



TRANSPORTATION FUNDING BOOSTED IN 2018 FUNDING BILL

Congress completed action last week on a funding bill for the remainder of fiscal year (FY) 2018 that avoids yet another government shutdown and includes \$10 billion plus in additional infrastructure investment—compared to FY 2017. President Trump signed the bill after briefly threatening to veto the bill citing concerns about some of its provisions. The deal was set in motion three weeks ago when the Bipartisan Budget Act of 2018 was approved.

That compromise measure put in place a two-year blueprint for government spending which promised \$20 billion in additional infrastructure funding over that period. This bill is the first half of the promised infrastructure investment. The compromise Omnibus FY 2018 appropriations legislation includes a significant increase in funding for highway, transit and aviation construction. The bill largely approves funding at FAST Act authorized levels from the Highway Trust Fund for the highway and transit programs and provides an additional \$4.4 billion from the general fund for transportation programs.

The agreement includes transportation funding as follows:

- Fully funds FAST Act authorized funding of \$44.23 billion for the Federal-aid highway program, an increase of \$900 million over FY 2017.
- An additional \$2.565 billion for federal-aid highway funding (from the general fund). The biggest portion of this amount, \$1.98 billion will be distributed to states only for highway, bridge and tunnel projects under existing formula, \$225 million goes to a new bridge program for rural states (almost half of the states qualify), \$15.8 million for Puerto Rico highways, \$4.2 million for other territories and \$300 million for Federal and tribal lands.
- \$1.5 billion for TIGER Grant Program which was funded at \$500 million in FY 2017.
- Fully funds FAST Act authorized funding of \$9.733 billion for mass transit formula grants, no increase from the FY 2017 level.
- An additional \$834 million from the general fund for transit formula grants.
- Provides \$2.645 billion in funding for transit new start capital grant program which funds ongoing transit projects with full funding grant agreements (FFGA). An additional \$232 million is provided for FFGA for 5 new transit projects.
- \$4.35 billion for the Airport Improvement Program, an increase of \$1 billion from FY 2017.
- \$25 million in additional funds for the Railroad Rehabilitation & Improvement Financing (RRIF) program for credit subsidies.

The bill does not include an increase in the Passenger Facility Charge (PFC) from the current cap of \$4.50. The PFC, levied on airline tickets, is used for airport capital construction projects. The Senate appropriations bill had proposed an increase of \$4.00 in the cap.

In other infrastructure funding the bill provides \$6.83 billion for the Army Corps of Engineers for navigation and flood-control projects an increase of \$789 million from FY 2017 appropriated level.

Source - AGC