

Transportation & Infrastructure Update

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Transportation of Agricultural Products

- Truck

- 39.2 million tons total with a value of \$26 billion
- 24.4 million tons originate in Michigan
- Outbound commodities: corn, wheat, dairy, oil seeds, fruits, vegetables



- Rail

- 4.6 million tons total with a value of \$1.5 billion
- Outbound commodities: corn, wheat, and soybeans
- Destination: Southeast US (89%)



- Air

- 700 million pounds of air cargo transported via Michigan's scheduled air carrier airports in 2015
- Commodities include fresh fish, fruits, vegetables, flowers, & more

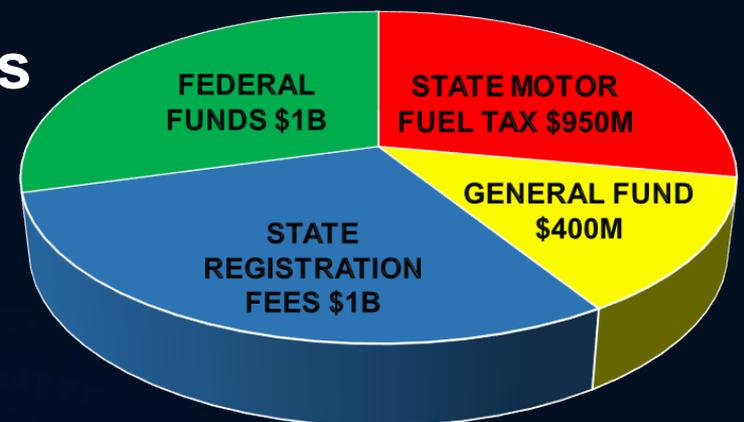


Trunklines With Largest Volumes of Agricultural Products



Transportation Funding

- Roads & Bridges are funded with “user fees”
 - Federal funds from federal gas tax: \$1 billion
 - Includes \$250 m to local agencies
 - State motor fuel taxes: \$950 million
 - State vehicle registration fees: \$1 billion
 - FY 15-16 General Fund: \$400 million
 - **No state sales tax goes to roads**
 - Not even the sales tax on gas



FAST Act Highway Funding to Michigan

(in millions)	MAP-21	FAST Act				
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Total Apportioned Highway Program Funding	\$1,016	\$1,068	\$1,090	\$1,114	\$1,139	\$1,166
Increase from Prior Year	0.0%	5.1%	2.2%	2.2%	2.2%	2.4%

State Revenue Package

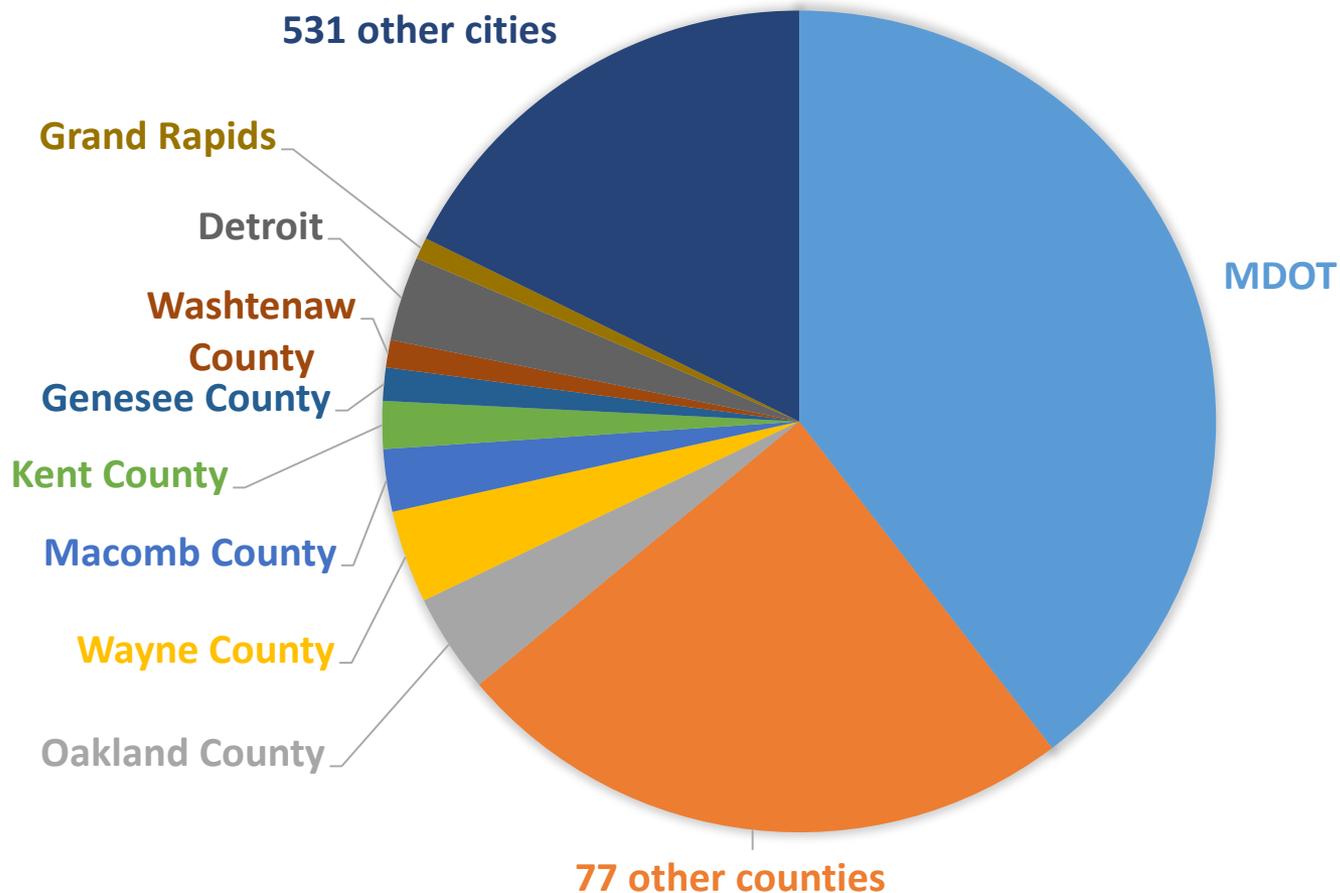
- Beginning in January 2017:
 - \$410 M in additional fuel tax revenues
 - Tax on gasoline & diesel fuel rises to 26.3¢ & provides for diesel parity
 - 20% increase in vehicle registration fees totaling \$190 M
- General Funds transferred to transportation & distributed through 3-way Act 51 formula for road agencies:
 - 2019: \$150 M
 - 2020: \$325 M
 - 2021: \$600 M
- Beginning in 2022, fuel tax will be indexed, rising in proportion to increases in Consumer Price Index, or 5%, whichever is less

MTF Revenue is Divided 696 Ways

533	Villages & Cities
83	Counties
79	Transit Agencies (via the CTF)
1	MDOT
696	Act 51 Agencies

Distribution of Funding

ROAD DISTRIBUTIONS IN 2021, WITH 8 LARGEST LOCAL AGENCIES



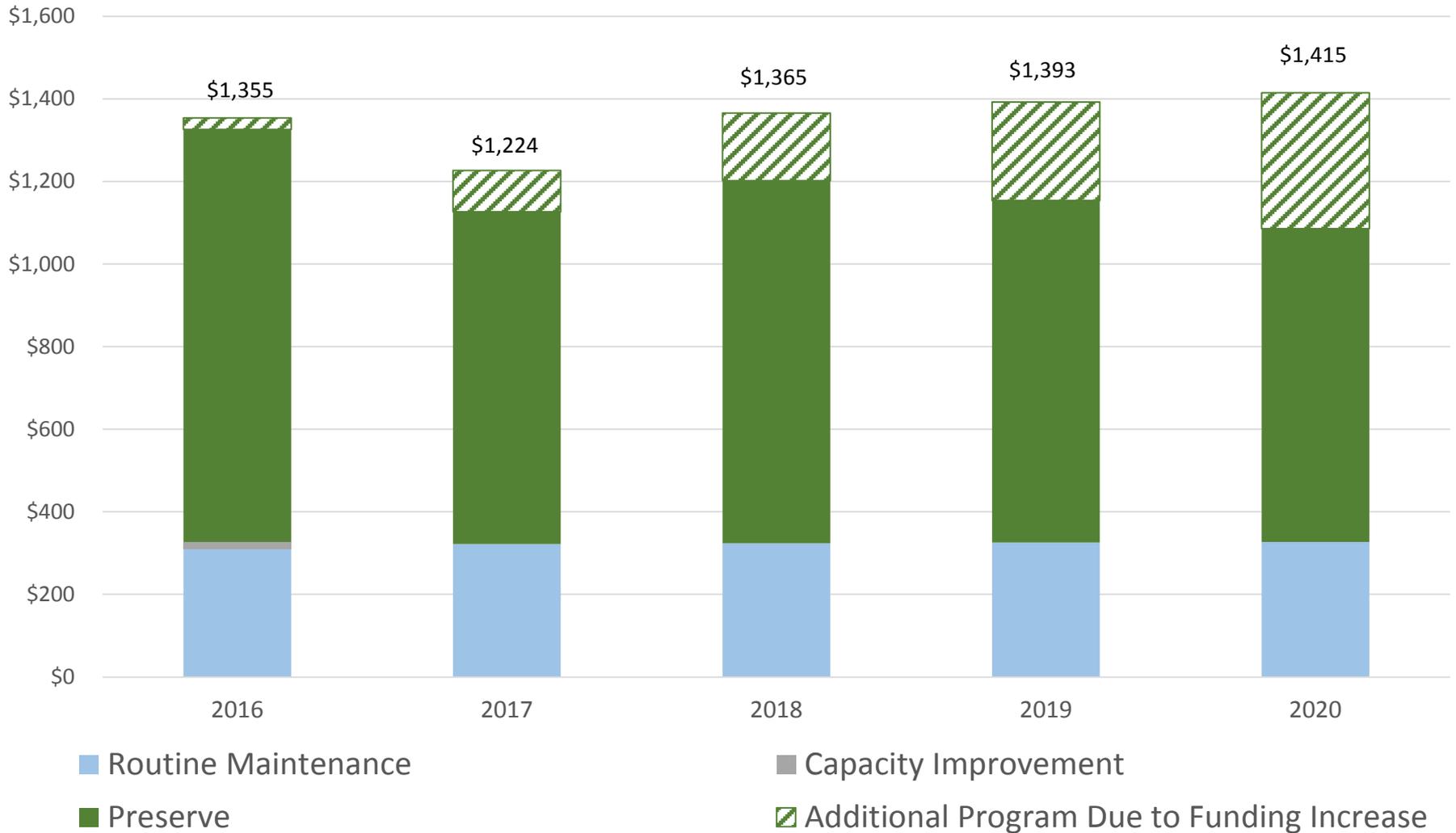
Additional Transportation Revenues to State Trunkline Fund (STF)

Millions	FY 2017	FY 2018	FY 2019	FY 2020
Additional Fuel & Registration Revenue	\$158	\$206	\$207	\$208
Additional General Fund	\$0	\$0	\$59	\$127
Additional Funds for STF Debt Service	\$7	\$7	\$7	\$7
<i>STF Revenue Package Total</i>	\$165	\$213	\$273	\$342
State Funds Needed to Match Federal Aid	-\$122	-\$126	-\$129	-\$132
<i>Available for Trunkline Program</i>	\$43	\$87	\$144	\$210
Fast Act Increase (MDOT 75%)	\$43	\$59	\$77	\$99

Highway Program Investment by Program Category

FY 2016 to 2020

Includes New Federal and State Transportation Revenues



Bottom Line

- Now is the time to focus efforts on asset management process
- MDOT is investing almost all new money into concrete, asphalt, & steel

MDOT Agricultural Efforts

- **MDOT Agricultural Collaborative Efforts**

- Commission for Logistics & Supply Chain Collaboration
- Transportation, Distribution & Logistics (TDL) Committee
- MDOT Freight Coordination Group
- Mid-America Freight Coalition
- Conference of Great Lakes & St. Lawrence Governors & Premiers Maritime Task Force

- **Major Infrastructure Projects Affecting Agriculture**

- Detroit Intermodal Freight Terminal
- Gordie Howe International Bridge

Bridge



Michigan Interchange to Interstate-75



Truck Parking Information Management System

- Real-time parking information for truck drivers in SW Michigan
 - I-94 from Marshall to Indiana in 2014
- MAASTO 8-state TIGER grant will expand the system to major Midwestern corridors, including more of I-94





Better

Faster

Cheaper

Safer

Smarter