



SOY TRANSPORTATION COALITION WASHINGTON REPORT



April 29, 2015

Legislation

Bipartisan bill introduced to provide sustainable funding for roads and bridges. Congressmen Jim Renacci (R-OH), Bill Pascrell (D-NJ), Reid Ribble (R-WI), and Dan Lipinski (D-IL) on April 16th introduced H.R. 1846, the “Bridge to Sustainable Infrastructure Act.” The legislation is designed to provide a long-term solution to the Highway Trust Fund, which will run out of money on May 31st.

The legislation would index the gas and diesel tax to inflation in order to provide sustainability to the system. In addition, the bill would create a bipartisan, bicameral Transportation Commission no later than September 1, 2015, in order to explore and determine approaches for addressing the long term needs of the nation’s roads and bridges.

In a joint statement, the Congressmen argued, “We refuse to pass on the liability of our deteriorating roads and bridges to our children and grandchildren. The longer we wait to fix our crumbling infrastructure, the more it will cost in the long-run. We need to act now to fix the broken system. The users of our roads, workers, and state and local governments need the certainty that adequate and timely transportation program reauthorizations and funding provide. The Bridge to Sustainable Infrastructure Act allows for the consideration of all viable options so that Congress can get serious about finding a long-term, sustainable solution for the Highway Trust Fund. It is our sincere hope that our colleagues on both sides of the aisle will support this important legislation so that the burden of our failing infrastructure isn’t passed on to the next generation.”

In July of 2014, the Soy Transportation Coalition and Indiana University completed a research project in which a concept was explored that: 1.) Would provide sustainable revenue for the nation and other states and 2.) Is designed to have a more realistic prospect of achieving support by policymakers.

The project directed the researchers to examine the impact on the nation and on the states that comprise the Soy Transportation Coalition of the following:

- What would be the effect of a one cent reduction in gasoline and diesel taxes?
- What would be the effect of linking the gasoline and diesel tax to inflation in 2014 in terms of annual fuel tax revenue through 2025?
- How much additional revenue could have been generated from linking the gasoline and diesel tax to inflation the last time fuel taxes were revised?

According to the research, annual revenue under the proposal (one cent reduction with indexing) would match the status quo (no adjustment and no index in couple years. A couple years after that, the cumulative loss of the one cent reduction would be fully recovered. At that point, fuel tax revenues would be in positive territory and increasing with each succeeding year. As a result, the need for

policymakers to routinely debate and consider adjusting the fuel tax will be significantly reduced because of the index.

The results of the STC's fuel tax analysis can be accessed at www.soytransportation.org.

House Appropriations Committee increases funding for inland waterways. On April 22nd, the House Appropriations Committee approved the fiscal year 2016 Energy and Water Development appropriations bill by voice vote. The bill increases funding for the nation's inland waterway system, including its inventory of locks and dams.

- Funding for Army Corps of Engineers' Civil Works program: \$5.597 billion – an increase of \$142 million from fiscal year 2015
- Construction account funding: \$1.631 billion
- Operations and Maintenance: \$3.058 billion
- Harbor Maintenance Trust Fund: \$1.178 billion

Bill introduced to enhance freight movement. Congressman Alan Lowenthal (D-CA) introduced a bill to create a dedicated funding source to invest in the nation's freight infrastructure. The National Multimodal and Sustainable Freight Infrastructure Act (H.R. 1308) would raise about \$8 billion a year and establish a Freight Transportation Infrastructure Trust Fund. The fund would be funded through a national 1 percent waybill fee on the transportation cost of goods and dedicated to national freight-related infrastructure projects. The bill would further create two grant programs: a formula system for states and a competitive grant program that would be open to all local, regional and state governments.

STB reauthorization bill introduced. Senator John Thune (R-SD), Chairman of the Senate Commerce, Science, and Transportation Committee, and Senator Bill Nelson (D-FL), Committee Ranking Member, recently introduced the Surface Transportation Board Reauthorization Act of 2015. The legislation would increase the size of the Surface Transportation Board (STB) and provide authority to the organization designed to make the STB more efficient and responsive to shippers and freight operators. The STB would increase from three to five members and reform the organization's rate review process by setting timelines for review and expanding voluntary arbitration procedures. The STB would also have the authority to initiate investigations on matters other than rate cases and will require the STB to establish a database of complaints and quarterly reports to assist with providing public accountability for continued concerns.

Administration

Obama promotes long term transportation funding. The Obama administration sent to Congress an updated version of the GROW America Act to reauthorize surface transportation programs and infrastructure investment. The updates include an increase in size and scope to six years and \$478 million up from 4 years and \$300 million. About half of that money would be distributed through a competitive grant program while the rest would be awarded through existing formulas.

Funding for the GROW America Act will be provided from current Highway Trust Fund revenue along with the establishment of a 14 percent tax on the profits generated overseas by U.S. based companies. However, before Congress can debate the multi-year spending blueprint, it must first address the shortfall in the Highway Trust Fund which runs out on May 31st. Funding uncertainty surrounding the Highway Trust Fund has forced states to delay projects. It is anticipated that another short-term extension at the current levels is most likely for transportation programs.

The President's plan for transportation investment includes \$317 billion to rebuild roads and bridges and \$143 billion to improve transit and passenger rail service. Additionally, \$1 billion per year would provide credit assistance for transportation projects that have private investors through the Transportation Infrastructure Finance and Innovation Act (TIFIA). The plan proposes the establishment of a national infrastructure bank and includes an action to create a new tax-exempt Qualified Public Infrastructure Bond program. The Transportation Infrastructure Generating Economic Recovery (TIGER) grants program would also be increased from the \$500 million appropriation to \$1.25 billion per year.

The Grow America Act would also create a new Office of Safety Oversight to assist in safety improvements efforts across all modes of transportation and provides for \$6 billion over six years for a competitive grant program designed as an incentive for adoption of critical reforms for safety.

U.S. DOT announces 7th round of TIGER grants. U.S. Transportation Secretary Anthony Foxx announced in early April the availability of \$500 million for the Transportation Investment Generating Economic Recovery (TIGER) grant program. The focus of the discretionary grants will be surface transportation infrastructure projects that create economic development and improve access to transportation. According to the U.S. DOT, rural projects will receive at least 20 percent of the total funds. Pre-applications for TIGER VII grants are due May 4. Final applications are due June 5.

Established in 2009, the TIGER grant program has provided over \$4 billion for transportation projects in all 50 states, the District of Columbia, and Puerto Rico.

Certain portions of the copy for the STC Washington Report are obtained from media reports, trade publications, government sources and industry stakeholders.

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