

Summary of Key Issues for California in
The Conference Report on H.R. 22, the Fixing America's Surface
Transportation Act (FAST Act)
From Rep. Grace F. Napolitano

Overall Funding Levels

The bill authorizes Highway, Transit and Railroad programs at \$305 billion over 5 years. \$281 billion is directly funded from revenues in the bill (aka "contract authority programs") which is for highway programs and most transit programs. This is \$12.8 billion higher than the House passed bill. This higher funding level was requested by California transportation agencies including Caltrans, the Metropolitan Planning Organizations (MPOs) and the California Councils of Governments (COGs).

\$24 billion is authorized to be appropriated annually. The programs needing appropriations are New Starts Transit construction grants (which the larger California Transit Agencies strongly support) and Amtrak/passenger rail investments (California has 3 of the top 5 Amtrak rail corridors).

Local Control - Increased Local Suballocation of Transportation Funding

The bill increases the percentage of funds that flow directly to local regions (instead of the State) within the Surface Transportation Program (STP) from the current 50% to 55% (1% per year). This issue was supported by CAL COG and local CA Transportation agencies.

Transit Funding Increases

The bill provides \$13 billion over 5 years for the state of good repair transit formula program. These funds are distributed to state and local governments for repairs and upgrading of rail and bus rapid transit systems. This is a 20% increase over current funding. The bill provides \$3.7 billion over 5 years for bus and bus facilities and sets aside \$1.5 billion for a competitive bus grant program. This is a 75% increase over current funding. California Transit agencies strongly supported increased transit funding.

Freight Programs

The bill creates two funded freight programs. The first is a Formula Freight program funded at \$6.3 billion over 5 years which is allocated to the states. The second is a Nationally Significant Freight and Highway Projects Competitive grant program funded at \$4.5 billion over 5 years that state and local governments can apply for.

Creating these funded freight programs was big priority of California Transportation agencies including Caltrans, California Association of Councils of Governments, League of CA Cities, Metropolitan Transportation Commission of the SF Bay Area, Southern California Association of Governments, San Diego Area Association of Governments, L.A. Metro, and Sacramento Area Council of Governments.

In addition, language was included that many CA Transportation agencies care about to make local transportation agencies (such as JPA's) eligible recipients of grant funds and to address local environmental impacts of freight movement.

Transportation Alternatives – bicycle, pedestrian, trails, safe routes to school projects

The bill funds transportation alternatives at \$835 million per year in 2016 and 2017 and \$850 million per year in 2018, 2019 and 2020, which is more than the House bill level of \$819 million per year. The bill gives Metropolitan Planning Organization's (MPO) new flexibility to use up to

50% of this funding for other Surface Transportation Eligible projects. California transportation agencies, environmental organizations, bike associations, and safe route to school advocates strongly support this program.

TIFIA Loan Program

The TIFIA loan program is funded at \$275 million/year in FY16&17 and \$300 million/year in FY18,19,20. This is more than the \$200M/yr in the House bill. TIFIA is strongly supported by many California transportation agencies (especially those with local transportation funding sources such as sales tax measures) because they can use the government backed loans to expedite their projects and save money in the long run.

Language was included to allow unused TIFIA funds to go back into TIFIA and to provide eligibility to Transit Oriented Development projects. This language was also a priority of CA transportation agencies.

Railway Highway Grade Crossing Program

The bill maintains the current railway-highway grade crossing program and increases funding by \$5 million/year to \$245 million in FY20. California Transportation agencies, including the Alameda Corridor East Construction Authority in my district strongly support this program because safety issues around highway rail grade crossings are a big concern in our state.

Positive Train Control Grants

The bill provides \$199 million for positive train control grants that commuter railroads can apply for. This was a big priority of Metrolink as they are currently developing and implementing positive train control safety systems.

New Starts Transit Construction Project Changes

The bill allows local transportation agencies to use Surface Transportation Program funding as the local match for New Starts. This was a priority of CA MPOs and CALTRANS because the original House bill prohibited this flexibility in funding.

Transit Workforce Training Programs

The bill focuses transit workforce training programs on the front line workforce (bus drivers, rail operators, mechanics, etc.). The bill also focuses on career opportunities for underrepresented populations, including minorities, women, veterans, low-income, and the disabled. This was a priority of LA Metro and California Transit Unions.

Transit Operator Safety

The bill requires DOT to perform a rulemaking on transit operator safety to address the growing concern of violence against transit workers. This was a priority of California Transit Unions.

Allowing Paratransit Coordinated Fare Structures to Continue – Los Angeles County Issue

The bill allows Access Services paratransit provider of Los Angeles County to continue using a tiered, distance-based coordinated paratransit fare system. For over 20 years, Access Services has had a DOT approved tiered fare structure that averages all the fares of 44 transit agencies into 2 fares. For riders traveling under 20 miles the fare is \$2.75 and for riders traveling over 20 miles the fare is \$3.50 (these paratransit fares are dramatically lower than the rest of the country). DOT was going to require Access Services to change their fare structure by Jan. 1, 2016 based on confusing formulas for each individualized trip a disabled customer takes. 95% of the public comments from the ADA community strongly opposed this change. This provision will allow Access to continue operating with their current tiered fare structure.

Buy America

The bill increases the domestic content requirement for buses and transit rail cars from 60% to 70%.

Innovative Funding Alternatives Grant Program

The bill creates a \$15-\$20 million/year grant program to allow states to experiment with alternative transportation user fees such as vehicle miles traveled taxes. California would benefit from this program because we are implementing one of the only alternative transportation user fee pilot programs in the country.

National Surface Transportation and Innovative Finance Bureau

The bill creates a new Bureau within the office of the Secretary to streamline the administration of the TIFIA and RRIF loan programs, private activity bonds, and the new freight program. California and Los Angeles County in particular has been a large recipient of TIFIA and RRIF loans but many agencies have complained at how long, burdensome, and bureaucratic the process is. This Bureau will address these concerns.

Funding for Locally owned Bridges on the Federal-Aid Highway System

The bill fixes a major concern Los Angeles County had with the last transportation bill (MAP-21) which only allowed bridges on the National Highway System to be funded by the National Highway Performance Program. A lot of locally owned bridges in California are on the federal-aid highway system and previously received direct bridge funding but no longer do because they are not on the National Highway System. This bill allows all locally owned bridges on the federal-aid highway system to be eligible for funding in the National Highway Performance Program.

Park and Ride Relinquishment

The bill allows states to relinquish ownership of park-and-ride lots to local governments if they wish. This was a big priority for CALTRANS and local CA MPOs like LA Metro because some local agencies would like to take ownership of state park-and-rides in order to invest in them and improve their performance within regional, multimodal transportation systems.

HOV Degradation Standards Impact on California

The bill allows for California or a local transportation agency to apply for a waiver from the current HOV degradation standard. It also requires the state or local agency to have a plan to improve their HOV operations. **Fixing problems with how the current HOV degradation standard works in California was a major priority of CALTRANS and local MPOs.**

The current HOV degradation standard requires HOV lanes to maintain an average speed above 45 mph 90 percent of the time during peak hours. This standard does not take into account the specific transportation concerns of each state. The most recent data indicates that 60 percent of California's HOV network is degraded under the current federal standard, but it also indicates that "recurrent congestion" is not a primary source of degradation in California. Other variables such as inclement weather, traffic incidents, or unforeseeable nonrecurring congestion have a greater impact on HOV lane performance in California. The point of the federal standard is to address manageable traffic policy which is recurrent congestion. Since degraded facilities must be brought back into compliance under this federal law, the high levels of degradation in our state will require scarce resources to correct a problem that, in the majority of cases, is relatively infrequent and unpredictable. This bill allows the state to request a waiver from this unreasonable standard.

Congestion Mitigation and Air Quality Improvement (CMAQ) Program Funding for local Transportation Projects

The Conference Report continues to allow local California Transportation agencies to fund transit, congestion management, and bicycle/pedestrian projects with Congestion Mitigation and Air Quality (CMAQ) program funds. The original House and Senate bills contained provisions that local CA transportation agencies strongly opposed that would have restricted their ability to use CMAQ funds for actual transportation projects.

No Preemption of CA Meal and Rest Break Laws for Truckers

The conference report does not include a provision from the House bill that would have preempted state meal and rest break laws as they apply to the trucking industry. The original provision in the House bill was a direct attack on a recent court decision in California that ruled that California truck drivers were entitled to meal and rest breaks under California labor law.

The California Department of Labor and the California Teamsters strongly opposed the original House bill provision.

No Comprehensive Oil Spill Response Plan Section that was opposed by California

The bill does not include Section 7011 of the original House bill that required federal oil spill response plans for railroads. This section was strongly opposed by the California Department of Natural Resources because it would preempt state law and California's ability to impose their own rail oil spill response plans.

Privatizing Engineering

The bill does not include language requiring or incentivizing states to outsource public engineering work. We must continue to support states that hire public engineers in order to protect the public interest.

Nation-wide Truck Size and Weight Issues not in the bill

The bill does not increase truck sizes with double 33s or weights to 91,000lbs. There were attempts to increase truck Size and weights but they were strongly opposed by CA Sheriff's Association, CA Peace Officers Assoc. (PORAC), and CA highway safety groups.

Port Performance included was a concern

I am concerned that the bill includes a provision to require the Bureau of Transportation Statistics to collect data on port performance freight statistics at the nation's top 25 ports. I am glad this provision was amended in Conference to create a working group which includes labor representatives and port representatives that will determine how the port performance statistics program will be implemented.

WIFIA FIX Included

The Conference Report fixes a problem with the Water Infrastructure Finance and Innovation Act (WIFIA) loan program from WRRDA 14 that prohibited local water agencies from combining tax exempt debt (i.e. municipal bonds) with WIFIA loans. This Conference Report changes that and allows water agencies to use municipal bonds (which are a major source of their revenue) as the local match to federal financing provided by the WIFIA. This fix to WIFIA was strongly supported by CA water agencies including ACWA and CASA.