



**KBT Washington D.C. Fly In**  
**May 20-21, 2015**  
**Federal Priorities**

**Long Term, Adequately Funded Surface Transportation Authorization**

In July, 2014 Congress enacted a 10 month short term extension of the federal highway and transit programs and the fifth Highway Trust Fund revenue patch since 2008. The current extension expires on May 31, 2015.

We appreciate the support given by the Kentucky delegation in extending the various reauthorizations of the federal highway and transit program. Without the seven years of extensions and various stop gap measures, much needed transportation projects and the thousands of jobs from those projects would not have occurred.

KBT's members feel strongly that the time has come to enact a multi-year transportation authorization bill that provides adequate and appropriate funding for our highway and transit programs. A multi-year transportation authorization bill not only allows the Kentucky Transportation Cabinet to plan for and implement construction projects, it funds our state's transit network, both of which are beneficial to Kentucky commerce and to Kentucky's citizens.

**KBT Key Comments:**

- 1. KBT is supportive of a long term adequately funded highway and transit authorization bill that is supported by sustainable revenue sources. While we understand a short term patch may be necessary, is a long term bill in the near future?**
- 2. KBT is supportive of a sustainable, dependable funding source for the Federal Highway Trust Fund and the Mass Transit Accounts. We also prefer that the funding source be linked to transportation. Can you provide any additional details regarding funding the programs?**

## **Federal Aviation Administration (FAA) Authorization**

Kentucky is home to 53 General Aviation Airports and 6 Commercial Airports. These airports serve diverse purposes depending on the community in which they are located. Two of our commercial airports are home to international air cargo handling companies, making Kentucky third in the nation for freight movement via air.

All 59 of these airports depend on funding from the airport and aviation trust fund, which is administered by the FAA. The authorization for the FAA to administer these funds expires September, 2015.

A long term, timely FAA authorization allows states, the FAA, and airport sponsors to develop and execute long-range capital improvements in an efficient and effective manner.

### **KBT Key Comments:**

- 1. KBT is supportive of a long term, timely FAA authorization. What is the likelihood that a long term FAA authorization will occur prior to September 30, 2015 expiration?**

## **Short Line Railroad Rehabilitation and Investment Act of 2015**

The short line railroad rehabilitation and investment act of 2015 will allow small, local freight railroads to increase their reinvestments to upgrade and expand capacity. The credit, which would be placed in section 45G of the tax code, provides additional cash flows for the smaller freight railroads such as RJ Corman and the Paducah Louisville Railroad, enabling them to reinvest in their freight rail infrastructure.

The proposed legislation provides a tax credit of 50 cents for every dollar spent on track improvements. The credit is capped on a mileage-based formula.

Currently, H.R. 721 and S. 637 have been filed to enact this credit. Congressman Whitfield, Congressman Guthrie, and Congressman Barr have all signed onto H.R. 721 as co-sponsors.

### **KBT Key Comments:**

- 1. KBT is supportive of the 45G short line railroad tax credits. The credits were last authorized in 2014, but expired shortly after. What are your thoughts on reinstating this tax credit for a longer term?**