



MEMORANDUM

**TO:** Southwest Washington Regional Transportation Council Board of Directors  
**FROM:** Matt Ransom, Executive Director *MR*  
**DATE:** March 31, 2015  
**SUBJECT:** Federal Legislative Update

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***AT A GLANCE – INFORMATION***

*The purpose of this memorandum is to keep the RTC Board apprised of Federal legislation and the imminent need to appropriate revenue for implementation of MAP-21.*

**BACKGROUND**

Congress is facing a short term need to appropriate new revenue for implementation of MAP-21 and to ensure the continued flow of federal gas tax and supplemental transportation investment funds. The Congressional Budget Office estimates annual federal expenditures of \$50 billion on infrastructure. The federal gas tax of 18.4 cents (per-gallon) generates roughly \$34 billion per-year with the remaining \$16 billion coming in the form of back-fill appropriations from Congress.<sup>1</sup> As it stands, the Highway Trust Fund account balance is projected to be depleted by May 31, and from thereon operate on a cash-in/cash-out basis, absent additional appropriations of revenue.

**CURRENT STATUS**

At the state and regional level, Washington State receives roughly \$713 million in annual federal formula funds and RTC receives roughly \$9.8 million in formula grant and planning funds for the Clark County Metropolitan Planning Area. Uncertainty of federal funding continuity affects both the state and the RTC region when it comes to our respective abilities to plan and construct projects and to comply with other federal mandates.

While uncertainty persists, the RTC (and WSDOT) continue to operate the federal components of the transportation program with the assumption that the flow of Federal funds will continue at current funding levels. RTC is currently projecting a call for projects for the YR 2019 regional federal formula grant funds beginning in July 2015. This continued programming of funds is prudent given the long-term cycle needed for planning and constructing regional transportation system investments. Should the flow of federal funds be reduced or interrupted, then additional regional (and State) conversations would ensue regarding interim delay of project funding and/or related program compliance.

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<sup>1</sup> Federal gas tax (per-gallon) is 18.4 cents. The current tax rate was set in 1993 and has not been adjusted.

## **POLICY DEVELOPMENTS**

At the Federal level, conversations and recommendations to address both the short- and long-term transportation funding issues are ongoing. Both Congress and the Obama Administration have floated concepts regarding re-authorization of MAP-21 and related enhancement and reforms to the federal transportation investment and funding program.

The Obama Administration did release a comprehensive federal transportation investment proposal in the GROW AMERICA Act. The Act is a 6-year transportation reauthorization proposal that provides increased and stable funding for the highways, bridges, transit, and rail systems. So far Congress has not taken up this proposal. Other proposals are also in development from both chambers of Congress. To date, Congress' focus has been both on long-term funding as well as watching the short-term funding issue. While conversations are ongoing, no single pathway forward has been set on comprehensive resolution to the federal transportation funding conundrum.

## **NEXT STEPS**

RTC staff will continue to monitor the federal transportation funding status. Should flow of federal funds be in jeopardy, then staff will return with recommendations for how to address project programming in the Transportation Improvement Program and related adjustments to the regional planning and compliance programs.