

Arizona Rural Transportation Summit

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Disfunction Junction

- **Infrastructure bill (includes transportation reauthorization):** \$1.2T investment in “hard” infrastructure; has passed Senate, no vote yet in House; FAST Act extended until October 31
- **Reconciliation bill:** \$3.5T investment in “soft” infrastructure; currently “coupled” with infra bill; has passed House, but smaller bill (~\$1.5-2T) necessary to pass Senate
- **Government funding:** Extension until December 3
- **Debt ceiling:** Extended until early December

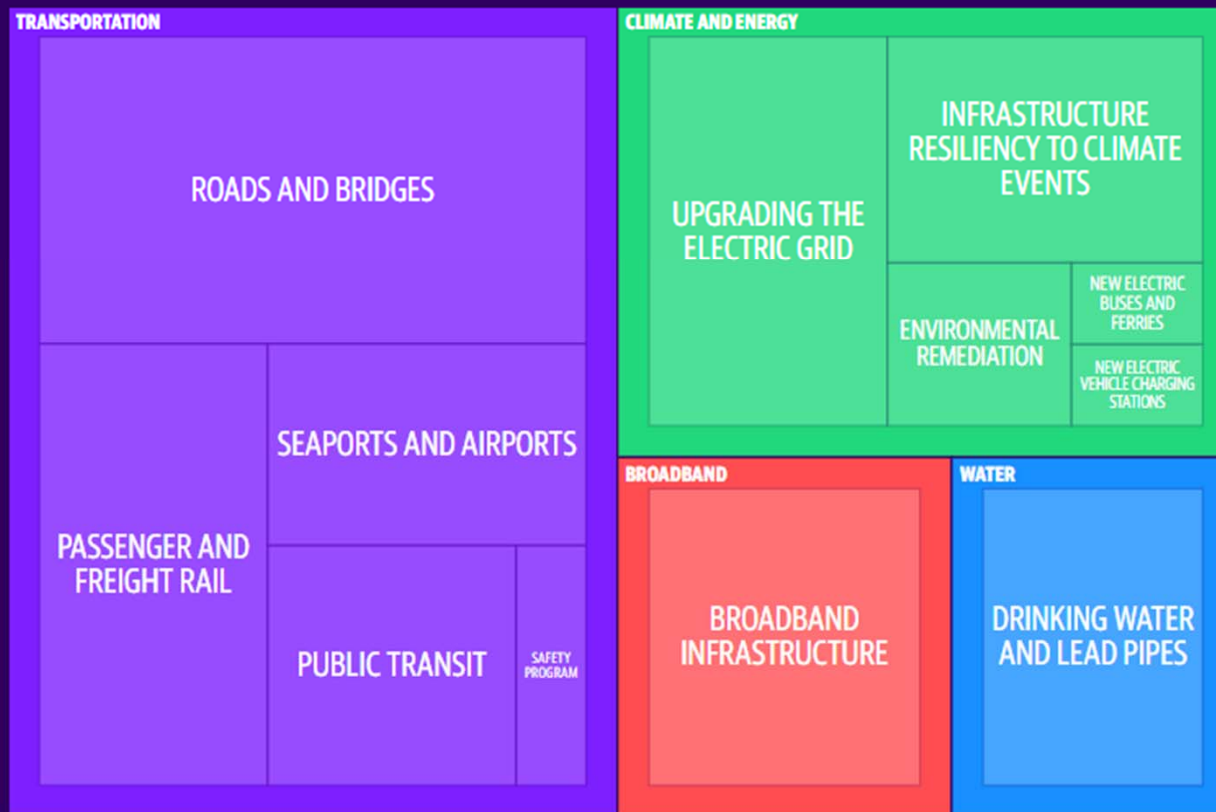
Infrastructure Investment and Jobs Act

- aka Bipartisan Infrastructure Deal (BID);
previously American Jobs Plan (administration's proposal)
- 21 Senators endorsed, 10 moderate Senators negotiated agreement with the White House

<u>Democrats</u>	<u>Republicans</u>
Sinema (AZ)	Portman (OH)
Manchin (WV)	Cassidy (LA)
Shaheen (NH)	Collins (ME)
Tester (MT)	Murkowski (AK)
Warner (VA)	Romney (UT)
- **\$1.2T in total spending**
 - **\$550B in new spending**
- Includes Senate reauthorization, water infrastructure bills
- Has funding for power, EVs, resiliency, airports, broadband

WHAT'S IN THE BIPARTISAN INFRASTRUCTURE PLAN

The bill includes about \$550 billion in new spending. Here's how the major provisions are divvied out.



What's In the Bill?

- \$567.5B for USDOT; \$351B for FHWA, \$91B for FTA
 - Half of the \$550B in new spending goes to USDOT
- Full FAST Act reauthorization, significant funding increases

	5-year Funding	% Increase
NHPP	\$148.0B	27%
STBGP	\$72.0B	24%
HSIP	\$15.6B	34%
Carbon Reduction Program	\$6.42B	n.a.
PROTECT Program	\$7.3B	n.a.
CMAQ	\$13.2B	10%
National Freight Program	\$7.15B	13%
STBGP Set-Aside (TAP)	\$7.2B	71%
Metro. Planning (highway)	\$2.28B	32%
Metro. Planning (transit)	\$0.8B	42%

What's In the Bill?

- **Formula Funding vs. Discretionary Grants**
 - Two significant new formula programs within reauthorization
 1. Carbon Reduction
 2. PROTECT resiliency grants
 - Several new formula program through other funding
 - Bridges, EV charging, transit state of good repair
 - Dozens of new discretionary programs
 - Plus many new pilot programs

Appropriations for USDOT Grants to State/Local Governments in BID		Formula	Competitive
OST	Megaprojects		5,000.0
OST	RAISE Grants		7,500.0
OST	Safe Streets		5,000.0
OST	Culverts		1,000.0
OST	SMART		500.0
FAA	Airport Grants - Airside	14,900.0	100.0
FAA	Airport Grants - Terminals		5,000.0
FHWA	Bridge Program	27,500.0	9,235.0
FHWA	EV Charging Infrastructure	5,000.0	
FHWA	INFRA Grants		3,200.0
FHWA	Reduce Truck Emissions in Ports		150.0
FHWA	Reconnecting Communities		500.0
FHWA	Ferry Boats and Terminals	342.0	
FHWA	Appalachian Highways	1,250.0	
FRA	CRISI Grants		5,000.0
FRA	Railroad Crossing Elimination		3,000.0
FRA	Fed.-State Partnership for IPR		36,000.0
FTA	State of Good Repair Grants	4,750.0	
FTA	Low-No Emission Bus Grants		5,250.0
FTA	Capital Investment Grants		8,000.0
FTA	ADA Upgrades to Rail Transit		1,750.0
FTA	Electric or Low-Emission Ferries		250.0
FTA	Rural Passenger Ferry Service		1,000.0
MARAD	Port Infrastructure Development		2,250.0
PHMSA	Nat. Gas Pipeline Modernization		1,000.0
Total, US Department of Transportation		53,742.0	100,685.0



Source: Eno Transportation Weekly

Program policy changes

Surface Transportation Block Grant Program (STBGP)

- Suballocation remains at 55%
- Modifies the “population bands” within the program
- Expands project eligibility

Transportation Alternatives Program (TAP)

- Funding is substantially increased; TAP funding level is now 10% of STBGP
- TAP suballocation is increased to 59% (currently 50%)
- States may allocate 100% of its funding
- MPOs serving an urbanized population of 200,000 or fewer are now eligible

Metropolitan Planning (PL)

- When first designating officials, MPO must consider “the equitable and proportional representation of the population of the metropolitan planning area”
- Requires consistency in planning data when more than one MPO within an urbanized area
- States and MPOs may use social media and other web-based tools to encourage public participation and solicit public feedback
- MPO housing requirements added in final Senate compromise

Congestion Mitigation and Air Quality (CMAQ) Program

- New eligibilities (micromobility, heavy duty zero emission vehicles)
- Funds can be used for operating assistance for public transportation projects, with no time limit in rural areas and in urbanized areas under 200K population

Increasing Safe and Accessible Transportation Options

- States and MPOs must use at least 2.5% of their planning funds to carry out 1 or more activities “to increase safe and accessible options for multiple travel modes for people of all ages and abilities.”
- Activities include:
 - Development of Complete Streets standards
 - Development of Complete Streets prioritization plan
 - Development of active transportation plans
 - Regional or megaregional planning to consider alternatives to new highway capacity
 - Development of plans and policies to support transit-oriented development

New formula program

Carbon Reduction Program: new formula program to reduce transportation emissions.

- 65% of funds are suballocated to areas within the state by population (identical to STBGP)
- Lots of eligible projects, including public transportation, bike/ped, ITS, congestion pricing
- Each state, in consultation with any MPOs, has 2 years to develop a carbon reduction strategy; requires a state to consult with an RTPO when obligating funds for projects in a rural area.
- Funding: \$6.4B over five years.

Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT)

Program: new program for resilience improvements; formula and competitive grants

- Funding: \$7.3B over five years by formula (2% for planning); \$1.4B for competitive grants
- Eligible projects: storm surge, flood protection, or aquatic ecosystem restoration
- MPOs eligible to receive **resilience planning grants, resilience improvement grants, community resilience and evacuation route grants, at-risk coastal infrastructure grants**
- Federal share: 80%; Can be increased: + 7% if state/MPO has resilience improvement plan and prioritized the funded project; +3% if MPO has incorporated resilience plan into metropolitan transportation plan

National Infrastructure Project Assistance Grants

- New competitive grant program to support freight-related projects, including roads and bridges, intermodal facilities, grade separation or elimination, intercity passenger rail, public transportation, or a combination of these.
- Funding: \$10B (50% of the funding is for projects between \$100M and \$500M; 50% is for projects over \$500M)

Strengthening Mobility and Revolutionizing Transportation (SMART) Program

- New competitive grants for demonstration projects for advanced smart city tech (similar to Smart Cities Challenge)
- Funding: \$500M over five years

Rural Surface Transportation Grant Program

- Creates a new competitive grant program to “improve and expand the surface transportation infrastructure in rural areas.” Rural is defined as an area outside an urbanized area with a population of over 200,000.

Safe Streets and Roads for All Grant Program:

- New competitive grants to support "Vision Zero", including requiring a “Comprehensive Safety Action Plan”
- Funding: \$1B over five years.

Pilot programs

- **National Motor Vehicle Per-Mile User Fee Pilot:** to study the potential for a national per-mile fee to replace gas tax: \$50M
- **Prioritization Process Pilot Program:** project scoring based on planning objectives: \$50M
- **Reconnecting Communities Pilot Program:** removing legacy highways that impact communities: Planning grants: \$150M over five years; capital construction grants: \$350M over five years; \$500M in guaranteed appropriations
- **Transportation Access Pilot Program:** to develop an accessibility data set and make it available to MPOs and RTPOs
- **Wildland Crossing Safety:** to reduce wildlife-vehicle collisions and improve habitat connectivity; 60% of funds to rural areas: \$350M

Whither (Wither?) the Highway Trust Fund

- IIJA includes a \$118B transfer to HTF
 - \$90B to Highway Account
 - \$28B to Transit Account
 - Brings transfers to HTF since 2008 to more than **TWO HUNDRED SEVENTY BILLION DOLLARS!!!**
 - That's a lot of cheese!
- IIJA does **NOTHING** for HTF solvency beyond the five years of the reauthorization (ie. no new revenue sources)
 - The future cliff is that much worse
- IIJA contains a mileage-based user fee study

What's Next?

Final passage, hopefully

- Before October 30, hopefully

If so:

- Lots of rulemaking, program writing, and eventually, money doling

If not:

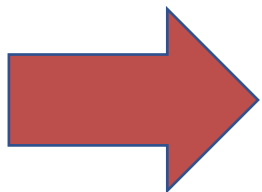
- Lots of belly aching, program extensions, and an uncertain reauthorization future
 - Senate reauthorization bill moves alone?
 - Years of extensions?
 - See you next Congress?

Thank you!

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Full analysis available at narc.org