

## Fixing America's Surface Transportation - (FAST Act) Overview

MPO / RPA Meeting  
March 23, 2016



### Executive Summary

- Fixing America's Surface Transportation (FAST) Act
- Signed into law Dec 4, 2015
- Five years (FFY 2016-2020)
- \$305 billion total
- \$228.8 billion for highway and highway safety
- A few new programs added
- Some minor adjustments to others
- Streamlining and flexibility efforts continued



### The Good News

- Funding for five years
  - 1<sup>st</sup> time in 10 years we've received more than two years of funding authority at once
- Program continuity
  - Core formula programs remain in place
  - No sweeping policy changes
- Funding levels
  - ~15 percent increase over the life of the Act
- Continued streamlining emphasis
- Continued federal emphasis on freight movement



### The Bad News

- Only slight increase in buying power when adjusted for inflation
- No long-term solution to transportation funding
  - Federal fuel taxes unchanged
  - \$70 billion General Fund transfers (total \$143 billion to date)
  - 31 percent of total revenue provided in the Act from General Fund
  - Transfers to the Highway Trust Fund mostly from non-transportation sources
    - Strategic Petroleum Reserve
    - Federal Reserve surplus fund
    - Other miscellaneous "pay-fors"



### Highway Apportionments for Iowa

| Fiscal Year | Est Amount (\$ millions) | Annual Increase |
|-------------|--------------------------|-----------------|
| 2015        | 474.3                    |                 |
| 2016        | 498.5                    | 5.1 percent     |
| 2017        | 508.8                    | 2.1 percent     |
| 2018        | 519.8                    | 2.2 percent     |
| 2019        | 531.5                    | 2.3 percent     |
| 2020        | 544.3                    | 2.4 percent     |

2015-2020 Increase = 14.7 percent

### Highway Program Funding

| Apportionments to Iowa (\$ millions)  | MAP-21 2015  | FAST Act 2016 |
|---------------------------------------|--------------|---------------|
| National Highway Performance Program  | 281.4        | 278.6         |
| Surface Transportation Block Grant    | 129.4        | 132.4         |
| Transportation Alternatives Set-aside | 9.0          | 9.2           |
| Federal Recreational Trails Set-aside | 1.4          | 1.4           |
| Highway Safety Improvement Program    | 25.9         | 23.4          |
| Rail-Highway Crossings                | 5.2          | 8.3           |
| Congestion Mitigation Air Quality     | 10.8         | 11.0          |
| Statewide Planning and Research       | 9.3          | 9.8           |
| Metropolitan Planning                 | 1.9          | 2.0           |
| National Highway Freight Program      | --           | 14.0          |
| <b>Total</b>                          | <b>474.3</b> | <b>498.5</b>  |



## Program Changes

- National Highway Performance Program
  - Funds can now be used for any bridge on a federal-aid highway; provided, the performance goals for the NHS are still being met
- Transportation Alternatives Program (TAP)
  - No longer a separate program, but a specified set-aside from the Surface Transportation Block Grant Program
  - Eligible activities remain the same
- Highway Safety Improvement Program
  - Limited eligible projects to items specifically identified
  - Education and enforcement not eligible



## Program Changes

- Surface Transportation Program
  - Renamed the “Surface Transportation Block Grant Program”
  - Portion of funds allocated based on population gradually increases:
    - 2015 = 50 percent (MAP-21)
    - 2016 = 51 percent
    - 2017 = 52 percent
    - 2018 = 53 percent
    - 2019 = 54 percent
    - 2020 = 55 percent



## Things that did not Change

- STBG set-aside retained for off-system bridges
- Recreational Trails Program
  - Continues as a set-aside from TAP funds
  - Funded at same level throughout the Act
  - MAP-21 opt-out provision remains
- Congestion Mitigation and Air Quality
- Performance measures
  - No new measures
  - Still limited to the National Highway System (NHS)



## New Highway Programs

- National Highway Freight Program
  - Formula-based program
  - Authorized \$6.2 billion over five years
  - Iowa’s share is 1.26 percent
- Nationally Significant Freight and Highway Projects Program
  - Competitive grants awarded by U.S. DOT
  - Authorized \$4.5 billion over five years



## National Highway Freight Program

- Apportioned funds
  - Iowa: 1.26 percent
    - FY 2016: \$14.4 million
    - FY 2017: \$13.7 million
    - FY 2018: \$15.0 million
    - FY 2019: \$16.9 million
    - FY 2020: \$18.7 million
- Funds are for infrastructure and operational improvements that facilitate freight movement on ---
  - any component of the National Highway Freight Network
    - Primary highway freight network – 550 miles in Iowa
    - Critical rural freight corridors -- can add up to 150 miles in Iowa
    - Critical urban freight corridors – can add up to 75 miles in Iowa
    - Remaining portions of the Interstate System



## National Highway Freight Program

- Allows a wide range of eligible Projects (23 items)
  - Planning, development and other preconstruction activities
  - Construction, reconstruction, rehabilitation and operational improvements directly related to system performance
  - ITS and use of other technology to improve flow of freight and truck freight efficiencies
  - Environmental mitigation
  - Truck only lanes, climbing and runaway truck lanes
  - Adding capacity to address bottlenecks

And any other surface transportation project to improve the flow of freight into and out of freight rail or water facilities.



## National Highway Freight Program

- A State may obligate no more than 10 percent of annual apportionment for freight intermodal or freight rail projects –
  - Within the boundaries of public or private freight rail or water facilities (including ports); and
  - That provide surface transportation infrastructure necessary to facilitate direct intermodal interchange, transfer, and access into or out of the facility.
- Effective in two years, a State may not obligate funds apportioned for the NHFP unless the State has developed a State Freight Plan



## Nationally Significant Freight and Highway Program

- Competitive Program
  - Projects on the National Highway Freight Network; or highway or bridge project on the National Highway System.
  - Targeted toward projects larger than \$100 million and individual grants of at least \$25 million.
  - 10 percent for smaller projects and \$5 million grants
  - 25 percent reserved for rural projects
  - Federal share may not exceed 60 percent
  - Grant awards subject to Congressional review



## Planning

- Retains planning structure and performance-based planning requirements from MAP-21
- Adds new planning factors
  - Resilience and reliability
  - Travel and tourism
- Adds public ports, freight shippers, and intermodal facilities supporting intercity buses as part of planning process
- Additional state long-range plan requirements
  - State's performance measures and system performance report
  - Performance measures for transit agencies outside of MPOs



## Rail

- Includes authorizations for rail programs for the first time.
- Increases funding for highway-rail grade crossings (FFY 16 appropriations went beyond FAST Act – additional \$2.1 million for Iowa).
- Requires highway-rail grade crossing action plan update and progress report.
- Includes rail as part of a National Multimodal Freight Network and eligible for freight funding.
- Includes several provisions related to hazardous material safety.
- Several freight and passenger rail programs authorized but not funded in FFY 2016



## Transit

- Programs remain basically unchanged
- Modest increase in funding for formula bus and bus facilities programs.
- Modest increase in other FTA programs
- Creates a national bus replacement discretionary program.
  - 10 percent must go to rural areas
  - Must consider age and condition of buses
  - Statewide applications are allowed.



## Drivers, Vehicles and Commercial Motor Carriers

- To achieve the goal of improving safety, many sections related to Drivers, Vehicles, Commercial Drivers and Motor Carrier operations were revised. For example:
  - Teen driver safety and training was expanded to include increased awareness of commercial motor carrier traffic
  - Adjustments to the CDL program to assist veterans
  - Distracted driving awareness and “share the road” training
  - Public awareness of the dangers of drug-impaired driving and a study on marijuana-impaired driving
  - Study the use of technology to improve safety and transportation efficiency including autonomous/connected vehicle



### Transportation Finance and Research

- Adjustments to various bonding and finance programs
- Even providing \$95 million for states to test mileage based alternative revenue mechanisms
- Research on the reduction of traffic congestion
- Study the actions needed to upgrade and restore the Interstate System
  
- Many more research provisions and studies
  
- Leadership says that they want to begin working on a long term financing solution – before 2020

