

MID AMERICA FREIGHT CONFERENCE 2012 / MINNEAPOLIS, MN  
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# Washington Update on Federal Transportation Reauthorization The Status of Freight

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**AASHIO**  
THE VOICE OF TRANSPORTATION

# A Legacy for Users

- SAFETEA-LU – Where We Are Now
- Current State of Play in Congress
- What's Next



# Needs

Nationally, meeting only about 1/3 of roughly \$200 billion required each year to maintain and improve the system

At federal level, also meeting only about 1/3 of needs – we face a \$400 billion federal funding gap over next 6 years under current policies and revenues

EXHIBIT ES-1: AVERAGE ANNUAL CAPITAL NEEDS AND GAP ESTIMATES, ALL LEVELS OF GOVERNMENT, 2008–35 (in 2008 dollars)

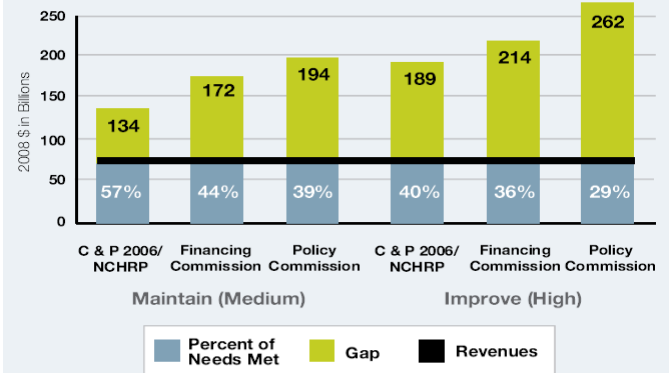
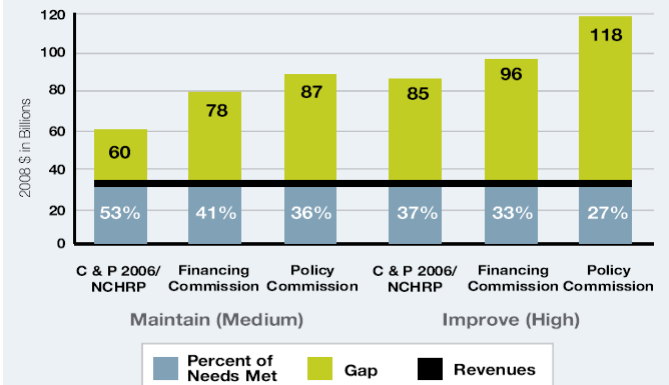


EXHIBIT ES-2: AVERAGE ANNUAL CAPITAL NEEDS AND GAP ESTIMATES, FEDERAL GOVERNMENT, 2008–35 (in 2008 dollars)

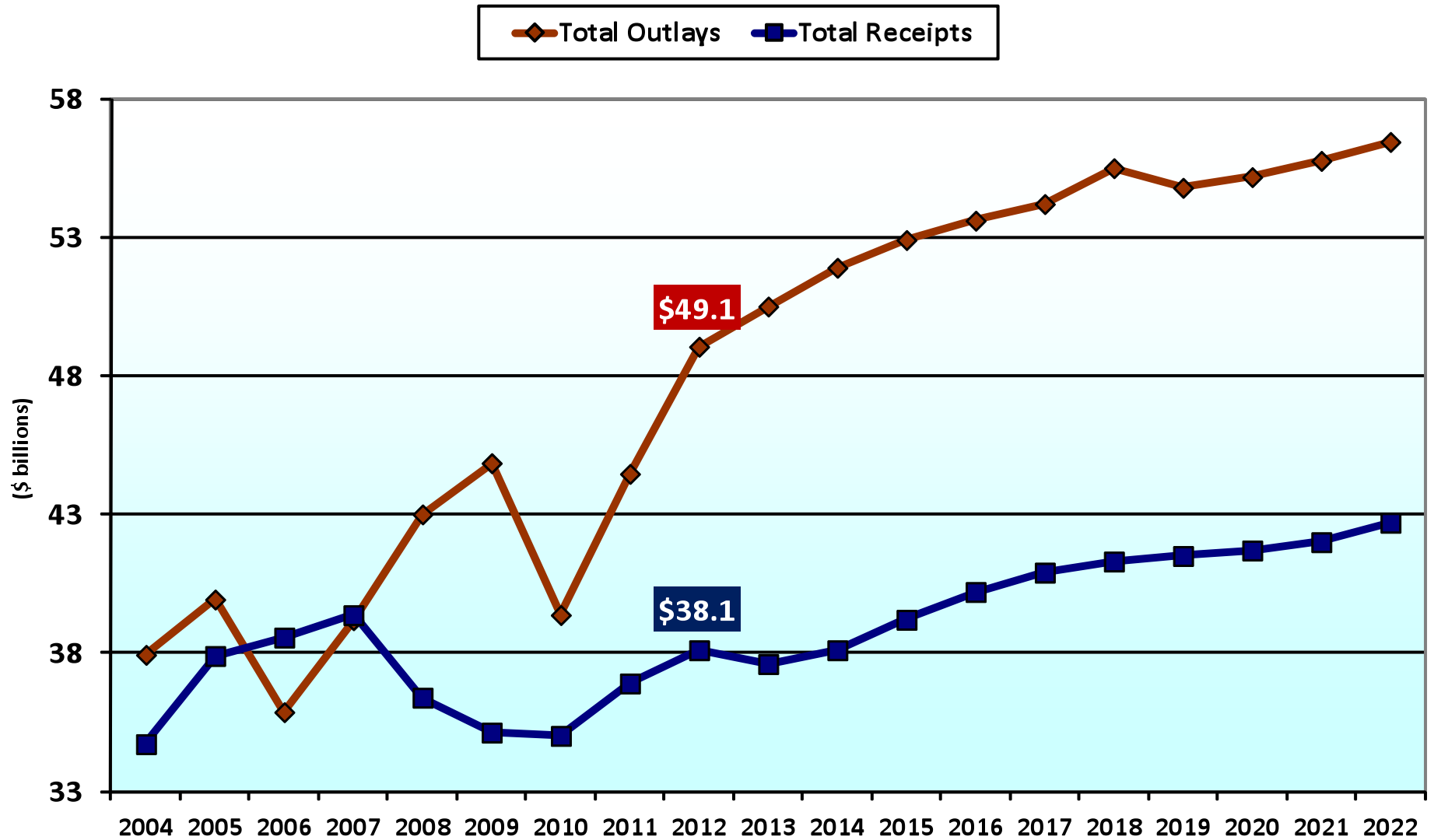


# AASHTO Legislative Recommendations

- Congress should pass a long-term surface transportation authorization to meet the nation's needs. **\$500 Billion over 6 years**
- Federal government must identify a **national, multi-modal freight transportation network**
- Within the Federal Highway Program, create a dedicated **freight** program utilizing both the Highway Trust Fund as well as new sources of revenue.
  - **\$60 Billion over 6 years**
    - ❖ \$18 Billion from the HTF for Highway-Only Projects
    - ❖ \$42 Billion from new revenue sources
  - **50% apportioned to States by formula; 50% discretionary**



# Highway Trust Fund: Receipts and Outlays Discrepancy



Note: Excludes \$8.017 billion transfer from General Fund to Highway Account of HTF in September 2008; \$7 billion transfer from General Fund to Highway Account of HTF in August 2009; \$19.5 billion transfer from General Fund to Highway and Mass Transit Accounts of HTF in March 2010.

# Where We Are Now

- SAFETEA-LU 2005: \$244.1 billion; 4-years Outlays will exceed receipts by 2008
- September 2008: \$8.017 billion General Fund transfer to the Highway Trust Fund
- August 2009: \$7 billion General Fund transfer to the Highway Trust Fund
- September 30, 2009: SAFETEA-LU expired
- March 1, 2010: Highway Trust Fund shutdown for two days
- March 18, 2010: \$19.5 billion in foregone interest payments credited to the Highway Trust Fund
- June 30, 2012: Ninth and current SAFETEA-LU extension expires
- Fiscal Year 2013: Highway Trust Fund projected to become insolvent



# Where We Are Now

- Yesterday: House passed 10<sup>th</sup> SAFETEA-LU extension. 90-days. Will expire September 30, 2012, the close of Fiscal Year 2012.
  - Includes Keystone XL pipeline title
  - Awaits conference with Senate
  - Potential Veto?
- Tuesday: Senate Transportation, Housing and Urban Development (THUD) Appropriations Subcommittee passes \$53.4 billion budget proposal
  - \$3.9 billion reduction from FY 2012
  - \$500 million for TIGER V



# Current State of Play - Senate

- **S 1813 - MAP-21** introduced November, 2011
  - 2-Year, \$109 billion authorization; \$14 Billion in offsets
  - Committee Markup
    - ❖ EPW: *Passed Unanimously*
    - ❖ Banking: *Passed Unanimously*
    - ❖ Commerce: *Passed 15-13*
      - Surface Transportation Policy Act & FREIGHT Act
  - Floor Markup
    - Surface Transportation and FREIGHT Act of 2012 rolled into MAP-21 under Title III
  - Passed 74-22





# MAP-21 Freight Provisions

## Highway

- National Freight Program
  - 5.7% of program balance following CMAQ and MPO
  - State apportionment based on proportion of primary freight network to total of network and other Interstate mileage
  - \$4+ Billion for Freight in formula; \$1 Billion discretionary
- National Freight Network
- Enhanced National Highway System (NHS)
- National Freight Strategic Plan and Policy
- Truck Parking; Truck Size & Weight; Emergency



Permits

# MAP-21 Freight Provisions

## Rail

- National Freight Network Eligibility
  - 10% of Freight Apportionment
- Sec. 130 dedicated funding for Rail Crossing/Safety Projects eliminated

## Maritime

- National Freight Network Eligibility
- “Sense of the Senate” on the Harbor Maintenance Trust Fund
  - HR 104 – Realizing America’s Maritime Promise (RAMP) Act



# MAP-21 Freight Provisions

## Performance Management

## Projects of National and Regional Significance

- \$1 billion (est.) for discretionary

## TIFIA

## Research

- National Freight Cooperative Research Program retained



# Title III of MAP-21

(a) Policy...The system shall be built, maintained, managed, and operated as a **partnership between the Federal, State, and local governments and the private sector** and shall be coordinated with the overall transportation system of the United States, including the Nation's air, rail, pipeline, and **water** transportation systems. The **Secretary of Transportation** shall be responsible for carrying out this policy.



# State Issues

- **Planning**
  - Designation of freight routes
  - Defining and selecting freight projects
  - Cross-Mode analysis
- **Performance Measures**
- **Multi-State cooperation**
- **State-Local cooperation**



# Current State of Play - House

- **HR 7 – American Energy and Jobs Act** introduced
  - 5-Year, \$260 Billion Authorization
  - Includes Keystone XL and Federal Employee Pension titles
  - Decoupled Transit Account, offset by 1-time \$40 billion General Fund Transfer
- **Committee Markup**
  - Truck Size and Weight and Other Amendments
- **Eventual Floor Markup?**
  - Only Keystone XL title has been cleared for House floor. Was passed on 18 April as part of 10<sup>th</sup> SAFETEA-LU extension
  - Transit proposal may not have enough support



# HR 7 Freight Provisions

**National Freight Policy**

**State Freight Plans and Advisory Committees**

**Freight Performance Management**

**Truck Parking**

**Truck Size and Weight**

- Amendment to raise federal limits defeated in Committee Markup
- Certain Allowances passed; 3 state pilot and triples
- 3-Year Study passed



# HR 7 Freight Provisions

## Maritime

- “Sense of the Congress” on the Harbor Maintenance Trust Fund
- HR 104 RAMP Act

## Safety

- Sec. 130 Rail Crossing retained

## Research

- NCFRP phased out





# What's Next

## Conference?

- Stick with the original plan (5 years @ \$260B) with dedicated MTA funding?
- Take up a shorter version with policy changes (e.g. 18 months)?
- Take up the Senate bill as-is (HR 14)?
- Take up the Senate bill with amendments?

## Extensions?

- Punt until the votes can be found?
- Punt and let the program gradually wind down?



# Reality Sets In

- 9<sup>th</sup> SAFETEA-LU extension passed. New expiration date is 30 June 2012
- FY 2012 Appropriations close to MAP-21 authorization levels. However outlays still outpace receipts.
- \$4 a gallon gas...
- Ryan Budget Resolution
- 2012 Elections



# External Legislative Issues

- Backlog of critical Coastal and Inland Maintenance dredging projects in advance of Panama Canal widening
  - HMTF balance over \$6 Billion; USACE FY13 budget request <\$1 Billion
  - WRDA Authorization with no earmarks
- MARAD Authorization
- RRIF loan program reform
- President Obama's National Export Initiative (NEI)
- Sustainability, Energy, Livability



# Freight in the States

- **Staffing**

- Over 30 DOTs have dedicated Freight staff lead and/or Freight Office

- **Dedicated Funding**

- **Planning**

- 49 states have either a State Rail Plan or an integrated rail element of overall STIP (PRIIA 2008). Many have integrated Freight Plan

- **Professional Development**

- FHWA Office of Freight
- I-95 Corridor Coalition Freight Academy

- **Regional Advocacy and Support**

- C-FIRE Mid America Freight Coalition
- Institute for Trade and Transportation Studies



# AASHTO Freight Transportation Network



Highway



Water



Intermodal



Rail



Aviation




# AASHTO Freight Committees



Subcommittee on Highway Transport

**SCOHT**



Standing Committee on Rail Transportation

**SCORT**



Standing Committee on Water Transportation

**SCOWT**



Special Committee on Freight  
and Economic Development

**SCITEE**



# Thank You

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