



MEMORANDUM

To: CMAP Freight Committee

From: CMAP Staff

Date: September 22, 2014

Re: Review of Freight Provisions in Reauthorization Proposals

On July 6, 2012, President Obama signed into law Moving Ahead for Progress in the 21st Century (MAP-21), a two-year surface transportation bill. Authorizing some \$52.6 billion in annual transportation funding, MAP-21 implemented several meaningful programmatic and policy changes but failed to provide a sustainable funding mechanism for the federal transportation program. With MAP-21 originally set to expire on September 30, 2014 and the federal Highway Trust Fund expected to reach insolvency in mid-2014, the U.S. Congress voted in July 2014 to extend the federal transportation program through May 31, 2015.

A national conversation is currently underway on a new surface transportation bill. Two reauthorization proposals were introduced in early 2014, and both contain new freight provisions. Additionally, CMAP staff has been active in coordinating with other major metropolitan regions in developing common federal freight policy principles.

GROW AMERICA Act

On April 29, 2014, the U.S. Department of Transportation (U.S. DOT) [released](#) legislative language for the Generating Renewal, Opportunity, and Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout America Act ([GROW AMERICA Act](#)). The bill would provide \$302 billion over four years for the federal government's surface transportation program, including highway, transit, rail, and safety programs.

For the first time, the act provides \$10 billion in funding for [freight improvements](#), split equally between a competitive grant program and an incentive grant program. The incentive grants would be awarded through a new Multimodal Freight Investment Program to states that have established freight advisory councils and completed freight plans; additional incentives would be offered to states that coordinate their plans with neighboring states. The competitive grants would be awarded through a new National Freight Infrastructure Program to states, MPOs, public transportation authorities, and other groups. Evaluation criteria would include the

promotion of MAP-21's freight goals, innovation, impact on U.S. exports, leveraging of local funds, anticipated net benefits, and the lack of alternative funding sources.

The GROW AMERICA Act would also redesignate the National Network, first designated in 1982, as a combination of the enhanced National Highway System and National Freight Network established under MAP-21.

MAP-21 Reauthorization Act

On May 12, 2014, the U.S. Senate Environment and Public Works (EPW) Committee released the [text](#) of the MAP-21 Reauthorization Act, its six-year, \$265 billion highway bill. Because of limitations to the Senate EPW Committee's jurisdiction, the bill only authorizes highway programs. For the most part, the MAP-21 Reauthorization Act would continue the [current federal transportation program](#) with relatively few policy changes. Funding would continue at current levels, adjusted for modest inflation, and apportionment formulas would function much like those under MAP-21.

Among the most significant changes, the bill would expand upon [MAP-21's freight provisions](#) to establish a first-ever core funding program for freight. Initial funding for this program would begin in FY 2016 at \$400 million, growing to \$2 billion in FY 2020. These freight funds would be distributed to states by formula; the details are not yet clear, but it appears states would receive the same percentage of freight funds as they do of overall national highway apportionments. To be eligible to receive these funds, states would be required to establish freight advisory councils and adopt detailed freight plans.

The bill would also revise the [National Freight Network](#) (NFN) established by MAP-21 in several ways. Both the NFN and one of the NFN's main components, the Primary Freight Network, would be renamed as the National Highway Freight Network (NHFN) and the Primary Highway Freight Network (PHFN). The PHFN would be revised to include additional designation criteria, and states would be allowed to increase their PHFN mileage by 10 percent to close gaps and make first- and last-mile connections. Further, the bill would expand the NHFN to include critical urban freight corridors and all National Highway System (NHS) intermodal connectors.

In contrast to MAP-21, which encouraged investment in the NFN but included no further provisions, the proposed MAP-21 Reauthorization Act would require freight funds to be directed to the NHFN. The bill also includes a formula to direct a minimum percentage of a state's freight funding to the PHFN.

The bill would revise and rename the [Projects of National or Regional Significance](#) (PNRS) program, providing \$400 million annually through FY 2020 and providing a more stable source of funding by moving the program from General Fund authorizations into the Highway Trust Fund. It would expand the program's eligible applicants to include local governments and various public authorities, and also lower the project cost threshold from \$500 million to \$350 million. The maximum grant amount would be set at \$50 million, and various provisions would set aside funds for rural areas and limit the total amount of PNRS funds awarded to a state in a given year.

Further, the bill would expand the transparency of the project evaluation and selection process, for example requiring process audits from the Government Accountability Office and the U.S. Department of Transportation's (U.S. DOT) Inspector General. The MAP-21 Reauthorization Act would also provide for a Congressional veto of the final recommended projects.

Major Metros Freight Principles

In February 2014, CMAP and other major metro organizations co-signed a letter that calls on the federal government to establish a “Freight Trust Fund” and to integrate metropolitan regions in the freight decision-making process. More specifically, the letter recommends the following as Congress develops a transportation reauthorization bill to replace MAP-21:

- Integrating metropolitan regions into the freight investment decision-making process.
- Dedicating a range of funding sources and authorizing a minimum of \$2 billion funding per year for freight investments, consistent with proposals from national freight advocacy organizations.
- Redefining the national freight network to comprise a multimodal transportation system

This letter was read into the Senate Committee on Environment and Public Works record by its chairman, Senator Barbara Boxer, on March 28, 2014.