

Federal Transportation Reauthorization Update

Presentation to the FAMPO Policy Committee

New Federal Transportation Bill

- Called “Fixing America’s Surface Transportation (FAST) Act”
- Passed with Bipartisan Support on 12/4/15
 - House: 359 to 65 in favor
 - Senate: 83 to 16 in favor
- First Transportation Bill longer than 2 years since 2005
- \$305 Billion for 5 years

FAST Funding Levels Will be Higher than Previous Map-21 Bill

- Increases transportation funding in most areas
- \$61 Billion/Year compared to \$53 Billion/Year in Previous Bill
- MPO RSTP/CMAQ/TAP
 - Modest increase expected
 - RSTP to get an additional 2% per year over 5 years

Long Term Federal Transportation Funding Not Resolved with FAST

- Historically funded in a “pay as you go system” with the Federal Gas Tax
 - Gasoline: 18.4 cents/gallon
 - Diesel: 24.4 cents/gallon
- Federal Gas Tax has not been raised since 1993
 - Recent efforts to increase the gas tax or index it to inflation have been political non-starters in congress
- FAST raising about \$41 Billion/year totaling \$205 Billion over 5 years
- Planned Spending under FAST is about \$61 Billion/year over 5 years
 - About \$56 Billion/year totaling \$281 Billion over 5 years in Spending Authority
 - About \$5 Billion/year – At congressional discretion: AMTRAK, Public Transit, Vehicle Safety totaling \$24 Billion over 5 years

FAST covers the shortfall between Revenue and Bill Spending with About \$75 Billion in One-Time Offsets

Offsets in FAST

Offset	CBO Score (millions)
Cap Federal Reserve Surplus Fund	\$53,334
Limit Federal Reserve Dividend Reduction	\$6,904
Strategic Petroleum Reserve Sales	\$6,200
Increased Customs User Fees	\$5,188
Contract Tax Collection to Private Entities	\$2,408
Increase Motor Vehicle Safety Penalties	\$423
Revoke Tax Delinquent Passports	\$395
End Interest Payments on Royalty Overpayments	\$320
Total	\$75,172

Strategic Petroleum Sales: \$6.2 Billion. Section 32204 instructs the Secretary of Energy to sell 66 million barrels of crude oil from the U.S. Strategic Petroleum Reserve over 2023–2025. The CBO estimated that the sales would reap \$6.2 billion for the Treasury—an average of \$94 per barrel. The current market rate for crude oil is \$40.35 per barrel, less than half the price assumed in the score of the bill.

Summary

- FAST provides some increased Transportation Funding and Funding certainty to December, 2020
- Federal Funding outlook beyond 2020 is unclear
 - Continued debate on role of Federal Government in Transportation
 - How much funding should be provided for major transportation modes, e.g., highway, AMTRAK, transit, etc.?
 - Possible devolution of secondary/local road responsibility to States & Localities
 - About 17% of Transportation funding in Virginia is Federal