Info Alert

National Conference of State Legislatures
Office of State-Federal Relations

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Congress Appears Set to Approve 27-Month Surface Transportation Reauthorization

One June 28, House and Senate leaders released the final version of their long-term, 27-month, surface transportation reauthorization conference report (HR 4348), the Moving Ahead for Progress in the 21st Century (MAP-21). The bill extends authorization for the Highway Trust Fund and surface transportation programs at current levels, adjusted for inflation, through end of federal fiscal year (FY) 2014, or September 30, 2014. Both the House and Senate are likely to take action on June 29. If this occurs, the President would then sign the bill into law before current authorization expires on June 30.

The 27-month reauthorization is forecast to cost approximately $120 billion. However, the six revenue sources of the Highway Trust Fund, which includes the 18.4 cents per gallon national gasoline tax, are not forecast to collect enough revenue to maintain current levels of spending. To offset this shortfall, the bill transfers $18.8 billion over the course of 27 months from the General Fund to the HTF in order to maintain current levels of funding adjusted for inflation, through FY 2014. Specifically, the bill transfers $6.2 billion to the HTF in 2013 and $10.4 billion in 2014 as well as transferring $2.2 billion to the Mass Transit Account in 2014. These transfers would be offset by two separate pension reform changes, including adjusting the annual contribution requirements that private employers have to contribute to their pension funds as well as increasing the cost of premiums for employers to participate in the Pension Benefit Guarantee Corporation (PBGC). Additional offsets include adjustments to federal worker retirement rules and the application of federal taxes on roll-your-own cigarette machines. The bill also transfers $2.4 billion from the Leaking Underground Storage Tank (LUST) Trust Fund to the HTF upon the bill’s enactment.

As for programmatic changes made to the bill, the bill consolidates the number of highway programs by two-thirds and includes a new National Highway Performance Program aimed at improving non-Interstate roads and bridges deemed essential to the economy. Additionally, the bill makes a number of changes to the review process for new transportation projects that are expected to shorten the average time from 15 years to seven years both by requiring various environmental reviews to proceed concurrently and by exempting emergency road, highway or bridge reconstruction from review under the National Emergency Policy Act (NEPA). The conference report also calls for the development of a National Freight Strategic Plan, along with incentives for states to fund freight improvement projects.

Additional provisions of interest include an increase in funding for the Transportation Infrastructure Finance and Innovation Act (TIFIA) program to $1 billion. The agreement also redirects 50 percent of the funds states receive for transportation enhancements through the Surface Transportation Program to local Metropolitan Planning Organizations. However, the bill provides states with additional flexibility in how they can use the remaining funds. The conference report does not include provisions reducing state apportionment based on privatized leased toll highways. The agreement includes a provision directing 80 percent of pending fines relating to the 2010 Gulf of Mexico oil spill to states surrounding the gulf as well as a provision directing the Department of Transportation Secretary to study the effects of heavy trucks' size and weight on highway infrastructure and safety. Finally, the bill does not include language relating to the Keystone XL oil pipeline project or the regulation of coal ash.

Additional Links:
Bill Text
Bill Summary

As always, if you have any questions on the bill, please contact NCSL staff:

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