

Fixing America's Surface Transportation Act (FAST Act) Summary and Impact on Oregon – December 2015

FAST Act reauthorizes federal highway, transit, transportation safety, and rail programs for federal fiscal years 2016 through 2020 (federal fiscal years, or FY, run October 1 – September 30). Highlights of the bill for Oregon and the Oregon Department of Transportation include:

Highway funding: After several years of flat funding, FAST Act provides modest increases to states over the five-year life of the bill. In the first year of FAST Act, Oregon's apportionment will rise by five percent to \$507 million from the current \$482 million. Funding then rises by about two percent per year until the bill's final year (\$553 million in FY 2020). Distribution formulas were not changed in FAST Act, so Oregon will continue to receive a favorable percentage of Highway Trust Fund dollars.

Freight: FAST Act creates two new programs designed to help states and local governments plan for and fund freight mobility projects.

- **National Highway Freight Program:** This is a formula program that will provide a new annual funding stream to states for addressing freight projects on portions of the highway system. ODOT will receive \$14.5 million in the first year of this program with steady annual increases to over \$19 million in FY 2020. States will be required to develop a detailed freight plan that meets several requirements in order to receive funding under this new program.
- **Nationally Significant Freight and Highway Projects Program:** This is a new competitive grant program designed to fund large projects. Eligible applicants include states, large Metropolitan Planning Organizations (MPOs), local governments, ports, tribal governments, or combinations of these organizations. The program is funded at \$800 million in FY 2016 with annual increases to \$1 billion in FY 2020. The minimum project size is \$100 million and funds from this grant program can only account for 60 percent of the total project cost. Ten percent of the funds in this program are set aside for projects smaller than \$100 million. The program also has a set-aside for multimodal projects.

Surface Transportation Program conversion: FAST Act changes the name of the Surface Transportation Program to the Surface Transportation Block Grant Program (STBGP). Along with the name change come other important updates:

- **Increased local funding:** Currently, 50 percent of STP funding is suballocated to metropolitan areas with populations over 200,000. Under FAST Act's new STBGP, this gradually increases to 55 percent over the course of the five-year bill. This change will result in more funding available to Oregon's three largest MPOs.

- **Transportation alternatives:** Under current law, the Transportation Alternatives Program (TAP) is a standalone program for funding bike, pedestrian, and other alternative projects. FAST Act deletes the existing federal authorization for TAP and moves it into the STBGP as a set-aside. TAP is currently funded at \$820 million annually; FAST increases that figure to \$835 million in FY 2016 and FY 2017 and then to \$850 million per year.

Public transit: Transit programs generally continue to operate as they did under MAP-21 – with one exception being the reinstatement of the popular Buses and Bus Facilities Competitive Grant program (\$268 million in FY 2016). Overall, Oregon is set to receive \$98 million in federal transit funding in FY 2016, an increase of nearly five percent over current levels.

Federal Lands Access Program (FLAP): FLAP funding starts at an annual \$250 million nationwide under FAST Act – the same as current levels. Funding then steps up by \$5 million annually to \$270 million by 2020. The current distribution formula for the program is highly favorable to Oregon, and that formula was not changed by the act. In recent years, the overwhelming majority of FLAP funds in Oregon have gone to local government projects.

Surface transportation system funding alternatives: FAST Act establishes a new competitive grant program for demonstrating alternatives to the gas tax for raising revenues. States and multi-state groups are eligible to apply. Projects must demonstrate, by employing a user fee based structure, an ability to maintain the long-term financial health of the Highway Trust Fund. In FY 2016, \$15 million in grant funds will be available, with \$20 million available each year thereafter. Congress mandated that funding go toward implementation of two or more user fee alternative revenue collection mechanisms.

Safe transportation of flammable liquids by rail: FAST Act establishes the competitive Community Safety Grant program for nonprofit agencies to assist communities with preparation and response to incidents involving hazardous materials shipped by rail. The bill also requires railroads to share real-time information on the movement of hazardous materials with public safety officials. FAST Act further requires phasing out older tank cars and imposes stricter design requirements on new tank cars.

###ODOT###