

# Highlights

## Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP 21)

MAP 21 includes many of the reforms and recommendations long advocated by the States.

### Provides stable and predictable funding for two years

- ▶ Funding is authorized for two full fiscal years plus the 3 remaining months of this fiscal year
- ▶ \$105 billion in total is provided for FY 2013 and FY 2014
- ▶ Extends the HTF and tax collections through FY 2016 – 2 years beyond the reauthorization period which adds additional stability we have not had for the last several years.
- ▶ More than 92 percent of highway contract authority is apportioned to core programs.
- ▶ Guarantees 95% return to the States on Highway Trust Fund contributions.
- ▶ **NOTE:** The effective date of the highway, transit and research program sections is October 1, 2012. References to “date of enactment” are defined to mean the effective date of October 1, 2012.

<b>FHWA Budget - SAFETEA-LU vs MAP-21</b>				
(Millions of dollars of contract authority as of end of bill - earmarks in the research title are counted as allocated, not earmarks.)				
	SAFETEA-LU Average (FY 2005-2009)		MAP-21 Average (FY 2013-2014)	
Apportioned by Formula	34,324.4	83.0%	37,704.4	92.6%
Earmarked by Congress	4,392.6	10.6%	0.0	0.0%
Allocated by USDOT	2,630.0	6.4%	3,012.1	7.4%
<b>Total</b>	<b>41,347.0</b>	<b>100.0%</b>	<b>40,716.5</b>	<b>100.0%</b>

Source: *Transportation Weekly*

- ▶ Transfers \$18.8 billion in general funds to the Highway Trust Fund over the life of the bill with a variety of offsets to cover the transfer of those funds
- ▶ CBO estimates that the Highway Trust Fund’s Highway and Transit Accounts will face new deficits starting in FY 2015

- ▶ Continues 80-20 highway-transit funding split
- ▶ Maintains overall program authorizations at current levels with a small increase in FY 2014 for inflation

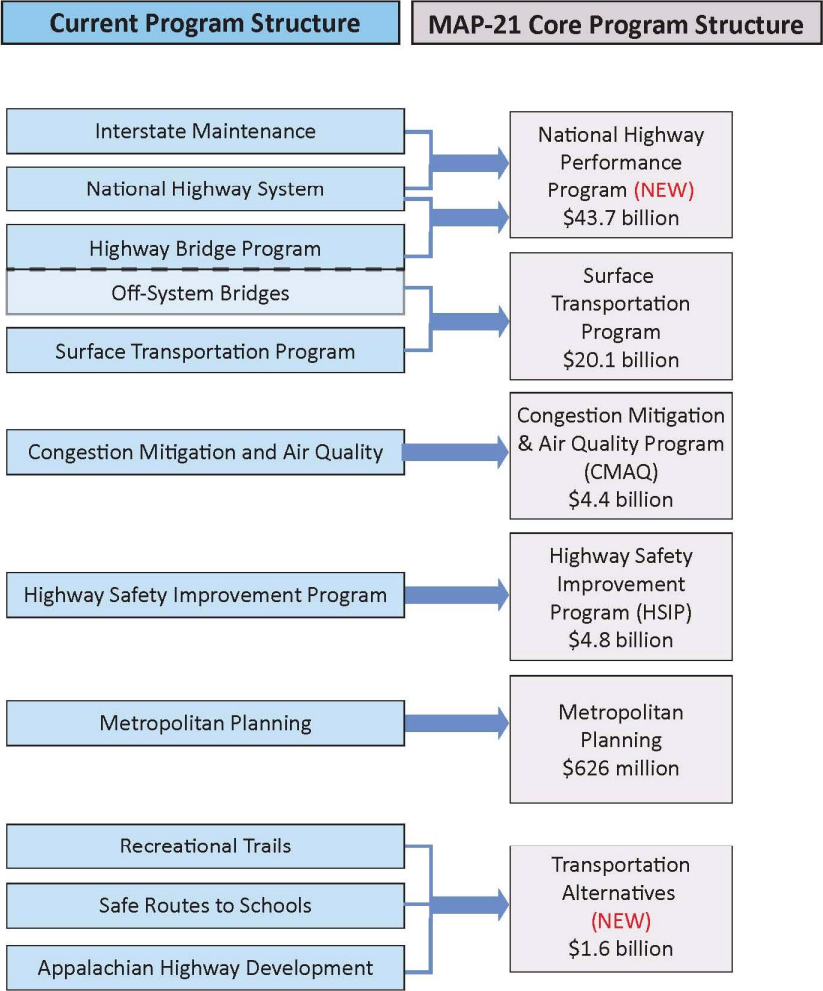
<b>MAP 21</b>			
<i>Selected Highway and Transit Program Authorizations FY 2013 – FY 2014</i>			
	FY 2013	FY 2014	2-year Total
	\$	\$	\$
<i>Federal-Aid Highway Core Programs</i>	37,476,819,674	37,798,000,000	37,798,000,000
<i>National Highway Performance Program</i>	21,751,779,050	21,935,691,598	43,687,470,648
<i>Surface Transportation Program</i>	10,005,135,419	10,089,729,416	20,094,864,835
<i>Highway Safety Improvement Program</i>	2,390,305,390	2,410,515,560	4,800,820,950
<i>Congestion Mitigation and Air Quality Program</i>	2,209,172,618	2,227,860,477	4,437,033,095
<i>Metropolitan Planning</i>	311,667,197	314,302,948	625,970,145
<i>Transportation Alternative</i>	808,760,000	819,900,000	1,628,660,000
<i>TIFIA</i>	750,000,000	1,000,000,000	1,750,000,000
<i>Projects of National and Regional Significance (GF Authorization)</i>	500,000,000	0	500,000,000
<i>Ferry Boats and Terminal Facilities</i>	67,000,000	67,000,000	134,000,000
<i>Research</i>	400,000,000	400,000,000	800,000,000
<b>TOTAL Highway Program Funding Authorizations</b>	<b>40,968,000,000</b>	<b>41,025,000,000</b>	<b>81,993,000,000</b>
<b>TOTAL Highway Program Obligation Limitation</b>	<b>39,699,000,000</b>	<b>40,256,000,000</b>	<b>79,955,000,000</b>
<i>Transit Formula and Bus Grants</i>	8,478,000,000	8,595,000,000	17,073,000,000
<i>Planning program</i>	126,900,000	128,800,000	255,700,000
<i>Metropolitan Planning</i>	10,000,000	10,000,000	20,000,000
<i>Urbanized Area Formula Grants</i>	4,397,950,000	4,458,650,000	8,856,600,000
<i>Elderly and Disabled Formula Grants</i>	254,800,000	258,300,000	513,100,000
<i>Rural Area Formula Grants</i>	599,500,000	607,800,000	1,207,300,000
<i>Bus Testing Facility</i>	3,000,000	3,000,000	6,000,000
<i>National Transit Institute</i>	5,000,000	5,000,000	10,000,000
<i>National Transit Database</i>	3,850,000	3,850,000	7,700,000
<i>State of Good Repair Formula Grants</i>	2,136,300,000	2,165,900,000	4,302,200,000
<i>Buses and Bus Facilities</i>	422,000,000	427,800,000	849,800,000
<i>Fast Growth/High Density Formula Grants</i>	518,700,000	525,900,000	1,044,600,000
<i>Capital Investment Grants (GF Authorization)</i>	1,907,000,000	1,907,000,000	3,814,000,000
<b>TOTAL Transit Funding Authorizations</b>	<b>10,584,000,000</b>	<b>10,701,000,000</b>	<b>21,285,000,000</b>

**Consolidates highway and transit programs** – The highway program is restructures by eliminating or consolidating approximately 60 programs with much of the funding going to 4 core formula programs

- ▶ No separate Freight Program

- ▶ Establishes a new Transportation Alternatives Program to consolidate and replace the Transportation Enhancements, Safe Routes to School and Recreational Trails Programs:
  - ▶ 2% set aside of apportioned funds
  - ▶ Requires 50% to be suballocated based on population and 50% can be used anywhere
  - ▶ MPOs > 200,000 select projects for their suballocated funds
  - ▶ Allows states to transfer up to 50% of the non-suballocated funds to other programs and allows states to transfer funding out of the program if the state has a backlog of funding exceeding 100 % of an annual TA set aside.

### Consolidated Highway Program Structure



- ▶ Streamlines and consolidates the number of smaller “boutique” *transit* programs and reduces the number of required programmatic set-asides
  - ▮ Job Access Reverse Commute Program (JARC) is eliminated and those activities made eligible through the transit urban and rural formula programs
  - ▮ The New Freedom Program is eliminated and those activities made eligible through into through the Elderly and Disable Formula Program
  - ▮ Bus and Bus Facilities Program, which was discretionary, will be distributed by formula

### **Establishes a National Freight Policy and National Freight Network**

- ▶ Establishes the goals of a national freight policy
- ▶ Requires USDOT to design, after consultation with stakeholder, including the States, transport providers and system users, a National Freight Network comprised of a Primary Freight Network of up to 30,000 miles, portions of the Interstate not on the Primary Freight Network and Critical Rural Freight Corridors.
- ▶ Requires USDOT to develop a National Freight Strategic Plan
- ▶ Allows USDOT to increase the federal share from 90 to 95% for freight projects on the Interstate and from 80 to 90 % for any other freight projects if they are in a state freight plan and can demonstrate progress toward meeting performance targets for freight movement
- ▶ Encourages States to establish State Freight Plans and Freight Advisory Committees

### **Maintains the Highway Research Program**

- ▶ Funds Research at \$400 million per year, slightly below SAFETEA LU levels
- ▶ Does not provide funding for a Mileage Based User Fee Demonstration
- ▶ Funding for SHRP 2 implementation will come from a portion of SPR funds that will be based on a percentage set aside agreed to by  $\frac{3}{4}$  of the State DOTs for each fiscal year.
- ▶ Eliminates the Surface Transportation and Environmental Cooperative Research Program (STEP), the International Research Program, and the National Cooperative Freight Research Program

### **Expands availability of innovative finance mechanisms/leverages financing mechanisms**

- ▶ Expands and enhances the TIFIA Program, and with a ten to one leverage it could finance projects totaling as much as \$18 billion
  - ▮ Makes available \$750 million in FY 2013 and \$1 billion in FY 2014 – up from \$122 million authorized in SAFETEA LU
  - ▮ Increases the amount of a project’s cost that can be funded with loans and guarantees to a maximum of 49% -- up from the current 33%

- ▮ Of the amounts made available for the TIFIA program, not more than 10% must be set aside for rural infrastructure projects, defined as any surface transportation project located in any area other than a city with a population of more than 250,000 inhabitants within the city limits, and the eligible project cost floor is lowered from \$50 million to \$25 million for rural projects
  - ▮ Requires project to satisfy certain creditworthiness standards in order to be eligible for assistance.
  - ▮ Includes a project readiness eligibility standard requiring an applicant to demonstrate that they can begin the contracting process for construction can begin within 90 days of when the Federal credit instrument is obligated.
  - ▮ Requires firm deadlines for evaluating and processing applications for assistance.
  - ▮ Sets a rolling approval process as well. It allows private funding as part of the repayment stream.
  - ▮ Provides an allowance to reduce or “buy down” interest rates to reduce costs to borrowers.
  - ▮ Expands the repayment period from 35 years to the life of the asset.
- ▶ Expands and enhances the ability of State to use tolling
  - ▮ Expands ability of states to use federal funds to construct new capacity, reconstruct, restore or rehabilitate and then toll highways on the Interstate System, provided that the number of toll-free, non-HOV lanes does not decrease as a result of the construction
  - ▮ Expands ability of states to use federal funds to construct and toll new capacity of highways NOT on Interstate System, provided that the number of toll-free lanes does not decrease as a result of the construction
  - ▮ Permits the reconstruction or replacement of a toll-free bridge or tunnel and conversion of the bridge or tunnel to a toll facility
  - ▮ Permits reconstruction of a toll-free Federal-aid highway NOT on the Interstate and conversion of the highway to a toll facility
  - ▮ Removes provisions that reduced highway formula funds for states that sell or lease toll facilities to private companies

### **Requires performance measures and greater accountability**

- ▶ MAP 21 establishes national goals in seven areas: Safety; Infrastructure Condition; Congestion Reduction; System Reliability; Freight Movement and Economic Vitality; Environmental Sustainability; Reduced Project Delivery Delays.
- ▶ USDOT is responsible for establishing performance measures, in consultation with the States, MPOs, transit agencies, and stakeholders (and through a rulemaking within 18 months) for the following:
  - ▮ NHPP -- NHS highway and bridge performance and condition

- Highway Safety -- Serious injuries and fatalities
  - CMAQ - Traffic Congestion and on-road mobile source emissions
  - Freight movement-related measures
- Transit safety and state of good repair
- ▶ States are required to establish performance targets in coordination with the MPOs and transit operators for the measures (including rural transit-related measures) within 1 year after the final rule establishing the performance measures
- ▶ MPO are required to establish performance targets in coordination with the States and transit operators within 180 days after adoption of targets by the State or transit operator
- ▶ Performance measures and targets must be incorporated into long-range planning and short-term programming processes
  - Long range plans, TIPs and STIPs must show the progress that is expected to be achieved by planned decisions and investments
  - USDOT will evaluate the appropriateness of state targets and the progress that the state is making in achieving performance targets.
  - States and MPO long range plans will include System Performance Reports that described the progress made toward achieving performance targets.
- ▶ USDOT will establish minimum condition levels for all highways on the Interstate System and bridges on the NHS.

**Modernizes the Metropolitan and Statewide Planning Process** by moving to a performance based approach.

- ▶ Retains the requirement for MPOs to be established for urbanized areas of 50,000 population or more
- ▶ MPOs are given the option of developing scenarios are part of the metropolitan transportation planning process
- ▶ States are given the option of designating “Regional Transportation Planning Organizations” – RTPOs – in non-metropolitan areas.
- ▶ States are required to develop their long range plans in “cooperation” with (rather than “consultation” with) transportation officials in non-metropolitan areas. Consultation with non-metropolitan officials is retained for the STIP
- ▶ MPOs over 200,000 population are required to have representatives of public transit operators; the change can be done without re-designation.
- ▶ In non-attainment areas, federal funds can be used for new capacity for single occupant vehicles, provided that *the project is addressed through a congestion management process*.

**Provides further reforms to accelerate project delivery**, including many reforms that the State DOTs have long advocated.



- ▶ Expanded flexibility to undertake activities prior to completion of NEPA
  - ▮ Acquisition of real property (and federal funds can be used for early ROW acquisition)
  - ▮ Design
  - ▮ Enter into CM/GC two-phased contract
- ▶ USDOT is required to establish Categorical Exclusions for
  - ▮ Emergency replacement projects
  - ▮ Projects located within the operation right-of-way
  - ▮ Projects with limited amounts of federal funding, including projects with less than \$5 million dollars of federal funding, or projects with a total cost of \$30 million and with federal funds of less than 15% of the cost
  - ▮ Certain multimodal projects
- ▶ Expanded delegation – makes the five-state delegation pilot a permanent program and extends to availability to all states and to include rail, transit and multimodal projects
- ▶ Support for Programmatic Approaches
  - ▮ Allows States or MPOs to develop programmatic mitigation plans
  - ▮ Rulemaking to allow programmatic approaches to the environmental review process
- ▶ Further Process Reforms
  - ▮ New issue resolution procedures that allow for elevation
  - ▮ Resource agency deadlines for reviews
  - ▮ Program to complete some ongoing EISs for complex projects with 4 years; only available for EISs that have been under way for at least 2 years
  - ▮ Resource agency financial penalties for failure to meet deadlines
  - ▮ Statute of limitations for judicial challenges is reduced from 180 days to 150 days
  - ▮ Ability to issue combined FEIS and ROD

### **Enhances Highway Safety**

- ▶ Highway Safety Improvement Program (HSIP) funding is doubled, and most existing HSIP requirements are retained
- ▶ USDOT will establish HSIP performance measures for fatalities and serious injuries per VMT and it total.
- ▶ States must update their Strategic Highway Safety Plans (SHSP) and the penalty for failing to update is ineligibility for receiving any August redistribution funds.
- ▶ The High Risk Rural Roads set aside is eliminated but the projects remain eligible for HSIP funds. However, if the fatality rate on rural roads increases for 2 years, a State is required to obligate 200% of what its High Risk Rural Roads set aside in FY 2009
- ▶ For older drivers and pedestrians – If the fatalities and injuries per capita of drivers and pedestrians over 65 years of age increases for 2 years, then a State has to address the problem in its SHSP and use an recent FHWA handbook on the subject.

- ▶ Section 130 Highway Rail Grade Crossing Program is continued at the current funding level of \$220 million per year.
- ▶ Behavioral/NHTSA Programs
  - ▮ A slight increase in funding
  - ▮ Continuation of the Section 402 State and Community Highway Safety Grant Program
  - ▮ A new combined incentive program for occupant protection, impaired driving, traffic records, graduated licensing, distracted driving, and motorcycles

### **Maintains and Modernizes Transit Programs**

- ▶ Maintains federal transit programs at current levels with some adjustments for inflation in FY 2014
- ▶ Increases funding for Rural Area formula grants from an estimated \$547.3 million in FY 2012 to \$599.5
- ▶ Reduces the number of discretionary programs by consolidating a number of boutique programs, formularizing some, and updating others
  - ▮ The JARC and New Freedoms Programs are consolidated into existing formula programs
  - ▮ The Bus and Bus Facilities Program funding will be distributed by formula
  - ▮ Establishes a new State of Good Repair Program to replace the Rail Modernization Program
  - ▮ Within the Capital Investment Grants category (New Starts) a new category for Core Capacity Improvement Programs is established; small starts component is retained
  - ▮ The Elderly and Disabled Program is formularized with 60% going to large urbanized areas based on relative share of population, 20% to small urbanized areas, and 20% to all other areas.
- ▶ Under the Rural Formula Grant Program, the amount available for administration and oversight is reduced from 15% to 10%
- ▶ Establishes safety and state of good repair performance measures
- ▶ Establishes an Emergency Relief program for public transportation comparable to that for highways
- ▶ Requires recipients of funding to develop a Transit Asset Management Plan and Management System
- ▶ Does not include operating subsidies for transit agencies operating in communities over 200,000 population, EXCEPT for agencies in areas over 200,000 operating less than 100 buses during rush hour
- ▶ The bill does not include an increase in the commuter tax benefit which reverts to \$125 per month as compared to the \$240 per month parking benefit
- ▶ Strengthens the federal role in State Safety Oversight (SSO) by giving USDOT the authority to create a new National Safety Plan for all modes of public transportation, to set minimum safety performance standards for rolling stock and to establish a national safety certification training program for federal and state employees with safety audit and oversight responsibilities.