



FHWA Reauthorization Update

98th Annual Purdue Road School

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Robert F. Tally Jr. P.E.

FHWA Indiana Division Administrator

Outline

- **SAFETEA-LU**
- **FY2013 President's Proposed Budget**
- **S1813 - Moving Ahead for Progress in the 21st Century (MAP-21)**
- **HR7 - the American Energy and Infrastructure Jobs Act**
- **Current House Version**
- **What is Next?**

SAFETEA-LU

- **Expired on September 30, 2009**
- **Eight Short-Term Extensions**
- **Current Extension expires on March 31, 2012**
- **May be another extension?**



FY2013 President's Budget

Highlights

- Administration's surface transportation reauthorization proposal is the centerpiece of the DOT FY 2013 budget.
- Provides \$476 billion, six-year proposal to improve the Nation's highway, transit, and rail infrastructure and to ensure that these systems are safe.
- Proposal fully paid for with savings from ramping down overseas military operations and redirecting to transportation infrastructure investments.

Surface Transportation Highlights

- \$305 billion to rebuild roads and bridges
- \$108 billion for transit options
- \$47 billion for national high-speed rail network
- \$12 billion for highway safety
- \$3 billion for national infrastructure investments
- Additional \$50 billion for “Immediate Transportation Investments” in FY 2012 to provide economic boost and jump start creation of jobs.

FHWA Summary

- Budget request represents first year of Administration's surface transportation reauthorization proposal
 - \$305 billion from FY 2013-2018 for highway programs + \$28 billion in FY 2012 for "Immediate Transportation Investments"
 - 34% increase over SAFETEA-LU
- FHWA FY 2013 budget request is \$42.6 billion

FHWA Details

- Core Federal-aid highway programs
 - Safety (\$2.5 billion)
 - National Highway Program (\$32.4 billion)
 - Livable Communities (\$4.0 billion)
 - Federal Allocation (\$1.4 billion)
 - Research, Technology, & Education (\$644 million)
- Transportation Leadership Awards (\$700 million)
- TIFIA (\$500 million)
- Administrative Expenses (\$441 million)

Safety

- Almost doubles the investment in highway safety programs to reduce fatalities and serious injuries.
- Implements a performance based framework coordinated with NHTSA and FMCSA and based on State Strategic Highway Safety Plans.
- Increases flexibility for States to address a broad array of safety issues.

National Highway Program

- Targets investment to maintain state of good repair and operational performance on roads critical to national interest.
- Provides flexibility to the States for making transportation investment decisions on the larger system of Federal-aid eligible highways.
- Streamlines and consolidates portions of several existing programs including Interstate Maintenance, National Highway System, Highway Bridge, Surface Transportation Program.

Livable Communities

- Includes a new \$3.3 billion formula-based program to enable recipients to deliver transportation projects for rural and urban areas that benefit quality of life.
- Proposes new \$500 million discretionary grant program to support highway investments for livable communities.
- Continues the \$200 million discretionary grant program to support livability-related capacity building across the country.

Federal Allocation

- Consolidates several existing programs with inherently Federal responsibilities into one program with five components.
 - Federal Lands Transportation Program
 - Federal Lands Access Program
 - Tribal Transportation Program
 - Emergency Relief Program
 - Workforce Development

Research, Technology & Education

- Provides \$644 million for a comprehensive, nationally-coordinated research, technology, and education program.
- Addresses current and emerging challenges – safety, reliability, state of good repair, livability, sustainability – through accelerated innovation delivery and technology implementation.
- Restructures existing FHWA programs into three programs:
 - Highway Research & Development Program (\$200 million)
 - The Technology & Innovation Deployment Program (\$144 million)
 - The Training & Education Program (\$40 million)

Transportation Leadership Awards

- New competitive grant program (\$700 million) that will assist State departments of transportation, metropolitan planning organizations, tribal governments and other transportation agencies to implement innovative strategies and best practices in transportation planning, management, and project delivery.
- The program will encourage reforms that implement proven strategies, strengthen collaboration, and focus on performance and outcomes.

TIFIA Program

- \$500 million to provide credit support for projects of regional or national significance.
- Leverages Federal investment to support larger State, local, and private investments.
- \$500 million in subsidy support translates to \$5 billion in direct loans, loan guarantees, and lines of credit.
- Allows projects to move forward that otherwise may not have due to complexity, size, uncertainty over revenue streams, or lack of available funding.
- Demand exceeds supply– requested amount of annual credit support exceeds \$10 billion.

Performance Management Process

- Establishes a performance-based Federal-aid highway program.
- Focuses initially on safety, pavement and bridge conditions.
- Requires the Secretary to establish quantifiable performance measures and national performance goals.
- States to work in partnership with FHWA to set state targets.
 - Safety – incorporates State Strategic Highway Safety Plans.
 - Pavements/Bridges – requires risk-based asset management plan for NHS.
- Provides additional flexibility when targets are met.
- Requires performance improvement plan when targets not met.

Transportation Trust Fund

- Expands the Highway Trust Fund into a new Transportation Trust Fund that includes:
 - Highway Account
 - Mass Transit Account
 - Multi-modal Account
- Existing HTF revenues will continue to be dedicated to highways and transit.
- The President is committed to ensuring funding for surface transportation does not increase the deficit.
- Savings from reduced overseas operations will fully offset the budget proposal.



**Moving Ahead for Progress in
the 21st Century (MAP-21)
S-1813**



MAP-21

- \$109 billion – Two Year Bill
- Proposes a total federal-aid highway program authorization of \$85.3 billion over two years, FY2012 and FY2013 .
- Would reduce the total number of highway programs from roughly 90 to 30.
- The federal-aid highway program would be structured around five large “core” programs.
 - Congestion Mitigation and Air Quality Improvement (CMAQ)
 - Highway Safety Improvement Programs;
 - a new National Highway Performance Program that consolidates several existing highway programs;
 - a new Transportation Mobility Program to fund a broad array of surface transportation projects; and
 - a new National Freight Network Program.
- The existing Equity Bonus Program would be discontinued.

MAP-21

- The primary financing mechanisms include:
 - An immediate \$3 billion transfer from balance in the Leaking Underground Storage Tank (LUST) Trust Fund;
 - Deposit of one third of the LUST Trust gas tax in the Highway Trust Fund going forward
 - Dedication to the Highway Trust Fund of existing customs duties on imported vehicles;
 - \$1.6 billion from closing the "black liquor" loophole.
 - Dedication of the receipts of the existing gas guzzler tax to the Highway Trust Fund
- Fully funding the bill would require roughly \$10 billion in revenues or offsets beyond anticipated HTF revenues

MAP-21

- Establishes a new \$2 billion-a-year program for roads and highways that are particularly critical to freight movement.
 - The Secretary of Transportation would designate these roadways based primarily on freight volume and in consultation with shippers and carriers as the “Primary Freight Network” (PFN), consisting of 27,000 centerline miles of existing roadways
- The Senate bill also would increase the use of performance measures by requiring states and metropolitan planning organizations to set targets for highway condition and performance.



MAP-21

- Proposes several significant changes to the TIFIA program.
 - Greatly enlarge the program by authorizing \$1 billion annually, up from the \$122 million annually in SAFETEA
- It would expand the use of alternative financing mechanisms and private-sector investment to supplement traditional highway grant funding.



**The American Energy and
Infrastructure Jobs Act
HR-7**

HR-7

- A five-year bill providing for a total authorization of roughly \$260 billion - counting the already appropriated FY2012.
- Proposes a total federal-aid highway program authorization of \$205 billion over five years.
- Retains and expands both the National Highway System Program and the Surface Transportation Program to include the present Highway Bridge Program.
- The existing Interstate Maintenance program would be folded into the National Highway System Program.
- The Highway Safety Improvement Program would be retained.
- It includes an Equity Bonus Program with a guarantee that each state's total highway grants each year will equal at least 94% of the motor fuel taxes the state pays into the HTF. The program authorization is capped at \$3.9 billion per year.



HR-7

- Would create a new alternative transportation account in the HTF, financed by general fund appropriations to:
 - Fund mass transit projects that currently receive a share of the motor fuel tax receipts paid into the HTF.
 - Several highway programs, including the Congestion Mitigation and Air Quality Program (CMAQ), Ferry Boats and Terminals, Puerto Rico Highways, and Territorial Highway Program, would also be funded from the alternative transportation account.
- The House bill would also allow expanded tolling of the Interstate system. Subject to certain restrictions.
 - The federal government could participate in projects to add lanes to increase the capacity of a highway and its conversion to a toll facility, so long as the same number of free lanes as existed before the project remain toll free.

HR-7

- Authorizes \$1 billion annually for TIFIA up from the \$122 million annually in SAFETEA.
- Proposes to authorize \$750 million per year specifically for capitalizing state infrastructure banks (SIBs).
- Links the surface transportation reauthorization components with provisions designed to increase oil and gas production, the revenues from which would be provided for highway infrastructure.



Current House Version

- An 18-month bill would reauthorize the Highway Trust Fund into mid-2013,
- Reconnects Federal Transit funding to the trust fund.
- Glean about \$40 billion from new cuts to federal worker pensions, which is much larger than a \$10 billion estimated gap in the bill for the Highway Trust Fund.
- The rest of the bill's policies remain largely the same to the year bill
- Republicans do not yet have a total cost figure for the 18-month bill.
- The details of the new bill could be on the House floor as early as this week.

What's Next?

- By St. Patrick's Day (March 17th) Congress should have a better understanding of where they are with the Various Bills.
- Another extension of SAFETEA-LU will most likely be required?