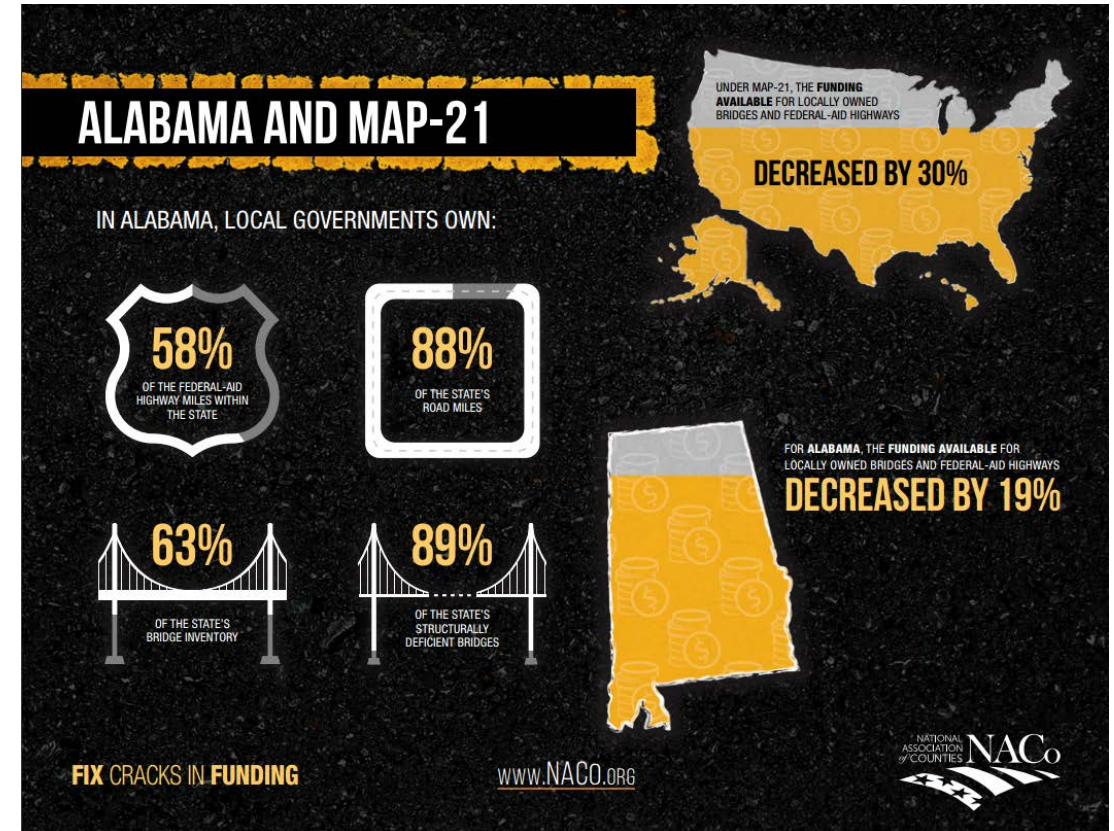

Breaking Down the FAST Act: A Debrief on Surface Transportation Legislation

May 11, 2016



FAST Act | MAP-21 and the Reauthorization Process

- Passed summer of 2012, the **Moving Ahead for Progress in the 21st Century (MAP-21)** was a two year **bill** due to Highway Trust Fund Solvency
- MAP-21 was set to expire **September 20, 2014**, but was **extended five times**, similar to many other bills
 - TEA-21 (1998-2003, extended 12 times)
 - SAFETEA-LU (2005-2009, extended 10 times)
 - MAP-21 (2012-2014, extended 5 times)



FAST Act | Reauthorization Process

- The FAST Act represents a compromise between the reauthorization bills that came out of the House and Senate
 - Senate Bill: Developing a Reliable and Innovative Vision for the Economy (DRIVE) Act, six-year bill with three years of funding
 - House Bill: Surface Transportation Reauthorization and Reform (STRR) Act of 2015, six-year bill and partial funding

Timeline of the FAST Act

- Oct. 29: Congress passed a short-term funding solution
- Nov. 6-30: Conference negotiations
- Dec. 1: Conference report “FAST Act” filed
- Dec. 3: House and Senate pass the FAST Act
- Dec. 4: President signs the FAST Act into law

FAST Act | County Priorities

- On December 3, the FAST Act was passed by both House and Senate that addresses **several county transportation priorities**:
 - Provides **long-term** certainty
 - Increased funding for **locally owned infrastructure**
 - Puts more funding into the **hands of local decision-makers**
 - Protects funding for **off-system bridges**
 - Provides funding for **rural and urban public transportation systems**
 - Builds on reforms for MAP-21 to **expedite project delivery**

MAP-21 vs. FAST Act Comparison Chart



County Priorities	MAP-21 (Public Law 112-141)	FAST Act (H.R. 22)
Long-term Funding Certainty <i>Counties need long-term funding certainty to plan, fund and deliver transformative transportation projects.</i>	<ul style="list-style-type: none"> • MAP-21 was passed in the summer of 2012 and provided a two-year authorization of surface transportation programs, which has been extended four times. 	<ul style="list-style-type: none"> • The FAST Act is a fully funded five-year authorization of surface transportation programs.
Increased Investment <i>Current levels of federal spending on transportation have failed to meet the needs of America's infrastructure, including county owned highways, bridges and transit systems.</i>	<ul style="list-style-type: none"> • MAP-21 authorized a total of \$105 billion from FY13 – FY14 for highway and transit programs (an average of \$52.5 billion per year). 	<ul style="list-style-type: none"> • The FAST Act authorizes a total of \$280 billion in spending from the Highway Trust Fund over FY 16 – FY 20 for highway and transit programs (an average of \$56.2 billion per year).
Increased Funding for Locally Owned Highways and Bridges <i>Counties and other local governments are major owners of the nation's transportation system, collectively owning 50 percent of the National Bridge Inventory and 78 percent of the nation's road miles, including 43 percent of all federal-aid highways.</i>	<ul style="list-style-type: none"> • MAP-21 consolidated and eliminated a number of federal-aid highway programs, including some that provided funding for county infrastructure. Overall, these changes caused a 30 percent decrease in the funding available to locally owned highways and bridges. 	<ul style="list-style-type: none"> • The FAST Act makes more federal-aid highway dollars available to locally owned highways and bridges. The bill also increases the overall funding for the Surface Transportation Program (STP) – now rebranded the Surface Transportation Block Grant Program (STBGP) and opens up the National Highway Performance Program (NHPP) to support all on-system bridges – essentially making an additional \$116.4 billion available to locally owned infrastructure, which more than repairs the 30 percent decrease in funding that occurred under MAP-21.

www.naco.org/map21



FAST Act | Funding Growth

Program	Avg. Annual Funding (millions)	Change from FY 2015
National Highway Performance Program	\$ 23,280	+6.3%
Surface Transportation <u>Block Grant</u> Program	11,654	+15.6
<i>Transportation Alternatives Set-aside</i>	[760]	+3.3
<i>Recreational Trails Program Set-aside</i>	[84]	0.0
<i>Surface Transportation Block Grant Program (net of TA & Rec Trails)</i>	[10,809]	+7.3
Congestion Mitigation & Air Quality Improvement	2,405	+6.1
Highway Safety Improvement Program	2,317	+5.7
Railway-Highway Crossings Program	235	+6.8
Metropolitan Planning	343	+9.5
National Highway Freight Program	1,249	NEW +100.0

FAST Act | Surface Transportation [Block Grant] Program

- The FAST Act converts the long-standing Surface Transportation Program into the Surface Transportation *Block Grant* Program
- STP/STBGP sees greatest growth percentage at 15.6% and sub-allocation increases from 50% to 55% by the final year of the bill

Alabama STBGP

MAP-21	\$195,953,332
FY 16	\$205,091,842
FY 17	\$210,296,348
FY 18	\$214,809,618
FY 19	\$218,969,256
FY 20	\$224,144,394

Alabama Sub-Allocation Totals

MAP-21	\$100,605,922
FY 16	\$104,596,839
FY 17	\$109,354,101
FY 18	\$113,849,098
FY 19	\$118,243,398
FY 20	\$123,279,417

FAST Act | Bridge Funding

- The FAST Act will provide continued **set-aside funding for off-system bridges** (also referred to as non-highway bridges)
 - Alabama will continue to set-aside **\$11.8 million annually** for off-system bridges
- The FAST Act makes an additional \$116.4 billion available for county-owned bridges by allowing all on-system bridges (or highway bridges) to be funding through the **National Highway Performance Program (NHPP)**
 - Alabama total NHPP apportionment (FY 2016-2020): **\$2.38 billion**

FAST Act | Project Delivery

The FAST Act expands and creates reforms at reducing project delays in a number of ways, including:

- Allows and encourages the use of a **single environmental review document** throughout the entire process and among multiple agencies.
- Adds to MAP-21's efforts to **use deadlines to reduce delays** in the transportation project review and approval process.
- Delegates regulatory **responsibilities to the states**.
- Expedites or exempts **regulatory requirements in emergency situations**, building upon the creation of a CE for emergency situations in MAP-21, the FAST Act provides further exemptions and expedited regulatory procedures for "any road, highway, railway, bridge or transit facility that is damaged by an emergency."
 - Federal Clean Water Act, Endangered Species Act, National Historic Preservation Act, and Migratory Bird Treaty Act
- Includes inflation provision to incrementally increase the threshold defining a **categorical exclusion for projects of limited federal assistance** (\$5 Million and \$30 Million under MAP-21)
- Provides for the ability to **utilize local design standards** in lieu of state standards
- **Codifies the "Every Day Counts" initiative**, which promotes innovative technologies and accelerated project delivery methods
- Provides opportunities for local governments to collaborate with USDOT to ensure the effective use of federal funding

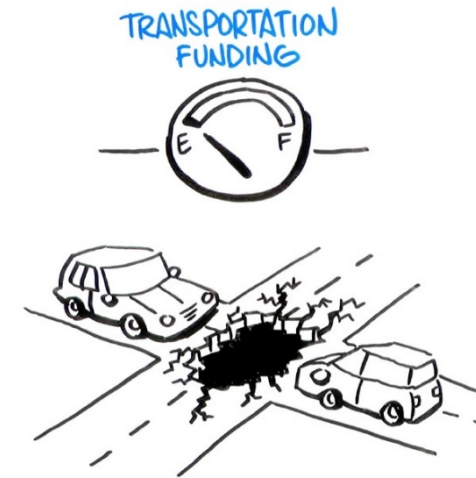


FAST Act | Highway Trust Fund (HTF)

- HTF was created in 1956 and gas was raised to 3 cents/gallon and 100% of revenue was dedicated to pay for interstate highway system.
- HTF pays for federal highway and transit programs
 - Federal gas tax (63% of HTF revenue)
 - Diesel tax (24% of HTF revenue)
- Increased spending: \$65 billion in transfers since 2008

Current tax revenue status:

- Diesel tax: 24.4 cents/gallon
- Gas tax: 18.4 cents/gallon



FAST Act | Project Delivery

- Five-year fully funded bill, longest measure in over a decade
- Congress used numerous pay-fors to offset a \$75 billion transfer to the HTF so it could fully fund a five-year reauthorization bill, including:
 - Increase National Highway Traffic Safety Administration (NHTSA) civil penalties (\$423 million)
 - Passport revocation for tax scofflaws (\$395 million)
 - Allow the IRS to hire private tax collectors (\$2.408 billion)
 - Customs fee indexation for inflation (\$5.188 billion)
 - Federal Reserve surplus account transfer (\$53.334 billion)
 - Federal Reserve dividend payment reduction (\$6.904 billion)
 - Strategic Petroleum Reserve sale of 66 million barrels (\$6.2 billion)
 - Office of Natural Resources Revenue (ONRR) royalty overpayment fix (\$320 million)
 - Total = \$75.172 billion

FAST Act| Thank You!



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