FAST Act (H.R. 22): Surface Transportation Conference Report Released

December 2, 2015 (IN10406)

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On December 1, 2015, the report to accompany <u>H.R. 22</u>, the Fixing America's Surface Transportation Act (FAST Act), was voted favorably out of conference. The FAST Act would authorize federal highway and public transportation programs for five years (FY2016-FY2020) at levels greater than required to maintain current spending levels plus projected inflation, according to the Congressional Budget Office (CBO). (See <u>Table 1</u>.) Spending for highway programs would be 4.2% above the CBO baseline and spending on public transportation would be 7.9% above.

Table 1.FAST Act (H.R. 22) Highway and Public Transportation Spending (Obligations) Compared to CBO's August 2015 Baseline

(Current Dollars in Millions)

	MAP-21 FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	5-year Total				
Federal Highway Administration											
FAST Act		43,100	44,005	44,973	46,007	47,104	225,190				
CBO Baseline	40,995	41,606	42,338	43,192	44,046	44,940	216,122				
Difference from Baseline											
% Above Baseline		3.6%	3.9%	4.1%	4.5%	4.8%	4.2%				
Federal Transit Administration											
FAST Act		9,348	9,734	9,734	9,939	10,150	48,904				
CBO Baseline	8,595	8,724	8,879	9,059	9,240	9,429	45,331				
Difference from Baseline											
% Above Baseline		7.2%	9.6%	7.5%	7.6%	7.6%	7.9%				

Source: Federal Highway Administration, Congressional Budget Office, FAST Act, CRS calculations.

Notes: Obligations include CBO projected annual <u>obligation limitations plus annual</u> <u>"exempt" obligations</u> of \$739 million (includes \$100 million in Emergency Relief program funding). Federal Transit Administration (FTA) amounts do not include general fund authorizations, which pertain mainly to the New Starts program. Under the FAST Act conference report, New Starts would be authorized at \$2,302 million annually through FY2020. MAP-21 is the current law (Moving Ahead for Progress in the 21st Century Act (P.L. 112-141) as extended.

The FAST Act would not increase motor fuels taxes paid into the Highway Trust Fund (HTF), but would transfer over \$70 billion from the general fund to the HTF. It retains most of the current programmatic framework for federal highway and public transportation programs, but would make some significant changes:

- The bill creates several new discretionary programs administered by the Department of Transportation. The Nationally Significant Freight and Highway Projects program, a competitive grant program providing a 60% federal match for large highway and freight projects, would be funded at \$4.5 billion over five years. The bill would also create a discretionary competitive grant program for buses and bus facilities and authorize a new Nationally Significant Federal Lands and Tribal Projects Program.
- The FAST Act provides \$6.3 billion for a National Freight Program. The money would be distributed by formula, but larger states would be required to focus their spending on the primary highway freight system or on critical rural and urban freight corridors. States could obligate up to 10% of their freight apportionments on intermodal or freight rail projects.
- The FAST Act would make a major reduction in the amount available to support loans and other credit assistance under the Transportation Infrastructure Financing and Innovation Act (TIFIA) program. The FY2014-FY2015 authorized amount for TIFIA was \$1 billion annually. Under the FAST Act, the annual amount would be \$275 million in each of FY2016 and FY2017, \$285 million in FY2018, and \$300 million in each of FY2019 and FY2020. However, states would be allowed to use some of their federal highway funding to cover the administrative and subsidy costs associated with TIFIA loans.
- The bill would modify the Surface Transportation Program (STP) and rename it the Surface Transportation Block Grant program. STP is the second-largest single source of highway funding. The bill would allow border state governors to designate 5% of the 55% of their STP local allocations for border infrastructure.
- Spending on public transportation programs funded from the Highway Trust Fund would be \$20 million more than authorized in the Senate-passed version of <u>H.R. 22</u> and about \$3.6 billion more than authorized in the House bill. It also would authorize a \$400 million-per-year increase in grants for transit-system construction, compared with MAP-21.
- The act would set aside \$835 million for transportation alternatives projects (rising to \$850 million annually for FY2018-FY2020). States could use some of their highway funding for transportation alternatives projects as well, but only for projects related to pedestrian and bicycle transportation.
- Auto rental companies would be prohibited from renting or selling unrepaired vehicles under recall.
- Amtrak would receive an average of \$1.6 billion annually for FY2016-FY2020, up from FY2015 funding of \$1.4 billion. The bill raises the cap on Amtrak's liability for a single accident from \$200 million (established in 1997) to \$295 million for the May 12, 2015, derailment in Philadelphia, and directs the Secretary of Transportation to adjust the 1997 limit of \$200 million for inflation upon enactment of the act and every five years thereafter. The bill also would provide \$199 million for installation and financing of positive train control on commuter rail systems.

Table 2.FAST Act (H.R. 22) Authorizations: FY2016-2020

(Current Dollars in Millions, Contract Authority and Budget Authority)

MAP- FAST

	21 FY2015	FY2016	FAST FY2017	FAST FY2018	FAST FY2019	FAST FY2020	FY2016- 2020
Highways	40,995	43,100	44,005	44,973	46,008	47,104	225,190
Public Transportation	10,689	11,789	12,176	12,175	12.381	12,592	61,113
Motor Carrier Safety	572	580	644	658	666	676	3,224
Highway Safety	810	895	918	942	967	992	4,715
Total Surf. Trans. Authorizations	53,066	56,364	57,743	58,748	60,022	61,364	294,241
Railroads (FRA)		1,670	1,871	2,046	2,297	2,472	10,355
Pipeline & HAZMAT Safety (GF and EPF total)	71	81	83	85	86	88	422

Sources: FAST ACT conference report, <u>H.R. 22</u>. Federal Highway Administration, Federal Transit Administration.

Notes: Surface transportation total includes both HTF contract authority and general fund authorizations. Totals may not add due to rounding. The FAST Act rescinds \$7,596 million on July 1, 2020. An additional permanent authorization of \$100 million is provided annually for FHWA's emergency relief program. The FY2015 column is the total for the year under P.L. 113-159, P.L. 114-21, and P.L. 114-41.