

# Freight Provisions in SAFETEA-LU

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September 2005



## Quick Impressions



- SAFETEA-LU builds on the strong foundation of ISTEA and TEA-21
  - ✧ Funding increased to an average of \$49 billion per year (\$244 billion over 5 years) from an average of \$33 billion per year in TEA-21 (\$198 billion over 6 years)
  - ✧ Contains many programs aimed at improving global connectivity, freight mobility and economic productivity
  - ✧ Encourages creativity and finding new ways to solve existing problems



## *Freight Provisions (Programmatic)*

- Section 1306: Freight Intermodal Distribution Pilot Grant Program
- Section 1305: Truck Parking Facilities
- Section 5204: Training and Education
  - ❖ (h) Freight Planning and Capacity Building Program
- Section 5209: National Cooperative Freight Transportation Research Program

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## *Freight Provisions (Finance)*

- Section 1601: Transportation Infrastructure Finance and Innovation Act (TIFIA)
- Section 1602: State Infrastructure Banks (SIB)
- Section 11-1143 Tax-exempt Financing of Highway Projects and Rail Truck Transfer Facilities (Private Activity Bonds)
- Section 9002: Capital Grants for Rail Line Relocation Projects
- Section 9003: Rehabilitation and Improvement Financing

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## *Projects*

- Section 1301: Projects of National and Regional Significance
- Section 1302: National Corridor Infrastructure Improvement Program
- Section 1934: Transportation Improvements
- Section 1701: High Priority Projects Program
- Section 1303: Coordinated Border Infrastructure Program

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## *Commissions / Studies*

- Section 1909: National Surface Transportation Policy and Revenue Study Commission
- Section 11-1142: National Surface Transportation Infrastructure Financing Commission
- Section 9007: Study of Rail Transportation and Regulation
- Section 4149: Office of Intermodalism – National Intermodal System Improvement Plan
- Section 5503: Motor Carrier Efficiency Study
- Section 1925: Community Enhancement Study

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## *Related Activities*

- Section 6001: Transportation Planning
- Section 5512: TRANSIMS
- Section 4118: Roadability
- Section 4101/4126: CVISN
- S&W Technical Amendments
- Real-Time Systems Management Information Program
- Other

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## *Freight Intermodal Distribution Pilot Grant Program (1306)*

- Program provides grants to States to facilitate and support intermodal freight transportation initiatives
  - ◇ Projects are to reduce congestion into/out of ports and establish/expand intermodal facilities and inland freight distribution centers.
  - ◇ Secretary to establish selection criteria.
- \$30 million over 5 years (2005-2009) for 6 designated projects
- Report on Program due to Congress 8/10/08

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## *Truck Parking Facilities (1305)*

- Pilot program to address the shortage of long-term parking for CMV on NHS
- Project applications to be submitted to DOT and approved by the Secretary
- Includes construction of new facilities, modifying existing facilities, ITS
- \$25 million over 4 years (2006-2009)
- Report on Program due to Congress 8/10/08
- Related
  - ✧ 1310 Interstate Oasis Program
  - ✧ 1412 Idling Reduction Facilities on Interstate Rights-of-Way

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## *Freight Planning and Capacity Building Program (5204(h))*

- Initiative to support enhancements to freight planning to better target investment and strengthen decision-making capacity of State and local agencies
- Eligible activities include research, training and education in best practices, peer exchange, data and analysis, agency reorganization, public-private relationship building
- \$3.5 million over 4 years (2006-2009)

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## *National Cooperative Freight Transportation Research Program (5209)*



- National research program to be established by Secretary in partnership with National Academy of Sciences (NAS)
- To be governed by an Advisory Committee selected by the NAS which will recommend a national research agenda, solicit and review research proposals, award contracts, and disseminate findings
- \$15 million over 4 years (2006-2009)

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## *Transportation Infrastructure Finance and Innovation Act (TIFIA) (1601)*



- Program project eligibility expanded to include public freight rail facilities or private (freight rail) facilities providing public benefit to highway users; intermodal freight transfer facilities; and access to any of the facilities listed above.
- Minimum project size reduced to \$50M (from \$100M)
  - ✦ Allows grouping of smaller related projects "with the common objective of improving the flow of goods"
- ITS project minimum reduced to \$15M (from \$30M)
- Budget authority - \$610 million over 5 years (2005-2009)
- Lending authority cap a function of budget authority ~ \$2B/yr

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## State Infrastructure Banks (SIB) (1602)



- Program extended to all States
  - ✧ Multi-state SIBs allowed
- SIB funds may be used for capital projects, credit enhancements, debt instrument financing, interest rate subsidization, credit insurance, and purchase and lease agreements
  - ✧ SIB may provide loans and other credit assistance to public and private entities
- SIB rail accounts permitted

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## Private Activity Bonds (11-1143)



- Amended IRS statues to add Tax-exempt financing of privately owned or operated highway projects and rail-truck transfer facilities.
- Added a new qualifying entity “qualified highway or surface freight transfer facility.”
  - ✧ Surface transportation projects *receiving* Federal assistance under Title 23
  - ✧ Any facility for the transfer of freight from truck to rail (or vice versa) *receiving* Federal assistance under Title 23 or 49.
- National Limitation of \$15 billion.

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## *Rail Transportation Provisions*

- **Capital Grants** for Rail Line Relocation Projects (9002)
  - ✧ For local rail line relocation and improvement projects. States only may apply.
  - ✧ Projects to result in improved vehicle traffic flow, improve quality of life and economic development
  - ✧ Establish regs to carry out program (temp 4/1/06 - final 10/1/06)
  - ✧ \$1.4 billion over 4 years (2006-2009) (subject to appropriations)
- **Rehabilitation and Improvement Financing (RRIF) (9003)**
  - ✧ Loans or loan guarantees for projects to enhance rail service and capacity
  - ✧ Post substantive criteria and guidance on application process by 9/10/05
  - ✧ \$35 billion loan authority

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## *Projects of National and Regional Significance (1301)*

- Secretary to establish competitive grant application and selection criteria in regulations (2/10/06). For States only.
- Eligible project costs include pre-construction activities, environmental mitigation, and operational improvements for any project eligible under 23 USC, including freight railroad projects
- Eligible project costs must equal or exceed the lesser of \$500 million or 75% of a State's Federal-Aid.
- \$1.779 billion over 5 years (2005-2009) for 25 designated projects
- **Annual** report due to Congress by first Monday in Feb.

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## *National Corridor Infrastructure Improvement Program (1302)*



- Secretary to establish a program for receiving grant applications and establish criteria for selection. For States only.
- For projects in corridors of national significance to promote economic growth and international or interregional trade.
  - ✧ connect existing highway system segments, facilitate regional mobility, serve increasing freight volume, serve international freight volume, reduce congestion and travel time, serve high-value cargo, and use innovative financing
- \$1.948 billion over 5 years (2005-2009) for 33 designated projects

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## *High Priority Projects Program and Transportation Improvements*



- High Priority Project Program (1701)
  - ✧ \$14.832 billion over 5 years (2005-2009)
  - ✧ 5,173 designated projects, many of which affect freight mobility
- Transportation Improvements (1934)
  - ✧ \$Millions over 5 years (2005-2009)
  - ✧ 465 designated projects, many of which affect freight mobility
  - ✧ Gateway Rural Improvement Pilot Program (1946) - Vermont pilot program "to demonstrate the benefits to a rural rail corridor of a freight transportation gateway program" \$30M (05-09)

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## Coordinated Border Infrastructure Program (1303)



- Secretary to establish a formula distribution program for Border States based on:
  - ✧ 20% by commercial truck volume
  - ✧ 30% by personal vehicle/bus volume
  - ✧ 25% by freight volume by weight
  - ✧ 25% by number of ports of entry
- Program funds may be used to construct transportation and supporting infrastructure, make operational improvements, modify regulatory procedures, and coordinate international planning and operations within the border region (within 100 miles of the border)
  - ✧ Projects in Canada and Mexico are eligible for funding
- \$833 million over 5 years (2005-2009)

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## Commissions



- National Surface Transportation Policy and Revenue Study Commission (1909)
  - ✧ 12 members appointed by President & Congress
  - ✧ Technical Advisory Committee estblshd by Secretary
  - ✧ Final Report to Congress due 7/1/07
  - ✧ \$2.8M over 2 years ('06-'07)
- National Surface Transportation Infrastructure Financing Commission (11-1142)
  - ✧ 15 members appointed by the Secretary & Congress
  - ✧ Final Report due within 2 years of first meeting
  - ✧ To be funded out of GOE in DOT & Treasury

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## Studies



- Study of Rail Transportation and Regulation (9007)
  - ✧ Secretary will coordinate with TRB to study performance of the nation's RR regarding service levels, service quality and rates; projected demand for freight transportation over next 2 decades and constraints limiting the RR ability to meet that demand
  - ✧ Report to Congress due 1 year after the Secretary and the TRB enter into an arrangement of the study.
  - ✧ \$1.8 million over 2 years (2006-2007)
- Motor Carrier Efficiency Study (5503)
  - ✧ FMCSA to conduct study to identify inefficiencies in the transportation of freight; evaluate wireless technologies to reduce id'd inefficiencies; and conduct, as appropriate, field tests to validate
  - ✧ Annual report to Congress on progress
  - ✧ \$5M over four years (2006-2009)

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## Studies (cont.)



- Community Enhancement Study (1925)
  - ✧ How well designed transportation projects promote, *inter alia*, economic development
  - ✧ Report due 9/20/07
  - ✧ \$2M over 2 years (2006-2007)
- National Intermodal System Improvement Plan (4149)
  - ✧ To include emerging trends that could impact the national system, recommended intermodal R&D, policy, transportation decision-making, financing...
  - ✧ Office of Intermodalism
  - ✧ Progress report by 8/10/07, follow-up report by 8/10/09.

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## Related Activities

- Transportation Planning (6001)
  - ◇ **Both MPO and State**
  - ◇ Scope of planning process / factors to consider
    - Economic vitality, especially by enabling global competitiveness, productivity & efficiency
    - Increase in mobility for people and freight
    - Enhance integration and connectivity of the transportation system for people and freight
  - ◇ Participation by interested parties in the planning process includes freight shippers and providers of freight transportation services
  - ◇ **MPO**
    - Operational and Management Strategies must be included in the Transportation Improvement Plan (TIP).

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## Related Activities (cont.)

- TRANSIMS (5512)
  - ◇ Expansion of this network model into, *inter alia*, economic analysis, freight movement and port studies.
- Roadability (4118)
  - ◇ Promulgate regulations establishing a program to ensure that intermodal equipment used to transport intermodal containers is safe and systematically maintained. Regs due 8/10/06.
- CVISN (4126)
  - ◇ Continuation of this program that seeks to improve safety and productivity of commercial motor vehicles and drivers, and reduce costs associated with commercial vehicle operations.
  - ◇ \$100M for four years (2006-2009)

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## *Related Activities (cont.)*



- S&W Technical Amendments
  - ✧ 1309 Extension of Public Transit Vehicle Exemption from Axle Weight Restrictions
  - ✧ 4112 Nebraska Custom Harvesters Length Exemption
  - ✧ 4141 Driveaway Saddlemount Vehicles
  - ✧ Energy Bill (756) weight exemption for carrying idle reduction equipment (?)

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## *Related Activities (cont.)*



- Real-Time Systems Management Information Program (1201)
  - Establish capability in all States to provide real time:
    - × Monitoring of traffic conditions
    - × Sharing of information
  - Purpose – ease congestion, improve response to severe weather, accidents, and other incidents; and enhanced security
  - Eligible for funding under NHS, STP, and CMAQ

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## *Related Activities (cont.)*

### ➤ Other

- ✧ Motor Carrier Provisions in Title IV
- ✧ HazMat provisions in Title VII
- ✧ Data
  - ▣ Motor Carrier data (4108, 4109, 4304-4306)
  - ▣ Transportation Safety Information System (5501)
  - ▣ Bureau of Transportation Statistics (5601)

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## *Process*

- The Office of the Secretary of Transportation (OST) will promulgate a first cut of the Legislative Implementation Plan (LIP)
- The respective agencies in DOT will provide feedback to OST
- A final LIP will be generated for the Department and we begin implementation of the legislation.

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*Questions?*

