



January 18, 2012

Legislation

Congressional calendar. The House of Representatives returned to work on January 17. The Senate will reconvene on January 23.

FAA, Highway Bill, WRDA on Congressional “to do” list. The congressional committees primarily responsible for transportation issues will attempt to consider and pass three overdue items: the Federal Aviation Administration (FAA) reauthorization bill (four years overdue), the surface transportation reauthorization bill (more than two years overdue), and the Water Resources Development Act (WRDA). It is widely expected that the FAA bill and the surface transportation bill will be considered prior to WRDA.

Many veteran Washington observers are increasingly skeptical that any major transportation provision will be passed in 2012. As the year progresses, the November presidential and congressional elections will preoccupy most policymakers. As a result, more time will be allocated to campaigning and less time will be devoted to enacting major legislation.

Short line tax credit expires in 2011. A federal investment tax credit that has significantly benefited the short line and regional railroad industry recently expired. The Short Line Railroad Rehabilitation and Investment Tax Act of 2011 proposed to extend the 45G tax credit for six years from December 31, 2011, through December 31, 2017. Qualifying investments receive a 50 percent tax credit on modernization and rehabilitation of short line and regional railroad infrastructure.

A “tax extenders” bill was the most likely legislative vehicle to extend the tax credit. However, when Congress passed the two month payroll tax extension that did not include the tax extenders language, the likelihood of the short line tax credit being extended significantly diminished.

The short line tax credit has 243 co-sponsors in the House of Representatives and 43 co-sponsors in the Senate.

There are more than 500 short line and regional railroads operating over 50,000 miles of track in the United States. In 2011, approximately 700,000 carloads of grain were transported by short line and regional railroads (Source: RailConnect).

Administration

DOT issues tougher driver rules. U.S. Transportation Secretary Ray LaHood recently announced a final rule by the U.S. Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA) – revising the hours-of-service (HOS) safety requirements for commercial truck drivers.

FMCSA's new HOS final rule reduces by 12 hours the maximum number of hours a truck driver can work within a week. Under the old rule, truck drivers could work on average up to 82 hours within a seven-day period. The new HOS final rule limits a driver's work week to 70 hours.

In addition, truck drivers cannot drive after working eight hours without first taking a break of at least 30 minutes. Drivers can take the 30-minute break whenever they need rest during the eight-hour window.

The final rule retains the current 11-hour daily driving limit. FMCSA will continue to conduct data analysis and research to further examine any risks associated with the 11 hours of driving time.

The rule requires truck drivers who maximize their weekly work hours to take at least two nights' rest when their 24-hour body clock demands sleep the most - from 1:00 a.m. to 5:00 a.m. This rest requirement is part of the rule's "34-hour restart" provision that allows drivers to restart the clock on their work week by taking at least 34 consecutive hours off-duty. The final rule allows drivers to use the restart provision only once during a seven-day period.

Trucking companies that allow drivers to exceed the 11-hour driving limit by 3 or more hours could be fined \$11,000 per offense, and the drivers themselves could face civil penalties of up to \$2,750 for each offense.

Commercial truck drivers and companies must comply with the HOS final rule by July 1, 2013.

The American Trucking Associations has signaled it will challenge the tougher HOS rule in court, saying statistics show highway safety has improved and trucking accidents involving fatigue have declined since the current regulation was implemented last decade.

Analysis conducted on behalf of the United Soybean Board and the Soy Transportation Coalition documented that over the past 20 years, the number of fatalities from large truck crashes is down more than 50 percent, from 4.38 per 100 million vehicle miles traveled in 1987 to 2.15 in 2007. The number of injuries involved in large truck crashes decreased nearly 56 percent, from 86.2 per 100 million vehicle miles traveled in 1987 to 38.1 in 2007.

Surface Transportation Board

Mulvey named STB Vice Chairman. Surface Transportation Board Chairman Daniel Elliott recently announced that the agency designated Board Member Francis Mulvey as its Vice Chairman. He succeeds former Vice Chairman Ann Begeman, who served in that capacity from May 2, 2011 – January 3, 2012 and continues to serve as a Board Member. The Board's Vice Chairmanship rotates among the members on an annual basis.

Vice Chairman Mulvey, the eighth Member since the Board's creation in 1996, was nominated to the agency by President George W. Bush on November 17, 2003, and was confirmed by the Senate on May 21, 2004, for a term of office ending December 31, 2007. President Bush nominated the Vice Chairman to a second term as a Member on November 30, 2007, and he was confirmed by the Senate on December 19, 2007, for a term ending December 31, 2012. Vice Chairman Mulvey was designated the

Board's Acting Chairman on March 12, 2009, by President Barack Obama, and he served in that capacity until August 13, 2009. He most recently served as the Board's Vice Chairman from January 5, 2010 – January 4, 2011.

*1255 SW Prairie Trail Parkway · Ankeny, Iowa 50023 · 515-727-0665 · www.soytransportation.org
Funded by the soybean checkoff*