SURFACE TRANSPORTATION REAUTHORIZATION NEEDED IN 2021

Enactment of a new five-year surface transportation authorization is critical in 2021. ***With the FAST Act set to expire September 30th, we need Congress and the administration to work together to ensure passage of a new five-year authorization. Continuing resolutions create uncertainty and threaten long-range project plans.***

Now is the time to build on the passage of the Infrastructure Investment and Jobs Act by the Senate and pass a comprehensive, multi-year bill that provides significant increases in funding for Minnesota's transportation system.

Minnesota's Transportation System Needs Additional Investments

STATE ROAD AND BRIDGE NEEDS

The longstanding investment backlog for highways and bridges, which stands at $756 billion in 2021 based on the methodology used in Status of the Nation's Highways, Bridges, and Transit: Conditions & Performance Report, 23rd Edition published by the US Department of Transportation. This backlog is composed of system rehabilitation, enhancement, and capacity needs for highways and bridges.

Transit state-of-good-repair backlog of approximately $100 billion and growing, insufficient support from all levels of government remains an obstacle to progress.

On the state level, there are 661 bridges and over 4,986 miles of highway in poor condition. Since 2011, commute times have increased by 8.6% in Minnesota and on average, each driver pays $543 per year in costs due to driving on roads in need of repair.

In Minnesota, MnDOT has estimated a funding gap of $18 billion over the next 20 years between available highway funding and the estimated repair and improvement needs.

Key corridors in Minnesota that serve industries, businesses and residents need investment to improve safety and efficiency. Improvements are needed on all of our major corridors: I-94, I-35, I-90, I-494, US Highways 212, 169, TH52, TH5 and TH55. These corridors keep our state's economy moving.

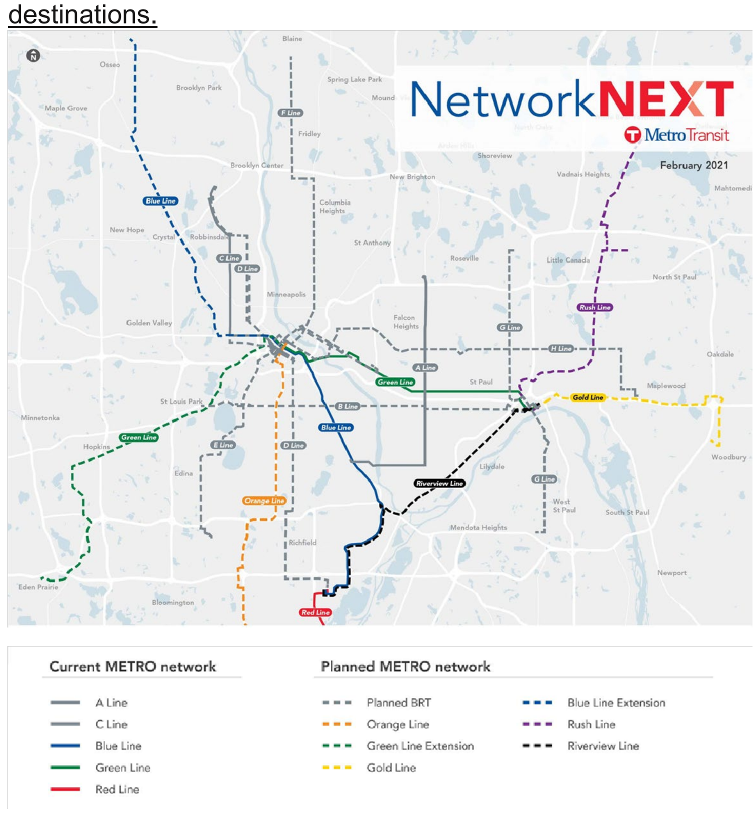
Minnesota faces huge funding needs including a "bridge bubble" with major state bridges becoming deficient in the coming decade, freight corridors that need safety improvements, and bottlenecks in the Twin Cities Metropolitan Area that cost businesses and commuters additional dollars.

TRANSIT SYSTEM NEEDS STATEWIDE

The American Society of Civil Engineers recently gave public transit a dismal D-minus grade for its crumbling network, citing 1 in 5 transit vehicles in "poor" condition" and a repair backlog of over $100 billion.

In the Twin Cities Metropolitan Area, a vision has been developed with new connections that will make traveling around the region much more convenient and accessible. As the economy recovers and grows, attracting new businesses and residents will require a modern network of Bus Rapid Transit and Light Rail lines that make the region competitive.

In Greater Minnesota, transit systems have also developed a vision for what their communities need over the next five years to support economic growth and to help families and residents live and work in more rural communities. More investment in transit hubs, bus garages, updated vehicles, new technology and bus rapid transit will give many more residents in Greater Minnesota options for getting to work, shopping, medical appointments and other important destinations.



Volunteer drivers play a critical role in providing mobility in Greater Minnesota. Congress should support legislation changing the outdated 14-cent per mile reimbursement rate for volunteer drivers to the IRS business rate for mileage reimbursement.

LOCAL TRANSPORTATION SYSTEM NEEDS

Local governments play a critical role in the nation's transportation system, with counties owning 46 percent of all public roads, cities and townships owning 32 percent of public roads, states owning 19 percent by states, and the federal government owning 3 percent. Local governments are also involved with a major share of the nation's transit systems and airports that connect residents, communities and businesses.

Without additional funding, many projects needed across the state will continue to languish, becoming more expensive as construction inflation adds to the cost every year.

Counties, cities and townships in Minnesota all struggle to maintain the roads and bridges under their jurisdiction. Deficient local bridges are waiting for state and federal funding to start construction while applications for state bond funds to assist with local road projects far exceed the funding available.

Local governments requested $344 million in state bond funding through 425 applications for the Local Road Improvement Program. The state was able to provide $80 million in awards to 83 projects, leaving 320 projects totaling $574 million that are currently not funded.

PORT AND WATERWAY NEEDS

The marine system provides Minnesota with increased modal freight opportunities, and therefore greater market access. The Mississippi River System provides direct access to river ports to the south and, via New Orleans, to the Gulf of Mexico. The Great Lakes-St. Lawrence Seaway provides access to ports along the Great Lakes and, beyond, to the Atlantic Ocean.

Investments are needed in these areas: dredging in the dock areas, dock wall construction, creation of new storage facilities, building/road rehabilitation/construction, improving road/rail access to port areas, and upgrading to meet safety codes.

Intermodal connections are key for facilitating the transfer of goods to rail and truck for delivery. As demand for goods increases, improvements and new intermodal facilities will be needed.

FREIGHT MOVEMENT INCREASES

In 2012, one billion tons of freight moved over Minnesota's transportation system, and by 2040 that volume is expected to rise to 1.8 billion tons – an increase of 80 percent overall. In 2012, trucks carried 63 percent of all freight tonnage, while rail (carload and intermodal) carried about 25 percent.1 This growth in freight transportation will stress Minnesota's transportation infrastructure. Strategic improvements in multimodal freight system infrastructure to ensure critical segments and connections are both available and in a state of good repair are essential for Minnesota to meet expected demand.

Trucks are an important mode for moving all types of goods and account for the highest tonnage of goods in Minnesota and nationally. A wide range of commodities is shipped via the highway mode. Even goods shipped primarily using another mode use trucks for last-mile connections to and from their origins and destinations. Cereal Grains, Gravel and Animal Feed reflect the largest tonnages of goods shipped via truck, consistent with the state's farm culture and raw material production. Looking ahead to 2040, agricultural products are anticipated to require even more use of the state's highway infrastructure.

MINNESOTA SAFETY NEEDS

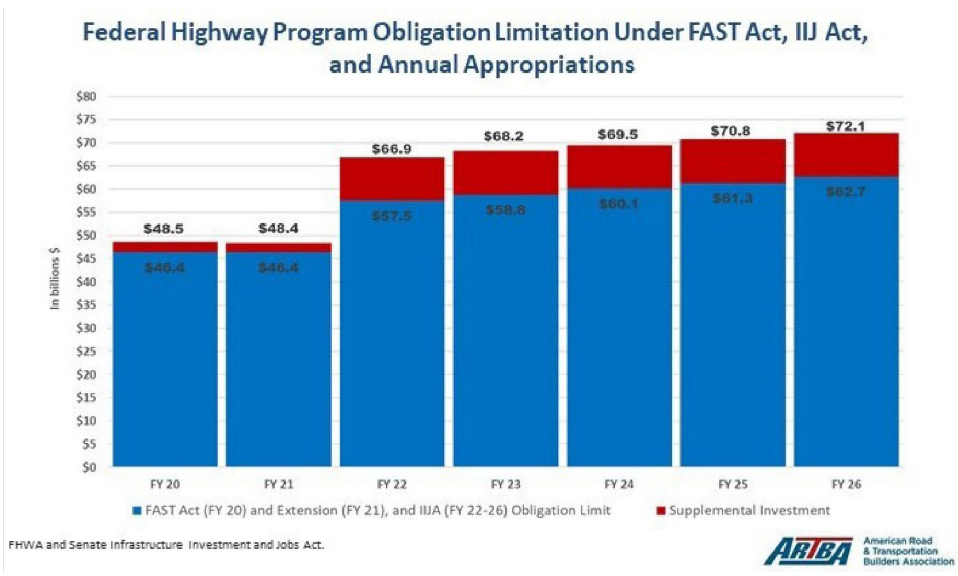
Safety on our roadways has become more of a concern. Traffic fatalities and injuries continue to claim over 350 lives each year in Minnesota. Greater investments are needed in programs and infrastructure that will reduce crashes and fatalities.

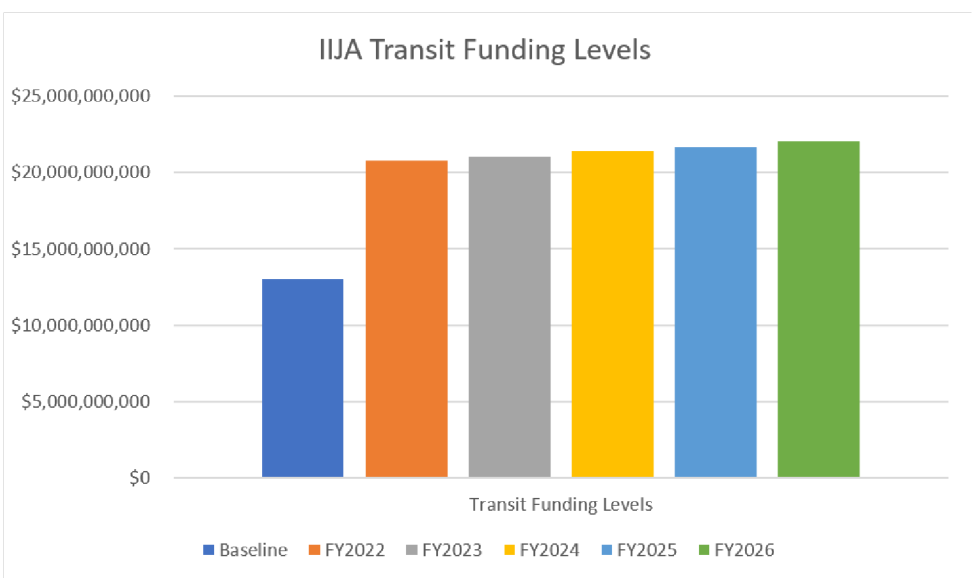
Our safety, our access to destinations and economic health all depend on a strong, safe transportation system. If we want to better than “getting back to normal” we need to invest in Minnesota’s future with updated transportation systems.

Stable Funding Through a Multi-Year Authorization

A multi-year federal commitment allows MnDOT, counties, cities and transit and other systems to plan ahead and schedule projects out into the future based on authorized funding levels. Short-term continuing resolutions of the FAST Act, create uncertainty and keep funding at levels that are not adequate to meet Minnesota’s transportation infrastructure needs.

SIGNIFICANT NEW FUNDING PROVIDED IN SENATE INFRASTRUCTURE INVESTMENT AND JOBS ACT





Impact of Senate Infrastructure Investment & Jobs Act For Minnesota

Based on formula funding alone, **Minnesota would expect to receive $4.5 billion for federal-aid highway apportioned programs and $302 million for bridge replacement and repairs** under the Infrastructure Investment and Jobs Act over five years.

Minnesota can also compete for funding through a number of discretionary grant programs including:

- $12.5 billion Bridge Investment Program for economically significant bridges;
- $16 billion of national funding in the bill dedicated for major projects that will deliver substantial economic benefits to communities;
- $8 billion for Nationally Significant Multimodal Freight and Highway Program (formerly INFRA grants)
- $7.5 billion for Local and Regional Project assistance;
  - $1 billion for Safe Streets and Roads for All grant program.

Additional transit funding would benefit transit statewide. **Based on formula funding alone, Minnesota would expect to receive $820 million over five years** under the Infrastructure Investment and Jobs Act to improve public transportation options across the state.

Minnesota will also be able to compete for:

- $15 billion in Capital Investment Grants
- $10 billion in FTA Infrastructure Grants

Minnesota would expect to receive $68 million over five years to support the expansion of an EV charging network in the state. Minnesota will also have the opportunity to apply for the $2.5 billion in grant funding dedicated to EV charging in the bill.

CONGRESSIONALLY DIRECTED SPENDING

Congressionally Directed Spending allows elected officials - as opposed to unelected agency staff - to direct a small percentage of overall federal highway dollars to local projects that are important to communities in their districts. Many Minnesota communities have benefitted from federal dollars directed to specific roadway and transit projects.

The process for directing funding to a local project involves rigorous reviews of the project status, support within the community and whether or not MnDOT or the Metropolitan Council supports the project moving ahead. Competition for a small amount of funding ensures that high priority projects are selected.

Congressionally directed funding can help fill a funding gap for an important project so that it moves ahead more quickly, saving dollars in the long run as projects become more expensive the longer it takes for their completion.

Midwestern states like Minnesota may have a difficult time competing with larger states for funding through discretionary grant programs.

Transportation Policy Recommendations

IMPROVE PROJECT DELIVERY PLANNING PROCESS

Consolidate all permitting decisions for major infrastructure projects into one single environmental document with a schedule set by the federal "lead" agency;
and

- Finalize the environmental review process within an average time of two years and complete all authorization decisions for a major project within 90 days of the issuance of a record of decision.
- Require an annual report detailing progress made on improving project delivery, such as savings and identification of problem areas.
- Reduce the number of times states participating in the National Environmental Policy Act (NEPA) delegation program have to reapply.
- Decrease delays for projects already in an existing right of way and projects using limited federal funds by setting deadlines for permit approvals and increasing the use of categorical exclusions.
- Reform the transportation planning process by eliminating the "fiscal constraint" requirements for projects beyond a four-year time frame. Fiscal constraint requirements often complicate long-term planning because funding could not be predicted beyond the scope of the current reauthorization bill.

BUY AMERICA PROVISIONS

Most binding agents or additives used in highway construction originate in Canada. An exemption from the Buy America provisions is needed to allow for the continued use of this materials. Costs to build and maintain U.S. highways—especially in regions like New England, East Coast, and Midwest—would skyrocket without this exemption. The quality and performance of our highways may be negatively impacted by excluding specialized asphalt binders, additives, and materials that are refined and manufactured in Canada.

- Exempt cement and cementitious materials, aggregates such as stone, sand, or gravel, or aggregate binding agents or additives" from the definition of construction materials.

NAVIGABLE WATERS PROTECTION RULE

the Navigable Waters Protection Rule (NWPR) replaced the 2015 "Waters of the United States" (WOTUS) rule governing the jurisdiction of the federal Clean Water Act (CWA).

The 2015 WOTUS rule expanded CWA jurisdiction to include roadside ditches. Such an expansive view of federal jurisdiction can lead to increased permitting costs and unnecessary delays for transportation projects while providing no significant environmental benefits in return. The NWPR clarified the WOTUS issue by explicitly stating federal CWA jurisdiction did not extend to roadside ditches.

On June 9, 2021, the U.S. Environmental Protection Agency (EPA) and the Department of the Army announced their intent to revise the definition of ''waters of the United States.'' This process includes two rulemakings: A foundational rule to restore longstanding protections, and a second rulemaking process that builds on that regulatory foundation. Our concern is that the new rule may again add delay and cost for needed roadway repair work.

VOLUNTEER DRIVERS

Current federal law provides a charitable rate for mileage reimbursement of only 14 cents per mile. This rate has not been changed for many years and is far below the current business mileage reimbursement rate of 56 cents per mile.

- Legislation should be passed repealing the 14-cent per mile reimbursement rate for volunteer drivers, allowing them to paid the business mileage reimbursement rate set annually by the IRS and ensuring that volunteers do not lose money while helping neighbors in need get to medical appointments and other important destinations.

SAFETY

New provisions in the Infrastructure Investment and Jobs Act would help to improve safety on our roadways and in highway construction work zones. We support:

- The opportunity for safety contingency funds that can be used to improve safety in work zones prior to, or during, construction.
- Policies changes to protect vulnerable road users like pedestrians, bicyclists and people with disabilities.
- Inclusion in required updates to the Manual on Uniform Traffic Control Devices (MUTCD) of areas such as vulnerable road users and automated vehicles.

EMERGING TECHNOLOGY RESEARCH

- Establish a pilot program to conduct emerging technology research, specifically including advanced and additive manufacturing (3-D printing) technologies; and research into activities to reduce the impact of automated driving systems and advanced driver automation systems technologies on pavement and infrastructure performance and to improve transportation infrastructure design.

RESEARCH AND TECHNOLOGY DEVELOPMENT AND DEPLOYMENT

- Expand the Technology and Innovation Deployment Program by adding a focus on accelerated market readiness efforts, and increases funding for new and innovative construction technologies for smarter, accelerated project delivery.
- Reauthorize the Accelerated Implementation and Deployment of Pavement Technologies program. Workforce Development, Training and Education • Allow states greater flexibility to address surface transportation workforce development, training and education needs, including activities that address current workforce gaps, such as work on construction projects. • Permit states to obligate funds for pre-apprenticeships, apprenticeships and career opportunities for on-the-job training and vocational school support.

Stability of Future Funding

Members of the Minnesota Transportation Alliance are concerned about the stability of future federal funding for transportation.

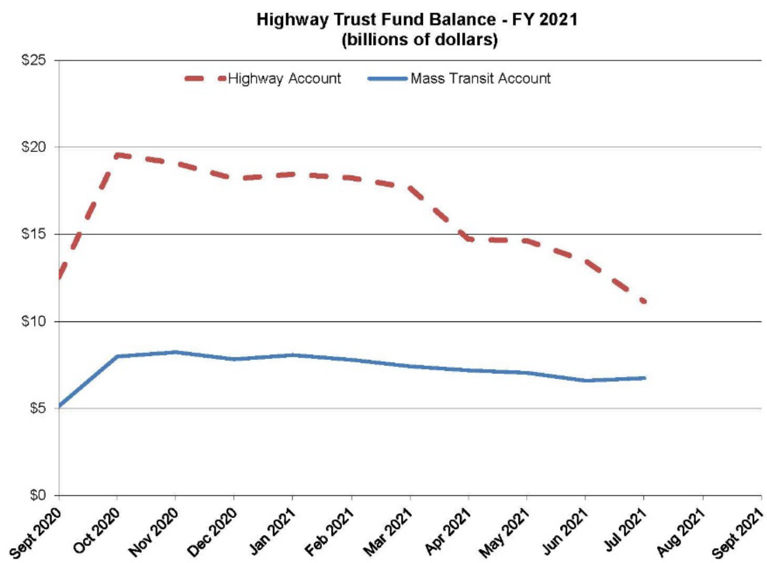
For more than a decade, the government has been spending more each year from the Highway Trust Fund than the revenues collected for it, which are mostly taxes on gasoline and diesel fuel and various taxes on heavy trucks. The Congressional Budget Office (CBO) estimates that the balances in the trust fund's two accounts, which are for highway and mass transit spending, will be exhausted next year. The total shortfall over the next 10 years is projected to be $195 billion if the taxes that are currently credited to the trust fund remain in place and if funding for highway and transit programs increases annually at the rate of inflation.

In 2019, the federal government spent $47 billion on highways. If lawmakers wanted to maintain the current conditions and performance of the highway system, the government would need to spend at least $55 billion per year over the next decade. To fund all projects whose benefits exceeded their costs, the government would need to spend at least $71 billion per year over the next decade.

The Infrastructure Investment and Jobs Act would borrow some $118 billion from general revenue to meet the needs of the nation's highways, bringing the grand total of transfers to the Highway Trust Fund to $271.8 billion since 2008, according to Jeff Davis of the nonpartisan Eno Center for Transportation.

The federal gas tax, which pays for the Highway Trust Fund, has been 18.3 cents per gallon on gasoline and 24.3 cents for diesel and kerosene since 1993 and has not kept up with inflation or the development of increasingly fuel-efficient vehicles. Increasing the federal fuel tax 15 cents per gallon and indexing the rate to inflation would raise $26 billion in revenues in the first year. That amount would increase gradually over time.

The bill does include a pilot program on a gas tax alternative that would charge users based on vehicle miles traveled. CBO recently found that each 1 cent per mile of federal tax would raise $2.6 billion per year if it was levied on all commercial trucks and all roads, once the practical steps to implement it were in place.



Minnesota Requested Projects

First Name	Last Name	District	Project Name	City	Project Sponsor	Amount Requested
Angie	Craig	MN-02	Apple Valley Transit Station Modernization	Apple Valley	Minnesota Valley Transit Authority	$800,000.00
Angie	Craig	MN-02	Burnsville Bus Garage Modernization	Burnsville	Minnesota Valley Transit Authority	$2,400,000.00
Angie	Craig	MN-02	City of Wabasha Highway 60 Realignment	Wabasha	City of Wabasha	$3,975,000.00
Angie	Craig	MN-02	Goodhue County CSAH 2 Bridge Replacement	Red Wing	Goodhue County	$640,000.00
Angie	Craig	MN-02	I-35/CSAH 50 Interchange Preliminary Engineering	Lakeville	Dakota County	$700,000.00
Angie	Craig	MN-02	Red Wing Upper Harbor – Bay Point Renewal Project	Red Wing	City of Red Wing	$3,700,000.00
Angie	Craig	MN-02	US 169/TH 282/ CH 9 Interchange Project	Jordan	Scott County	$2,300,000.00
Angie	Craig	MN-02	Veterans Memorial Greenway	Eagan	Dakota County	$5,000,000.00
Tom	Emmer	MN-06	I-94 Expansion	St. Paul	Minnesota Department of Transportation	$20,000,000.00
Betty	McCollum	MN-04	CSAH 5 and Browns Creek State Trail Connection Project	Stillwater	Washington County	$1,000,000.00
Betty	McCollum	MN-04	Eastbound Kellogg Bridge	St. Paul	The City of Saint Paul	$21,488,246.00
Betty	McCollum	MN-04	Kellogg-Third Street Bridge	St. Paul	City of Saint Paul	$7,500,000.00
Betty	McCollum	MN-04	Randolph Avenue Bridge	Saint Paul	The City of Saint Paul	$5,000,000.00
Betty	McCollum	MN-04	Reconnect Rondo Land Bridge	Saint Paul	Minnesota Department of Transportation	$6,500,000.00
Betty	McCollum	MN-04	Rice Street Revitalization Project	Saint Paul	Ramsey County	$6,864,000.00
Betty	McCollum	MN-04	Snelling Avenue/TH 36 Pedestrian Bridge	Roseville	City of Roseville	$800,000.00
Betty	McCollum	MN-04	Trunk Highway 36 and County State Aid Highway 17 Grade Separated Interchange	Lake Elmo	Washington County	$15,000,000.00
Ilhan	Omar	MN-05	Bottineau LRT	Minneapolis	Hennepin County	$9,000,000.00
Ilhan	Omar	MN-05	E-Line Bus Rapid Transit (BRT)	Minneapolis	Metro Transit	$5,000,000.00
Ilhan	Omar	MN-05	F-Line Bus Rapid Transit (BRT)	Columbia Heights	Metro Transit	$3,000,000.00
Ilhan	Omar	MN-05	Pedestrian Bridge Over I-94	Minneapolis	MN DOT	$3,000,000.00
Dean	Phillips	MN-03	B & E Line BRT Expansion Project	Edina	Hennepin County	$11,560,000.00
Dean	Phillips	MN-03	Bottineau LRT Project	Brooklyn Park	Hennepin County	$20,000,000.00
Dean	Phillips	MN-03	Highway 610 Extension	Maple Grove	City of Maple Grove	$33,900,000.00
Dean	Phillips	MN-03	Metro Transit 40-foot Electric Buses & Chargers	St. Paul	Metropolitan Council - Metro Transit	$2,832,000.00
Dean	Phillips	MN-03	Phase 1: Reconstruction of I-494/35W interchange, MnPASS and access consolidation in Bloomington	Bloomington	City of Bloomington	$50,000,000.00
Dean	Phillips	MN-03	University of Minnesota Arboretum Access and Egress Improvements	Chaska	University of Minnesota Landscape Arboretum	$6,000,000.00
Pete	Stauber	MN-08	US Highway 8 Reconstruction	Chisago City, Wyoming, Forest Lake	Chisago County	$20,000,000.00
					TOTAL	$267,959,246

Proposed Federal Aid Highway Apportionments Through the Infrastructure Investment and Jobs Act (IIJA)

State	FAST Act Baseline (FY 2016-FY 2020)	IIJA Proposed Apportionment (FY 2022-FY2026)	Difference, FAST Act to IIJA	Percent Increase, FAST Act to IIJA
Alabama	$4,018,226,717	$5,535,664,910	$1,517,438,193	38%
Alaska	$2,655,669,218	$3,807,406,365	$1,151,737,147	43%
Arizona	$3,875,131,431	$5,345,812,437	$1,470,681,006	38%
Arkansas	$2,742,138,017	$3,902,572,652	$1,160,434,635	42%
California	$19,439,192,847	$29,958,027,997	$10,518,835,150	54%
Colorado	$2,832,141,526	$4,010,293,125	$1,178,151,599	42%
Connecticut	$2,660,154,553	$4,076,996,335	$1,416,841,782	53%
Delaware	$895,923,120	$1,409,411,290	$513,488,170	57%
Dist. of Col.	$845,080,197	$1,341,735,366	$496,655,169	59%
Florida	$10,034,763,124	$13,508,238,426	$3,473,475,302	35%
Georgia	$6,838,647,044	$9,266,494,431	$2,427,847,387	36%
Hawaii	$895,792,024	$1,523,148,723	$627,356,699	70%
Idaho	$1,514,865,644	$2,226,823,988	$711,958,344	47%
Illinois	$7,530,044,230	$11,330,961,903	$3,800,917,673	50%
Indiana	$5,046,616,382	$7,069,436,419	$2,022,820,037	40%
Iowa	$2,602,929,364	$3,871,291,818	$1,268,362,454	49%
Kansas	$2,001,465,839	$2,869,840,536	$868,374,697	43%
Kentucky	$3,519,035,684	$5,090,422,362	$1,571,386,678	45%
Louisiana	$3,717,243,324	$5,936,442,872	$2,219,199,548	60%
Maine	$977,671,541	$1,521,555,956	$543,884,415	56%
Maryland	$3,182,761,580	$4,615,461,787	$1,432,700,207	45%
Massachusetts	$3,216,704,034	$5,385,677,104	$2,168,973,070	67%
Michigan	$5,576,378,610	$7,940,641,142	$2,364,262,532	42%
Minnesota	$3,453,638,357	$4,872,060,512	$1,418,422,155	41%
Mississippi	$2,561,545,214	$3,610,211,017	$1,048,665,803	41%
Missouri	$5,013,959,108	$7,110,139,073	$2,096,179,965	42%
Montana	$2,173,059,267	$3,096,611,167	$923,551,900	43%
Nebraska	$1,530,862,199	$2,247,961,710	$717,099,511	47%
Nevada	$1,923,200,513	$2,766,425,923	$843,225,410	44%
New Hampshire	$875,080,579	$1,381,379,372	$506,298,793	58%
New Jersey	$5,288,169,142	$8,159,280,192	$2,871,111,050	54%
New Mexico	$1,944,957,936	$2,795,168,736	$850,210,800	44%
New York	$8,890,175,084	$13,658,910,168	$4,768,735,084	54%
North Carolina	$5,523,811,313	$7,762,943,524	$2,239,132,211	41%
North Dakota	$1,314,906,501	$1,962,587,247	$647,680,746	49%
Ohio	$7,099,315,462	$9,865,433,456	$2,766,117,994	39%
Oklahoma	$3,358,996,681	$4,705,688,032	$1,346,691,351	40%
Oregon	$2,647,261,653	$3,768,873,963	$1,121,612,310	42%
Pennsylvania	$8,689,921,394	$13,118,700,430	$4,428,779,036	51%
Rhode Island	$1,158,296,855	$1,773,850,360	$615,553,505	53%
South Carolina	$3,546,551,655	$4,961,281,487	$1,414,729,832	40%
South Dakota	$1,493,626,511	$2,198,757,408	$705,130,897	47%
Tennessee	$4,475,572,506	$6,216,853,657	$1,741,281,151	39%
Texas	$18,281,894,933	$27,854,354,637	$9,572,459,704	52%
Utah	$1,839,102,113	$2,655,367,731	$816,265,618	44%
Vermont	$1,074,916,129	$1,645,452,742	$570,536,613	53%
Virginia	$5,389,644,819	$7,666,988,677	$2,277,343,858	42%
Washington	$3,590,454,371	$5,443,314,532	$1,852,860,161	52%
West Virginia	$2,314,579,394	$3,565,092,029	$1,250,512,635	54%
Wisconsin	$3,985,112,707	$5,493,366,316	$1,508,253,609	38%
Wyoming	$1,356,834,636	$2,017,993,080	$661,158,444	49%
State Formula Obligations	**$207,414,023,082**	**$303,919,405,122**	**$96,505,382,040**	**47%**

Increased Transit Formula Funding for Urbanized Areas - IIJA

Transit System	FY2021	FY2022-26	Yearly Average
Duluth Transit Authority	$3,311,438	$22,317633	$4,463,526
Fargo/Moorhead	$3,990,277	$26,777,762	$5,355,552
Grand Forks/East Grand Forks	$1,585,496	$10,657,745	$2,131,549
LaCrosse/LaCrescent	$2,470,237	$16,617,936	$3,323,587
Mankato	$1,147,768	$7,697,464	$1,539,492
Mpls – Metro Transit	$86,035,235	$569,249,581	$113,849,916
Rochester	$2,925,862	$19,696,393	$3,939,278
St. Cloud	$3,051,605	$20,542,193	$4,108,438

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