FAST ACT FREIGHT PROVISIONS

Texas Freight Advisory Committee
January 25, 2016
OVERVIEW OF THE FAST ACT

DRIVE ACT (Senate) + STRR ACT (House) = FAST ACT

The FAST Act is a five year, $305 billion bill that reauthorizes surface transportation programs.
Estimated Highway Account Apportionments for Texas

- 2015: $3.33 billion
- 2016: $3.50 billion
- 2017: $3.57 billion
- 2018: $3.65 billion
- 2019: $3.73 billion
- 2020: $3.82 billion
PROMICY PROVISIONS

- DIRECTS USDOT TO CREATE TWO NEW NETWORKS:

1. National Multimodal Freight Network

2. National Highway Freight Network
FAST Act Freight Provisions  

January 25, 2016

NATIONAL MULTIMODAL FREIGHT NETWORK

- USDOT must complete a National Strategic Freight Plan every 5 years that will include processes for multi-state project delivery, and financial and regulatory barriers to freight movement.

- USDOT must designate this network within 1 year. States can offer input.

- Multimodal Network will consist of:
  - National Highway Freight Network
  - Class 1 freight railroads
  - Ports with annual foreign and domestic trade of at least 2 million short tons
  - Inland and Intercoastal Waterways
  - Great Lakes and St. Lawrence Seaway
  - MARAD Marine Highways
  - 50 US Airports with highest annual landed weight
  - Other assets as identified by USDOT (i.e. short line railroads)
Highway Freight Network will consist of four components:

1. **Primary Highway Freight System** – 41,518 mile network as identified by USDOT under MAP-21.

2. **Critical Rural Freight Corridors** – State identified network meeting certain requirements. Maximum of 150 miles or 20% of a state’s PHFS miles.

3. **Critical Urban Freight Corridors** – An MPO identified network, in consultation with a state, in areas of 50,000 population or higher meeting certain requirements. Maximum of 75 miles or 10% of a state’s PHFS miles.

4. **Interstates not already identified as part of the PHFS.**
41K PRIMARY HIGHWAY FREIGHT SYSTEM

Draft Comprehensive Primary Freight Network

[Map of the United States with highways and key cities labeled, showing the primary freight network system.]
FREIGHT PROGRAM FUNDING

- TWO POTS OF MONEY FOR FREIGHT PROJECTS

FORMULA FUNDS = $6.3 BILLION OVER FIVE YEARS
   $551 MILLION FOR TEXAS

DISCRETIONARY FUNDS = $4.5 BILLION OVER FIVE YEARS ($900 million per year)
<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>FREIGHT APPORTIONMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$100,641,720</td>
</tr>
<tr>
<td>2017</td>
<td>$96,265,993</td>
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<tr>
<td>2018</td>
<td>$105,017,447</td>
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<tr>
<td>2019</td>
<td>$118,144,628</td>
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<tr>
<td>2020</td>
<td>$131,271,809</td>
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<tr>
<td>TOTAL</td>
<td>$551,341,597</td>
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## USE OF FORMULA FUNDS

- **LIMITATION ON STATES WITH HIGH PHFS MILEAGE**
- **PROJECT ELIGIBILITIES**
  - MUST BE IDENTIFIED IN THE FREIGHT PLAN

<table>
<thead>
<tr>
<th>Inside the fence port projects (max 10%)</th>
<th>Project development activities</th>
<th>Construction and reconstruction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land acquisition</td>
<td>ITS freight projects</td>
<td>Environmental mitigation</td>
</tr>
<tr>
<td>Rail-highway grade separation</td>
<td>Geometric design improvements</td>
<td>Runaway and climbing truck lanes</td>
</tr>
<tr>
<td>Shoulder widening</td>
<td>Truck parking</td>
<td>Traffic signals</td>
</tr>
<tr>
<td>Work zone management</td>
<td>Ramp metering</td>
<td>Additional road capacity for hwy bottlenecks</td>
</tr>
<tr>
<td>Projects that improve the flow of freight to the NHFN</td>
<td>Diesel retrofits</td>
<td>Data collection and analysis</td>
</tr>
</tbody>
</table>

*Inside the fence port projects (max 10%)*

*Project development activities*

*Construction and reconstruction*
USE OF DISCRETIONARY FUNDS

- “Nationally Significant Freight and Highway Projects”
- Competitive grant program, $25 million minimum
- Eligible projects:
  - Highway projects on the National Highway Freight Network
  - Highway or bridge project on the National Highway System
  - Intermodal or freight rail projects
  - Inside the fence projects
  - Rail-highway grade crossing or grade separation
- *Non-highway projects are limited to $500 million over 5 years*
USE OF DISCRETIONARY FUNDS

- PROJECT QUALIFICATIONS:
  - Eligible costs must be:
    - Over $100 million – or –
    - 30% of a state’s apportionment if the project is in 1 state – or –
    - 50% of the largest state’s apportionment in multi-state project

10% set aside for small projects
25% set aside for rural projects

Federal share cannot exceed 60% or 80% if other Federal resources are used to satisfy the state share (i.e. TIFIA)

Congress has veto power on any project selected for a grant
States are encouraged to but not required to form a state freight advisory committee

States must develop a state freight plan in order to use freight funding
  – Must be created within 2 years and updated every 5 years
  – Must be fiscally constrained
WHAT’S NEXT?

- **USDOT:**
  - Create the National Surface Transportation and Innovative Finance Bureau, which will administer the discretionary grant program
  - Issue guidance on usage of freight formulas for states without a FAST Act compliant freight plan

- **TxDOT/TxFAC:**
  - Update the Texas Freight Mobility Plan
    - Designate the urban and rural connectors
    - Fiscally constrained
  - Determine discretionary projects