendment to the “DRIVE Act” on July 30 (HR 22)
  - Developing a Reliable and Innovative Vision for the Economy Act.
  - A six year bill which was amended to include
    (in addition to the Highway and Highway Safety titles of S.1647):
    • Public Transit
    • Commercial Motor Vehicle and Driver
    • Highway and Motor Vehicle Safety
    • Railroad
    • Freight
    • Finance
### Federal Legislative Update

#### Finance Summary - (Six-year authorizations)

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<th>Category</th>
<th>HTF</th>
<th>GF</th>
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<td>341.28</td>
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Federal Legislative Update

• Funding for transportation
  - Due to the unresolved funding issue the bill is a six-year bill with enough funding identified for three years.
  - Highway Trust Fund revenues -- $238.8 billion
  - General Fund transfers -- $45.6 billion
  - Shortfall -- $55 to $60 billion (estimates vary)
Federal Legislative Update

• National Freight Initiatives
  - 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 Update

• National Highway Freight Program
  - Formula program increasing from nearly $1 billion in 2016 to $2.5 billion in 2021 - a total of $11.55 billion
  - Iowa would receive 1.25 percent of the funding
  - Current focus on highway projects
  - Funded from the Highway Trust Fund

• Freight Assistance Grants
  - A discretionary grant program funded at $200 million per year – a total of $1.2 billion
  - Funded from General Fund appropriations
Federal Legislative Update

• House –
  - T&I has not introduced a long-term bill but Chairman Shuster’s goal is to get a bill to Conference in October
  - T&I could mark up legislation as early as Thursday the 17th
  - Science, Space and Technology committee will mark up to research bills on the 10th
  - Absent a bill which includes “pay-fors” they may have to defer to the Senate
  -
Federal Legislative Update

• FY 2016 Appropriations Status
  - Congressional Leadership is planning to fund FY 2016 with a Continuing Resolution(s)
  - The first CR could extend funding for the federal government through December depending on the majority’s decision on defunding Planned Parenthood
  - Federal shutdown??
Federal Legislative Update

• Outlook
  - There is no evidence that Congress is willing to face the transportation funding issue for a long term solution -- at this time
  - Continue the current Highway Trust Fund user fees, with the transfer of additional general fund revenues, made possible through tax reform legislation
  - Continue to “Kick the Can Down the Road” – until the funding issue is deal with
  - However, there is still hope ???
Our Future

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

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