

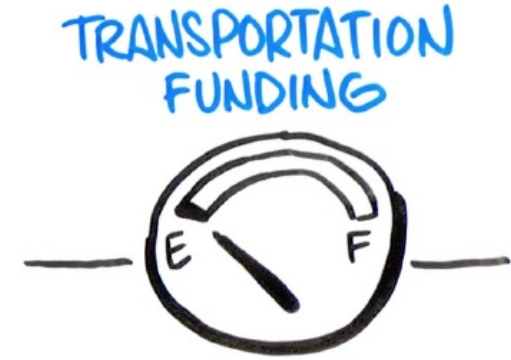
The FAST Act: Update on Surface Transportation Legislation

December 16, 2015



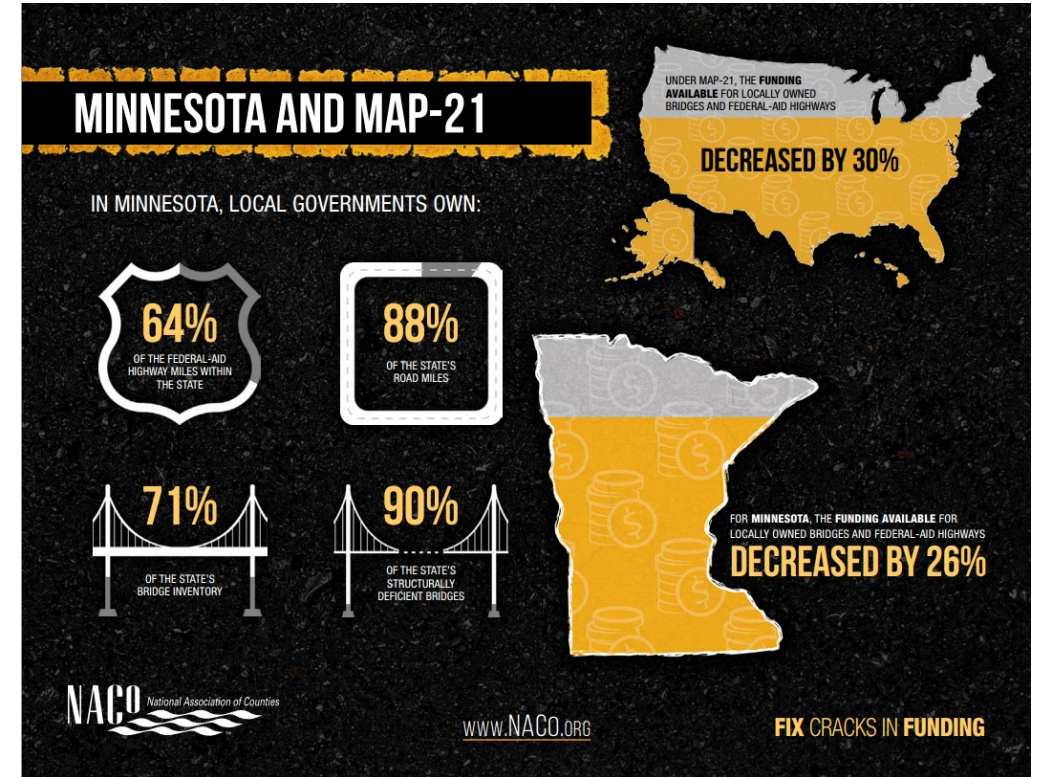
FAST Act| Overview of Webinar

1. Reauthorization process
2. How the [FAST Act \(H.R. 22\)](#) addresses county priorities
3. Other programs and provisions in the [FAST Act](#) and interest to counties
4. What's next for transportation policy and funding



FAST Act| Reauthorization Process of MAP-21

- 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 30, 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| 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| 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.

FAST Act| Long-term Certainty

- 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| Increased funding

Increases funding for locally owned infrastructure in several ways:

- Increases funding for the Surface Transportation Program (STP) (\$4 billion more over five years)
- Allows for all highway bridges (not just those on the “National Highway System”) to be funded through the National Highway Performance Program
- Makes an additional \$116 billion available for county-owned highway bridges

FAST Act | Local decision-makers

- The FAST Act increases the amount of STP funds that are sub-allocated to local decision-makers and local areas by \$3 billion over five years, increasing the sub-allocation percentage from 50% in FY 2015 (where it is today) to 55% in FY 2020.
- Sub-allocation means: portion of STP funds that are required to be obligated in rural, mid-sized and urban areas in proportion to their relative shares of the State's population. The remaining amounts (amount of STP funds that are not sub-allocated are able to be spent in any area of the state (urban, rural or mid-sized) – that portion is entirely under the discretion of the State DOTs.



County Priorities for Surface Transportation Reauthorization

Counties play a critical role in the nation's transportation system. They are responsible for building and maintaining 230,690 bridges and 45 percent of all public roads (compared to the 32 percent of public roads owned by cities and townships, 19 percent by states, and 3 percent by the federal government), and are involved in a third of the nation's transit systems and airports that connect residents, communities and businesses.

Although counties are major owners and operators of the nation's transportation assets, they are significantly limited in their ability to raise revenue for transportation investments. In fact, 43 states have some type of limitation on the property taxes collected by counties, including 38 states that impose statutory limitations on property tax rates, property tax assessments or both. Only 12 states authorize counties to collect their own local gas taxes, which are limited to a maximum rate in most cases and require additional approvals for implementation. Due to these funding constraints, counties need a strong federal program that supports locally-owned roads, bridges and transit systems.

With the current extension of MAP-21 expiring in October, NACo urges Congress to pass a multi-year reauthorization bill that provides long-term certainty and supports the following county surface transportation priorities:

- **Provide Long-Term Funding Certainty:** Support passage of a new surface transportation authorization that provides long-term funding certainty by raising the federal gas tax or finding alternative sources of revenue to make the Highway Trust Fund solvent.
- **Increase Funding for County Road and Bridge Projects:** Support county road and bridge projects by: 1) maintaining the set-aside for off-system bridges and continuing states' ability to reduce the set-aside requirement if there are insufficient off-system bridge needs; and 2) providing more funding for locally-owned on-system roads and bridges by increasing the overall funding level for the Surface Transportation Program (STP) and continuing the STP suballocation to local areas but increasing the share to greater than 50 percent.
- **Increase the Role of Counties in Statewide Planning:** Provide an increased role for counties in statewide transportation planning by: 1) requiring that state departments of transportation, at a minimum, cooperate with local government officials (including county transportation officials) in the development of planning and funding allocation processes, including the development of State Strategic Highway Safety Plans; and 2) requiring that state departments of transportation coordinate with local government officials in defining the term "high risk rural road" – or developing a federal definition of the term "high risk rural road" after considering input from state and local stakeholders and other performance measurements.



FAST Act | Off-system bridges & urban/rural transportation systems

Off-System Bridges

- The FAST Act continues the set-aside funding under the Surface Transportation Program for “off-system” or non-highway bridges. This set-aside provides \$776 million annually. This is a critical provision for counties since the majority of bridges we own are off-system.

Rural & Urban Public Transportation Systems

- Increases both rural and urban formula programs. Also creates (or reestablishes) discretionary grants for buses and bus facilities.

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 multiples 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](#).
 - Legislation creates a delegation pilot program for up to five states currently enrolled in U.S. DOT's NEPA delegation
- 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

FAST Act| Additional Programs

Other programs and provisions in the FAST Act of possible interest to counties:

- Freight Programs
 - National Freight Program
 - Nationally Significant Freight and Highway Projects Program:
- Transportation Alternatives Program (TAP) – Funding and Eligibility
- Federal Lands Access Program (FLAP)
- Transportation Infrastructure Finance and Innovation Act (TIFIA) Program
- Highway Trust Fund Language
- Bundling Opportunities

FAST Act| Thank You!



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