



MEMORANDUM

TO: Southwest Washington Regional Transportation Council Board of Directors
FROM: Matt Ransom, Executive Director *MR*
DATE: September 1, 2015
SUBJECT: Federal Legislative Update

AT A GLANCE – INFORMATION

The purpose of this memorandum is to keep the RTC Board apprised of Federal legislation and funding stats.

BACKGROUND

Congress is facing a short term need to appropriate new revenue for continued implementation of MAP-21 or adopt a new surface transportation act to ensure the continued flow of federal gas tax and supplemental transportation investment funds. As of July, Congress approved a three-month appropriation of funds for the federal program.

CURRENT STATUS

On July 29, Congress passed a three-month extension of the MAP-21 authorization which extends the current surface transportation funding and programs until October 29, 2015. The three-month extension is supposed to give the House the opportunity to introduce and act on its own version of a multi-year surface transportation reauthorization bill and then go to conference with the Senate’s DRIVE Act bill this fall.

On July 30, the Senate passed a new six-year (with three years of designated funding) surface transportation bill; the DRIVE Act. The Senate’s DRIVE Act would replace the current law bill MAP-21. Highlights of the Senate’s bill are outlined below.

RTC (and WSDOT) continue to operate the federal components of the MAP-21 surface transportation program with the assumption that the flow of Federal funds will continue at current funding levels, per the current three-month funding extension. RTC is currently in the middle of a call for projects for the YR 2019 regional federal formula grant funds and expects completion of that process in October.

DRIVE ACT - POLICY DEVELOPMENTS

The Senate’s DRIVE Act is a major overhaul of the federal surface transportation program in relation to both funding and policy programs. If adopted by the House (as is), RTC and member agencies will be affected. Major provisions of the Senate’s DRIVE Act are highlighted below, and are also detailed on the attachment to this memorandum.

Summary Highlights:

- **The DRIVE Act is a brand new 6-Year Federal policy bill and funding program.** The Act replaces current law MAP-21 and provides a new funding model which increases (indexes) over the term of the bill.
- **Maintains the MPO Process.** The bill maintains the statewide and metropolitan planning processes to continue advancement towards a performance-based approach to transportation decision making (ie. performance metrics in MAP-21). Most major elements of the MPO process are maintained, with select minor refinements.
- **Maintains the core funding programs.** Over the term of the bill, RTC and member agencies will benefit from increased formula allocation of funds for the major grant programs (ie. STP, CMAQ, TAP).
- **Provides dedicated funding to focus on freight and goods movement.** The bill establishes a formula funding program for nationally significant freight corridors. Initial recommended formula authorization starts at \$2 Billion per year in 2016 and increases over the term of the Act.
- **Provides a Major Projects funding program.** Tiger grants are retooled into a Major Projects competitive grant program, which is authorized at \$300 Million in year 2016 and increases over the term of the Act.
- **Increased funds for bridge maintenance.** The bill dramatically increases the funding to maintain and repair bridges, particularly those regional priorities which are not on the national highway system.

NEXT STEPS

RTC staff will continue to monitor the federal transportation funding status and development of the proposed policy bills (DRIVE Act) when Congress reconvenes this fall. Should flow of federal funds be in jeopardy prior to Congress acting on a new surface transportation bill, then staff will return with recommendations for how to address project programming in the Transportation Improvement Program and related adjustments to the MPO planning programs.

DRIVE ACT - DEVELOPING A RELIABLE AND INNOVATIVE VISION FOR THE ECONOMY ACT

DRIVE Act provides six-years of funding, giving state and local governments the certainty, flexibility, and stability they need to improve and develop our nation's transportation infrastructure.

Highlights of the legislation include:

- Long-term funding certainty for state and local governments to support multi-year transportation project investments;
- Prioritizing funding for existing core transportation formula programs to provide states and local governments with a strong federal partner;
- Prioritizing the Interstate System, the National Highway System, and bridges at risk of funding shortfalls;
- Creation of a new multi-billion dollar per year freight program to help states deliver projects that promote the safe, efficient, and reliable transportation of consumer goods and products that is on top of the existing formula programs;
- Greater efficiency in environmental review and project delivery process through improved collaboration, deadlines, and reduced duplication;
- Greater transparency on the use of federal funds to show taxpayers where their infrastructure dollars are being spent and reinforce public trust; and
- Support for innovative financing tools that allow state and local governments to leverage federal funds for transportation projects and maximize investments, particularly in rural areas.

Authorizations and Programs

Supports for core formula programs

- The bill reauthorizes the Federal-aid highway program and maintains formula program structure and increases the amounts each state will receive each fiscal year.
- The existing consolidated core highway program structure is maintained, including: the National Highway Performance Program; the Highway Safety Improvement Program; the Surface Transportation Program; and the Congestion Mitigation and Air Quality Improvement Program.

Prioritizes bridges and large, nationally-important facilities

- The bill dramatically increases the funding to maintain and repair bridges off of the National Highway System, as these bridges often struggle to find a reliable funding stream.
- The bill also shifts additional revenue towards the Interstate System and the National Highway System to address the significant maintenance backlog on those facilities.

Provides dedicated funding to focus on freight and goods movement

- The bill establishes a formula-based freight program, which will provide funds to all states to improve goods movement, reducing costs and improving performance for business.
- It expands flexibility for both rural and urban areas to designate key freight corridors that match regional goods movement on roads beyond the Primary Highway Freight System.
- The legislation improves efforts to identify projects with a high return on investment through state freight plans and advisory committees established under MAP-21.

Funds major projects

- The bill provides funds to major projects of high importance to a community, a region, or the nation through a competitive grant program.
- The program includes a set-aside for rural areas and ensures an equitable geographic distribution of funds.

Extends user fee to electric vehicles

- As ownership of electric and alternatively fueled vehicles continues to constitute a larger percentage of users, this bill ensures all motorists pay their fair share.

Requires Highway Trust Fund transparency

- The legislation includes new provisions to improve the transparency of how and where transportation projects are selected and funded, to ensure that stakeholders and the public have faith in the integrity of highway programs and the use of federal tax dollars.
- The improved transparency provisions will provide to the public better accountability on how the Federal Highway Administration is utilizing their administrative expenses as well as progress towards achieving national goals and improving federal reviews of highway projects.

Improves TIFIA program

- The bill updates the Transportation Infrastructure Finance and Innovation Act (TIFIA) program and provides state and local government's new options for stretching transportation dollars and increasing efficiency and utilization.
- The bill also improves the process whereby a TIFIA loan can be used to capitalize a State Infrastructure Bank, providing increased leverage for small, rural projects that was previously unavailable.
- Accelerates project delivery and increases flexibility
- Building on the reforms in MAP-21, the bill continues to accelerate the project delivery process while protecting the environment and public health.
- New reforms would improve collaboration between the lead agency and the participating agencies, allow for greater reliance on documents prepared during the planning process, and reduce duplication between agencies involved in the federal environmental review and permitting process.

Funds Rural Areas, Federal Lands, and Tribal Transportation Highway Programs

- The bill empowers states to work with DOT to develop ways to effectively utilize flexibilities for small projects, with new options to bundle rural road and bridge projects to increase efficiencies and better respond to community needs
- The bill prioritizes funding levels for these programs to support maintenance and construction of roads and bridges on tribal and federal lands.
- The bill also authorizes funds for nationally significant federal lands and tribal transportation projects, recognizing that there is a significant maintenance and repair backlog on these facilities.

Maintains State and Metropolitan Transportation Planning

- The bill maintains the statewide and metropolitan planning processes to continue the development towards a performance-based approach to transportation decision making.

#DRIVEAct
@EPWRepublicans