



PORTS-TO-PLAINS ALLIANCE

Securing the Benefits of Commerce to
North America's Energy & Agricultural Heartland

A Comparison between FAST Act and Ports-to-Plains Alliance Federal Recommendations

The purpose of this paper is to evaluate the *Fixing America's Surface Transportation Act* (FAST) released by the Conference Committee on Transportation on Tuesday, December 1, 2015 in relationship to Ports-to-Plains Alliance Federal Recommendations. In Spring, 2015 the Ports-to-Plains Alliance prepared a specific set of recommendations entitled *Federal Priorities of the Ports-to-Plains Alliance for Transportation Reauthorization*.

In addition to preparing the recommendations, the Ports-to-Plains Alliance also held its annual fly-in in April 2015 to Washington DC carrying these recommendations to each congressional office along the Corridor.

Exerts from these recommendations are summarized below in *bold italics* print.

Oppose Devolution

The Ports-to-Plains Alliance opposes devolution. The federal government should not abandon its constitutional role by transferring responsibility for the national transportation network to state and local governments.

The FAST Act does avoid devolution of the federal program. The Ports-to-Plains Alliance is pleased that the *Joint Explanation Statement of the Committee of the Conference* released with the bill, in the section on Federal Highways explains *Increased Flexibility* stating:

“The FAST Act converts the Surface Transportation Program (STP) to a block grant program, maximizing the flexibility of STP for states and local governments.”

As stated in the Joint Explanation Statement of the Committee of the Conference refocuses on national priorities:

“The FAST Act focuses on the importance of goods movement to the U.S. economy by establishing a new formula program for highway freight projects, and emphasizes the need to address large-scale projects of national or regional importance by establishing a new competitive grant program, the Nationally Significant Freight and Highway Projects (NSFHP) program.”

The Ports-to-Plains Alliance is pleased to see these specific focuses and funding for national priorities.

FAST continues the trend from MAP-21 to provide flexibility for states to invest federal funds. The Ports-to-Plains Alliance urges its state departments of transportation to invest those federal funds carefully with the same concern for enhancing the flow of commerce. The Surface Transportation Program (STP) is converted to a block grant program which increases the amount of STP funding distributed to local government from 50% to 55% over the life of the bill. Distribution to local governments can be obligated in proportion to their relative shares of the population of the State including in urbanized areas of the State with an urbanized area population of over 200,000; in areas of the State other than urban areas with a population greater than 5,000; and in other areas of the State; and the remainder may be obligated in any area of the State. The Transportation Alternatives Program is rolled into the STP.

States must now be held accountable to investing these flexible funds in order to further the national priorities.

Two eligible types of projects under the STP of interest to the Ports-to-Plains Alliance are truck parking facilities and border infrastructure projects.

Pass a Multi-Year Bill

The Ports-to-Plains Alliance supports a five or six year reauthorization bill, which is consistent with previous surface transportation bills and necessary for proper long-term planning. Operating under a series of short-term extensions is problematic and difficult on federal and state transportation agencies.

The FAST Act is certainly designed from a policy viewpoint to be a five year bill with five years of funding. This major piece of legislation provides much-needed long-term certainty and flexibility for state and local governments and creates opportunities for improving rural highway corridors vital to safe travel, economic development, and energy development for North America

Increase Investment

Virtually every study, including studies by two bipartisan national commissions established by Congress, have concluded that there must be a significant increase in surface transportation investment from the federal, state, and local governments, as well as the private sector.

The FAST Act does not provide the significant increase recommended by two bipartisan national commissions established by Congress. Overall funding levels for highways increased from the MAP-21 level in 2015 of \$40.3 billion annually to an average of \$44.3 billion annually over the five year period.

The focus on freight policy initially begun in MAP-21 now includes an average annual funding \$1.2 billion. The Ports-to-Plains Alliance views this as a major step forward.

Fix the Highway Trust Fund

One of the biggest challenges facing Congress in the reauthorization process is the fiscal condition of the Highway Trust Fund (HTF), which supports funding for the highway and transit programs. Simply stated, the HTF is insolvent. Current user revenues cannot support current investment levels.

While addressing the shortfalls in the Highway Trust Fund in for the next five years using offsets, the FAST Act still does not address shortfalls beyond 2020.

Prioritize Rural Multi-State Corridors

America's multi-modal national surface transportation network supports and enhances the economic growth of our nation. It helps sustain our quality of life and enables the flow of interstate and international commerce that is the foundation our nation's competitive position in the global economy.

A critical part of the national network are the multi-state rural highway corridors that are essential to the development of America's energy and agricultural resources. The antiquated two-lane highways that currently serve most of these corridors were not designed to carry the number of trucks, especially heavy trucks, currently being experienced up and down these corridors. Moreover, these roads are not geometrically designed to accommodate the large trucks being used today by the energy and agricultural industries.

The FAST Act would transform the National Freight Policy provisions of MAP-21 into a new National Highway Freight Program that would fund freight-related highway improvements. The bill authorizes a five-year total of \$8.2 billion for the program. Funds would be apportioned among the states by formula, but states develop a state freight plan before obligating any funds. The FAST Act does not include the requirement to establish a freight advisory committee in order to obligate any funds under this program. The requirement to establish a freight advisory committee present in the Senate's DRIVE Act was supported by the Ports-to-Plains Alliance to assure states involved stakeholders in establishing a state plan.

The FAST Act also modifies the National Highway Freight Network created by MAP-21, and requires the redesignation of the Network every five years to reflect changes in freight flows, including emerging freight corridors and critical commerce corridors.

The increase of mileage on the primary highway freight system is limited to 3% of the total from the current base of 41,518 miles.

The Ports-to-Plains Alliance is pleased that Critical Rural Freight Corridors (CRFC) are included as a part of the National Highway Freight System. More about the specifics of CRFC will be provided below.

In addition to the National Highway Freight Network, the FAST Act creates a National Multimodal Freight Network (NMFN) to be established by the Under Secretary of Transportation for Policy. In general its establishment is aimed at assisting states and the priorities of Federal investment in strategically directing resources toward improved system performance in the efficient movement of freight. An interim NMFN is required to be established within 180 days of the signing of the FAST Act. Network components reach beyond the National Highway Freight Network to include freight rail, public ports, inland and coastal waterways, airports and strategic intermodal sites. Not more than one year following passage a final network will be established after soliciting stakeholder input. Each state may propose additional designations including Critical Rural Freight Corridors.

Address Ports-to-Plains Alliance Policy Priorities

In addition to the above recommendations, the Ports-to-Plains Alliance also supports the following reauthorization principles:

- ***General. The reforms in MAP-21 should be maintained. Continued congressional oversight of DOT implementation is critical. The Alliance supports additional reform--over and above the reform in MAP-21-- to further streamline project delivery.***

The reforms of MAP-21 are expanded as the FAST Act further streamlines the environmental review and permitting process. The Act creates a pilot program to empower states to use their own existing environmental laws and regulations instead of the National Environmental Policy Act (NEPA), if substantially equivalent.

- ***Critical Rural Freight Corridors. The Ports-to-Plains Alliance supports strengthening the requirements in MAP-21 regarding state designation of Critical Rural Freight Corridors. The provisions are currently discretionary. We support making the designation mandatory if the designation criteria are met. Only in this way will we ensure that the freight network provides access to energy exploration, development, installation, or production areas.***

The Ports-to-Plains Alliance is pleased that the FAST Act maintained the Critical Rural Freight Corridors Program. The criteria includes:

- (1) is a rural principal arterial roadway or facility;
- (2) provides access or service to energy exploration, development, installation, or production areas;
- (3) provides access or service to—
 - (A) a grain elevator;
 - (B) an agricultural facility;
 - (C) a mining facility;
 - (D) a forestry facility; or
 - (E) an intermodal facility;
- (4) connects to an international port of entry;

(5) provides access to significant air, rail, water, or other freight facilities in the State; or

(6) has been determined by the State to be vital to improving the efficient movement of freight of importance to the economy of the State.

Each state may designate a maximum of 150 miles of highway or 20% of the primary highway freight system mileage in the state, whichever is greater, as CRFCs.

This program is an opportunity for rural corridors like Ports-to-Plains to be identified as part of the National Highway Freight System because of the critical importance of energy and agriculture along the entire corridor. The CRFCs need to be identified by the states. CRFC was never given a chance to be implemented and evaluated because of the three year life of MAP-21 and because USDOT never provided guidance to states regarding the designation process. The Alliance encourages Congress to require implementation by U.S. DOT.

- ***State Freight Advisory Committees. MAP-21 directs the Secretary of Transportation to encourage states to establish State Freight Advisory Committees. The Ports-to-Plains Alliance supports requiring states to establish such committees, which are an important part of the process needed to develop a thorough State Freight Plan. Bringing together the perspectives and knowledge of public and private partners, including shippers, carriers, and infrastructure owners and operators, is important to developing a quality State Freight Plan.***

Language within the FAST Act regarding State Freight Advisory Committees is still permissive rather than requiring establishment. No funding is dependent upon establishing a State Freight Advisory Committee. While the FAST Act requires the development of a State Freight Plan that plan may be developed separately from or incorporated into the statewide transportation plans.

- ***Rural Planning. The Ports-to-Plains Alliance***
 - ***Supports maintaining the federal definition of Regional Transportation Planning Organizations (RTPOs) and an improved regional focus in the statewide transportation planning process; and***
 - ***Supports enhanced provisions requiring state DOTs to designate and fund RTPOs to help address the transportation needs of non-metropolitan areas outside the boundaries of MPOs.***

With the exception of minor word changes, the FAST Act maintains MAP-21 language and does not provide enhanced provisions requiring state DOTs to designate and fund Regional Transportation Planning Organizations (RTPOs).

- ***Focus On Freight Transportation. Freight transportation was not fully addressed in MAP-21. Ports-to-Plains Alliance supports increased investment in freight corridors, especially rural corridors that provide increased multi-state connectivity, especially north-south connectivity; connect urban centers to agricultural and energy producing areas; provide efficient, cost-effective alternatives to congested corridors; and are essential for the safe movement of today's larger trucks.***

As indicated above the Joint Statement of the Committee of the Conference highlighted the focus of the FAST Act on the importance of goods movement to the U.S. economy.

In addition to the new National Highway Freight Program and the National Multimodal Freight Network (NMFN), both including Critical Rural Freight Corridors, described above, the Act established a Nationally Significant Freight and Highway Projects program establishes a competitive grant process with dedicated funding specifically for freight projects. As indicated above this provides \$4.5 billion over the life of the FAST Act.

It is positive that the Secretary shall reserve not less than 25 percent of the amounts made available for grants, each fiscal year, for projects located in rural areas (outside an urbanized area with a population of over 200,000) and 10% of the amounts made available for grants for small projects less than \$25 million. Small projects must be between \$5 million and less than \$25 million.

Criteria for evaluation and grant match requirement include some limiting factors. Projects will be evaluated to the extent to which a project utilizes non-traditional financing, innovative design and construction techniques, or innovative technologies under Additional Considerations. Rural projects may struggle in developing this criteria. Federal funds from this grant program will only support up to 60% of the project and federal funding of all types may not exceed 80%.

- ***University Transportation Centers. The Ports-to-Plains Alliance strongly supports the continuation of University Transportation Centers program, including fairer selection criteria.***

University Transportation Centers continue as provided in MAP-21 with small increases for inflation beginning at \$72,500,000 for fiscal year 2016; \$75,000,000 for fiscal year 2017; \$75,000,000 for fiscal year 2018; \$77,500,000 for fiscal year 2019; \$77,500,000 for fiscal year 2020.

- ***Rural Corridors of National Significance. The Ports-to-Plains Alliance supports establishment of a program to demonstrate the benefits of upgrading multi-state rural highway corridors important to energy and agricultural production.***

While the FAST Act does include the Nationally Significant Freight and Highway Projects program which includes a rural component and includes Critical Rural Freight Corridors, as designated by states in both the National Highway Freight

System and the National Multimodal Freight Network, the Act does not specifically address Rural Corridors of National Significance.

- ***Truck Size and Weights. Ports-to-Plains Alliance supports efforts to harmonize the size and weight of commercial vehicles, including establishing an interstate compact as appropriate.***

The FAST Act does not address changes in truck size and weight nor allow the establishment of an interstate compact addressing size and weight..

