

Special Report:

Fixing America's Surface Transportation Act (FAST Act)



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On December 4, 2015, President Obama signed into law the Fixing America's Surface Transportation Act (FAST Act), the first federal law in over 10 years to provide long-term funding certainty for surface transportation. The Fast Act replaces the "Moving Ahead for Progress in the 21st Century Act (MAP-21)" which was enacted on July 6, 2012. The FAST Act authorizes \$305 billion over five years (fiscal years 2016-2020) for highway, public transportation, rail, research, technology, and safety programs. A major theme of the FAST Act is accelerated project delivery.

The legislation includes \$225.2 billion from the Highway Trust Fund (HTF) for highway investment - a \$20.2 billion increase over five years compared to maintaining FY 2015 funding levels. Nearly \$11 billion will support two new programs designed to help states and local governments plan for and fund Freight Mobility Projects – the National Highway Freight Program and the Nationally Significant Freight and Highway Projects Program.

Of the \$225.2 billion total, \$207.4 billion will be apportioned to the states by formula and includes a new Surface Transportation Block Grant Program (STBGP). The FAST Act provides that every state will see an increase of 5.1 percent increase in formula funds for FY 2016. This will be followed by annual increases of 2.1 to 2.4 percent between FY 2017 to FY 2020.

State Funding

The FAST Act will provide the Commonwealth of Virginia with a 10 percent increase in average funding for the FY 2016-2020 period compared to FY 2015 funding. Federal Planning Funds (PL) for Metropolitan Planning Areas will increase 7.2% (5-year average) over the FY 2015 figure, Congestion Mitigation and Air Quality Improvement Program (CMAQ) funding will increase 3.8% (5-year average) over FY 2015, and Section 5303 funds (designated by Federal Transit Administration (FTA) for transit planning and research activities) will increase 5.8% (5-year average) compared to FY 2015.

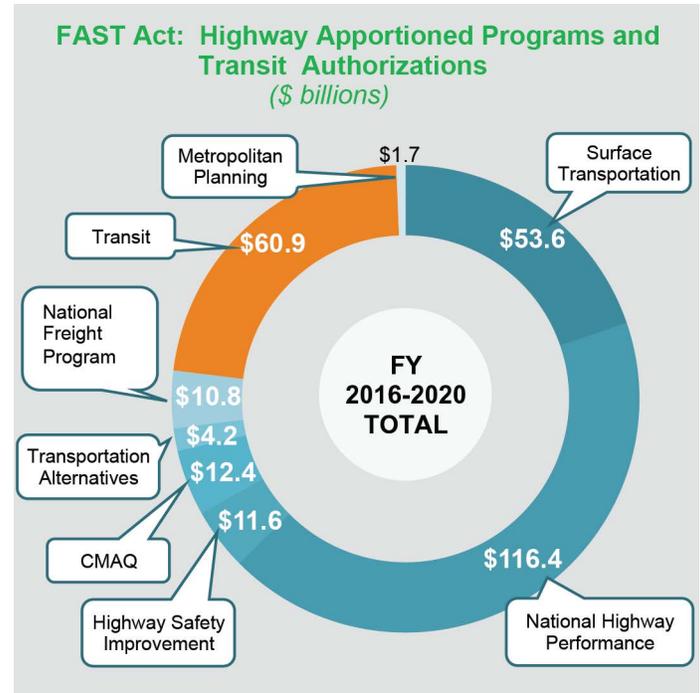
Local Funding

Local governments will receive slightly more money to invest in their priority projects with an increase in sub-allocated funds by 1 percent per year of the bill as compared to FY 2015, up to 55 percent in FY 2020 (metro areas >200k pop.). Localities will have greater access to low-cost federal loans (TIFIA) since the threshold was decreased from \$50 million to \$10 million, which allows for a wider array of project types in communities of all sizes. The Transportation Alternatives Program (TAP), a popular program for local governments, is capped at \$850 million after FY 2017 of the FAST Act.

Highway Programs

The primary change in highway funding programs is the creation of the Surface Transportation Block Grant Program (STBGP). This program represents the conversion of the Surface Transportation Program (STP) to maximize the flexibility of STP funding for local and state governments. The TAP is folded into the STBGP and is renamed as an "STBGP Set-aside," and can be applied to any STBGP eligible project.

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Freight

- Creates a National Multimodal Freight Network, which includes a National Highway Freight Network composed of the 41,518 mile network defined by USDOT plus remaining Interstate highways and additional routes as defined by States and MPOs.
- Requires all States using federal formula dollars to complete a State Freight Plan as a standalone document or as part of the State Long-Range Transportation Plan and to update it every five years (beginning in FY2018).
- Establishes a new formula-based National Highway Freight Program funded at \$6.2 billion and a Nationally Significant Freight and Highway Projects Program funded at \$4.5 billion.

Public Transportation

- Public Transportation investment levels are set to increase 10.4% in 2016, followed by annual increases of 1.6-1.7% between FY 2017 and FY 2020. This funding level exceeds inflation by a total of \$700 million over the five year life of the Act.
- Re-establishes a competitive grant program and stable formula funding for bus and bus facilities and increases dedicated bus funding by 89% over the life of the bill.
- Creates mechanisms to pool resources for transit providers by enabling cooperative procurements and leasing for small urban and rural systems. Also, the domestic content requirement under Buy America is increased from 60-65% in 2018 and to 70% in 2020.

Rail

- For the first time, a rail title is part of a major surface transportation authorization bill.
- Provides \$199 million in one-time funding for implementation of positive train control systems by commuter railroads.
- Authorizes passenger rail programs for five years and divides Amtrak's financial, business lines, and asset activities into two accounts: Northeast Corridor and National Network.
- Funds the Northeast Corridor Commission at \$5 million and the State Supported Route Committee at \$2 million annually.



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Other Highlights of the FAST Act:

Safety: The maximum fine that the National Highway Traffic Safety Administration (NHTSA) can levy against an automaker that violates safety regulations is tripled from \$35 million to \$105 million per violation. The federal government is required to revise the 5-star safety rating for new cars that are equipped with crash avoidance features. In addition, the Federal truck and bus safety grant programs are streamlined, giving more flexibility to States to improve safety in these areas.

Design Standards: Local entities using Federal dollars are now allowed to use a design guide that is different from their State DOT. The FAST Act requires entities to consider cost savings by utilizing flexibility that exists in current design guidance and regulations.

Research & Technology: The FAST Act will continue most of the MAP-21 provisions associated with federal highway research and innovation with a few changes. The legislation expands the scope of the Innovative Pavement Research and Deployment Program to stimulate deployment of advanced transportation technologies to improve system safety, efficiency, and performance. The Act includes an additional \$5 million in funding by 2019 for the University Transportation Centers (UTC) program and expands the list of Intelligent Transportation System (ITS) program goals to include enhancement of the national freight system. Furthermore, installation of vehicle-to-infrastructure equipment to reduce congestion and improve safety is encouraged. USDOT to designate national electric vehicle charging and hydrogen, natural gas, and propane fueling corridors.

For more information on the FAST Act, visit the U.S. Department of Transportation webpage at: <https://www.transportation.gov/fastact/>, the Federal Highway Administration webpage at: <http://www.fhwa.dot.gov/fastact/>, and the Federal Transit Administration at: <http://www.fta.dot.gov/FAST.html>.