



TRANSPORTATION ISSUE PAPER

San Antonio Chamber of Commerce
San Antonio Mobility Coalition, Inc.

SURFACE TRANSPORTATION REAUTHORIZATION: SUSTAINABLE FUNDING AND MORE EQUITABLE FUNDING DISTRIBUTION

OBJECTIVES:

- Support action by Congress to provide robust and sustainable funding for the next five-year Surface Transportation Reauthorization Bill in order to enhance federal investment in transportation assets.
- Support measures that reduce or end the status of Texas as a donor state and make federal funding of transportation more equitable by updating the formula and data used in the formula.

BACKGROUND:

On December 3, 2015 the House of Representatives passed by a vote of 359 to 64 a five-year \$305 billion federal surface transportation reauthorization bill entitled Fixing America's Surface Transportation Act, or the FAST Act. Later the same day, the Senate approved the FAST Act by an 83-16 vote. President Obama signed the FAST Act into law on December 4, 2015.

The FAST Act addressed several long-standing issues set forth in previous SA to DC policy statements on surface transportation reauthorization, including establishment of an expedited environmental review process, renewal of the TIFIA and TIGER programs, provision of a Nationally Significant Freight and Highway Projects program (i.e. corridors of national significance), enhanced funding for bus replacements, and additional funding across all modes.

The FAST Act provides \$225 billion in Highway Trust Fund contract authority over five years for the Federal-Aid Highway Program – starting at \$41 billion in 2015 rising to \$47 billion in 2020. For the initial year, this represented about a five percent increase in overall highway programs. The FAST Act also provides a first-year increase of about 16 percent for transit programs and an increase in passenger rail funding of 9 percent.

Notwithstanding the many positive aspects of the FAST Act, there are several deficiencies that should be address as the next multi-year reauthorization bill (2021 and beyond) is developed:

- 1) While the Act provides \$57.5 billion in annual funding for highways and transit, this falls \$16 billion short on an annual basis of what the Highway Trust Fund's annual purchasing power provided in 1993, the last time the federal gasoline tax was increased.
- 2) The Act relies upon \$70 billion of General Fund support including a number of one-time funding measures. The anticipated gap between Highway Trust Fund income and spending in 2021 is expected to reach \$20 billion. Long-term, sustainable funding for transportation is yet to be achieved.
- 3) The State of Texas currently receives a "rate of return" of only 94.99 percent for its contribution to the Highway Trust Fund. In FY 2020, when the next reauthorization bill is due, the formula used will be 15 years old and will be based on population and other data that is more than 20 years old. The formula should be updated to reflect current population data, lanes miles, and related trends/data that reflect the explosive growth experienced in various regions of the country.
- 4) Funding for transit and passenger rail programs – in particular for start-up systems – remains inadequate.

As the next surface transportation reauthorization bill is developed, we urge members of Congress to support an increase in the federal gasoline tax or similar revenue measure in order to achieve the goal of providing fully funded, long-term, sustainable funding for both highway and transit programs. The Chamber also encourages members of the Texas delegation to work toward an update of the distribution formula for the Highway Trust Fund that removes current inequities.

CONGRESSIONAL SUPPORT:

Seeking support from the San Antonio and Texas delegations.

BENEFITS:

- Greater investment levels in our nation's transportation infrastructure will create jobs, promote economic competitiveness, improve air quality, enhance safety, and improve the quality of life for our nation's growing urban areas. Maintaining a positive balance in the Highway Trust Fund will enable the federal government to meet its transportation funding commitments and prevent additional reductions in funding to the states.

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2017 PUBLIC TRANSPORTATION ISSUE PAPER

San Antonio Chamber of Commerce
VIA Metropolitan Transit

Federal Investment to Support VIA Metropolitan Transit

REQUEST:

Support VIA in its development and advancement of transportation projects that enhance the region's ability to maintain, improve and grow our multimodal transportation network by supporting the following:

1. **Protecting the status quo** with regard to **how the Highway Trust Fund and the Mass Transit Account are treated** in the **Fiscal Year 2018 Budget Resolution/Reconciliation** process by maintaining the budgetary firewalls that protect the integrity of the Highway Trust Fund.
2. **Opposing any efforts to decouple public transportation's linkage to the Highway Trust Fund.**
3. Supporting **full FAST Act funding in Fiscal Year 2017 appropriations** and beyond for vital programs that will allow formula fund dollars to flow and discretionary grant application cycles to continue to award funds to projects.
4. Supporting federal programs, policies and legislation that **encourage and incentivize the use of alternative fuels such as compressed natural gas (CNG), including making the current federal tax credits** for alternative fuels and related infrastructure permanent.
5. Supporting policies that **increase Highway Trust Fund revenues** to address the growing infrastructure crisis and expand economic opportunity for our region, our state, and our nation.
6. Supporting **potential infrastructure initiatives** and **comprehensive tax reform** to bring new public transportation investment opportunities to our growing region.

7. Examining and beginning to **address the long-term structural deficiencies of the Highway Trust Fund.**

BACKGROUND:

VIA Metropolitan Transit provides regional multimodal transportation options that connect our community to opportunity, support economic vitality and enhance quality of life throughout our region.

VIA was created in 1977 through a one-half cent sales tax in San Antonio and partner municipalities. VIA Serves 1,215 square miles in 14 cities and Bexar County. It has the lowest sales tax rate of major metropolitan transit authorities in Texas.

VIA is governed by an 11-member Board. It provides service 7 days a week on 90 routes. It provided 42.2 million passenger trips in 2015.

The Chamber supports VIA Metropolitan Transit in their pursuit of additional federal investment to address the long-term, multimodal transportation needs of our growing region.

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