FAST ACT FREIGHT PROVISIONS

October 2016
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OVERVIEW OF THE FAST ACT

DRIVE ACT (Senate) + STRR ACT (House) = FAST ACT

The FAST Act is a five year, $305 billion bill that reauthorizes surface transportation programs.
Estimated Highway Account Apportionments for Texas

- 2015: $3.33 billion
- 2016: $3.50 billion
- 2017: $3.57 billion
- 2018: $3.65 billion
- 2019: $3.73 billion
- 2020: $3.82 billion
FAST ACT FREIGHT POLICY PROVISIONS

- DIRECTS USDOT TO CREATE TWO NEW FREIGHT NETWORKS:

1. National Multimodal Freight Network

2. National Highway Freight Network
NMFN vs NHFN
USDOT must complete a National Strategic Freight Plan every 5 years that will include processes for multi-state project delivery, and financial and regulatory barriers to freight movement.

USDOT released the Interim NMFN on June 6, 2016. Deadline for comments was September 6. Final map will be released by December 2016.

Multimodal Network will consist of:
- National Highway Freight Network
- Class 1 freight railroads
- Ports with annual foreign and domestic trade of at least 2 million short tons
- Inland and Intracoastal Waterways
- Great Lakes and St. Lawrence Seaway
- MARAD Marine Highways
- 50 US Airports with highest annual landed weight
- Other assets as identified by USDOT (i.e. short line railroads)
INTERIM NMFN—TEXAS AIRPORTS
Highway Freight Network will consist of four components:

1. **Primary Highway Freight System** – 41,518 mile network as identified by USDOT under MAP-21. (Texas mileage = 3727.77)

2. **Critical Rural Freight Corridors** – State identified network meeting certain requirements. Maximum of 150 miles or 20% of a state’s PHFS miles (Texas mileage = 745.5 miles).

3. **Critical Urban Freight Corridors** – An MPO identified network, in consultation with a state, in areas of 50,000 population or higher meeting certain requirements. Maximum of 75 miles or 10% of a state’s PHFS miles (Texas mileage = 372.7 miles).

4. **Interstates not already identified as part of the PHFS.** (Texas mileage = 95.01 miles)
41K PRIMARY HIGHWAY FREIGHT SYSTEM

Draft Comprehensive Primary Freight Network

U.S. Department of Transportation, Federal Highway Administration, Office of Freight Management and Operations

LEGEND
PFN Features
• ComprehensivePFN (approx. 41,000 miles based on statutory criteria)
• Remainder of the Interstate System (not part of PFN)
• Border Crossings

September 2015
TEXAS NATIONAL HIGHWAY FREIGHT NETWORK
TEXAS NATIONAL HIGHWAY FREIGHT NETWORK (EAST)
CRITICAL RURAL FREIGHT CORRIDORS

- Designated by the state
- Limited to 745.5 miles

Criteria:

- Cannot be in an urbanized area
- (A) a rural principal arterial roadway with minimum of 25 percent of the AADT consisting of trucks;
- (B) provides access to energy exploration, development, installation, or production areas;
- (C) connects the PHFS or the Interstate System to facilities that handle more than 50,000 20-foot equivalent units per year or 500,000 tons per year of bulk commodities;
- (D) provides access to a grain elevator or an agricultural, mining, forestry or intermodal facility;
- (E) connects to an international port of entry;
- (F) provides access to significant air, rail, water, or other freight facilities in the State; or
- (G) is determined by the State to be vital to improving the efficient movement of freight of importance to the economy of the State.
CRITICAL URBAN FREIGHT CORRIDORS

- Designated by the state and MPOs
  - Population over 500,000 = MPO in consultation with state
  - Population under 500,000 = State in consultation with MPO
- Limited to 372.7 miles

Criteria:

- Must be in an urbanized area
- (A) connects an intermodal facility to the PHFS, the Interstate System or an intermodal freight facility;
- (B) is located within a corridor of a route on the PHFS and provides an alternative highway option important to goods movement;
- (C) serves a major freight generator, logistic center, or manufacturing and warehouse industrial land; or
- (D) is important to the movement of freight within the region, as determined by the MPO or the State.
FREIGHT PROGRAM FUNDING

- TWO POTS OF MONEY FOR FREIGHT PROJECTS

**FORMULA FUNDS** = $6.3 BILLION OVER FIVE YEARS

$551 MILLION FOR TEXAS

**DISCRETIONARY FUNDS** = $4.5 BILLION OVER FIVE YEARS

- FY 2017 $850 million
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<th>FISCAL YEAR</th>
<th>FREIGHT APPORTIONMENT</th>
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<td>2016</td>
<td>$100,641,720</td>
</tr>
<tr>
<td>2017</td>
<td>$102,692,370</td>
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<tr>
<td>2018</td>
<td>$105,017,447</td>
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<tr>
<td>2019</td>
<td>$118,144,628</td>
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<tr>
<td>2020</td>
<td>$131,271,809</td>
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<td>TOTAL</td>
<td>$557,767,974</td>
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USE OF FORMULA FUNDS

- LIMITATION ON STATES WITH HIGH PHFS MILEAGE
- PROJECT ELIGIBILITIES
  - MUST BE IDENTIFIED IN THE FREIGHT PLAN
  - MAX 10% CAN BE SPENT ON NON-HIGHWAY PROJECTS

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USE OF DISCRETIONARY FUNDS--FASTLANE

- FASTLANE Grants
  - Program funding for FY 2016 is $759 million
  - Awards announced July 6, 2016
- Competitive grant program
- Eligible projects:
  1. *Highway projects on the National Highway Freight Network*
  2. *Highway or bridge project on the National Highway System*
  3. *Intermodal or freight rail projects*
  4. *Rail-highway grade crossing or grade separation*

*Non-highway projects are limited to $500 million over 5 years*
- **Project categories:**
  - Large projects (total project cost over $100 million)
    - Minimum award of $25 million
  - Small projects (total project cost under $100 million)
    - Minimum award of $5 million

- **Set asides:**
  - 10% for small projects
  - 25% for projects in rural areas

- $500 million cap for non-highway projects like freight rail or inside the fence port projects
TXDOT FASTLANE APPLICATIONS

Houston Grand Parkway

Segments H, I-1 & I-2
- Two-lane toll facility at Segments H & I-1 with intermittent four-lane sections for passing and a four-lane toll facility at Segment I-2
- Total project cost: $1.227 billion
- FASTLANE request: $45 million

Laredo Bundle

Interchange at I-35 & US-59/I-69
- US 59 mainlane overpass at I-35 and a direct connector from WB US 59 to I-35 SB.
- Total project cost: $58.6 million
- FASTLANE request: $35.16 million

Fort Worth I-35W

North Tarrant Express Segment 3C
- Reconstruct two general purpose lanes in each direction, construct two managed toll lanes in each direction and continuous frontage roads for the entire 7.1 mile length extending from North Tarrant Parkway to Eagle Parkway
- Total project cost: $611.52 million
- FASTLANE request: $63 million
FY 2016 FASTLANE AWARDS

- 18 AWARDS TO 16 STATES
States are encouraged to but not required to form a state freight advisory committee

States must develop a state freight plan in order to use freight funding
  – Must be finalized by December 2017 and updated every 5 years
  – Must be fiscally constrained
WHAT’S NEXT?

USDOT

- Create the National Surface Transportation and Innovative Finance Bureau, which will administer FASTLANE
  - Renamed the Build America Bureau

TXDOT/TXFAC

- Update the Texas Freight Mobility Plan
  - Designate the urban and rural connectors
  - Fiscally constrained

- Determine discretionary projects
Thank You!

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