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December 2015 Monthly Report for MTC

To: Steve Heminger, Executive Director
From: Tom Bulger, President, GRI
Re: Monthly Report for December 2015
Date: December 26, 2015

- **Fixing America's Surface Transportation (FAST) Act**
- **Omnibus Appropriations Bill**
- **Tax Bill Signed Into Law**
- **MTC Washington, D.C. 2016 Trip**
- **Meetings**

The 2015 Holiday Season was especially bountiful for the Federal Transportation programs. Congress and the President agreed to a five-year surface transportation authorization bill. Congress and the President agreed to make permanent over twenty tax provisions and the bipartisan environment extended to a FY 2016 Omnibus Appropriation Bill, which averted a Government shutdown.

Fixing America's Surface Transportation (FAST) Act

The FAST Act, H.R. 22 (2015-2016), will provide a significant increase in spending from the Highway Trust Fund. Highway spending in FY 2016 will be \$2.1 billion or 5% above FY 2015. Federal transit spending in FY 2016 will be \$753 million or 9% above FY 2015. Highway spending will grow from 2.1 % to 2.4% per year after FY 2016 and mass transit spending will grow at 2% per year.

How the bill is partially funded is a long-term concern. For the most part the Federal Reserve's surplus account was tapped at \$70 billion to shore up the Highway Trust Fund's shortages.

The most significant features of the FAST Act are:

- Formula freight program from \$1.15 billion in FY 2016 up to \$1.50 billion in FY 2020;
- Discretionary grant program for large highway and freight projects at \$500 million over the life of the bill;
- Surface Transportation block grant program with an increase to 55% that has to be suballocated versus current law at 55%;
- Expedited mass transit project delivery for up to eight new fixed guideway, core capacity or small starts projects;
- Mass transit pilot program for innovative coordinated access and mobility grants;
- Mass transit competitive grant program for innovative workforce development; and
- Mass transit pooling of formula funds to allow for large-scale procurements.

Omnibus Appropriations Bill

In mid December, the Congress approved and the President signed the year end FY 2016 appropriations bill. Signage of the appropriations bill averted a government shutdown.

Funding for the Federal Transit Administration (FTA) increased from \$870 million to \$11.8 billion for FY 2016.

Tax Bill Signed Into Law

At the end of this session of Congress, a tax bill was approved and signed by the President. Of special interest to the transit community, the transit and vanpool benefit was made permanent and at parity with the parking benefit. So beginning on January 1, 2016, the transit and vanpool benefit will be up to \$255 per month the same as the parking benefit. Additionally, all three transportation benefits will have an inflationary annual adjustment in the future.

MTC Washington, D.C. 2016 Trip

Logistics and planning are underway for the Commission's annual trip to Washington, D.C. in March 2016.

The California Congressional Transportation Reception is set for March 15, 2016 in the House Transportation and Infrastructure Committee Room, 2167 Rayburn House Office Building.

Meetings

I attend the APTA Legislation Committee meeting on Capitol Hill in December and their annual Holiday Reception.