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American Road & Transportation Builders Association

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Senate Panel Releases Reauthorization Bill

The Senate Environment and Public Works (EPW) Committee posted its 600-page, two-year reauthorization proposal entitled "Moving Ahead for Progress in the 21st Century" or "MAP-21" on the committee's Internet website late November 4. The measure, authored by Committee Chairman Barbara Boxer (D-Calif.), Ranking Republican James Inhofe (R-Okla.), Transportation & Infrastructure Subcommittee Chairman Max Baucus (D-Mont.) and Subcommittee Ranking Republican David Vitter (R-La.), will be acted on by the full EPW panel November 9. The proposal would provide a total of $85 billion for the federal highway and research programs for FY 2012 and 2013—the public transportation and safety titles are within the jurisdiction of other Senate Committees that have not yet scheduled action.

Two things have been clear about the Committee's reauthorization proposal for some time: the measure would include inflation-adjusted current levels of surface transportation investment; and the bill is a product of negotiations between Democrats and Republicans with the potential for even more bipartisan support as the process moves forward. The release of the bill now allows a detailed look at its proposed structure and policy reforms.

MAP-21 Summary of Authorizations

	FY 2012	**FY 2013**
Highway Programs	$39,143,000,000	39,806,000,000
TIFIA	$1,000,000,000	$1,000,000,000
Fed lands and tribal programs	$1,000,000,000	$1,000,000,000
Territorial & Puerto Rico Highway Program	$180,000,00	$180,000,000
Administrative Expense	$480,000,000	$480,000,000
Projects of National Significance		$1,000,000,000
Emergency Relief	$100,000,000	$100,000,000
Highway Authorizations	$41,903,000,000	$43,566,000,000
Research & Education	$400,000,000	$400,000,000
Total Authorizations	$42,303,0000,000	$43,966,000,000

The measure calls for highway obligation limitations of $41.5 billion in FY 2012 and $42.2 billion in FY 2013. The obligation limitation is the amount of money the federal government is allowed to invest in a given year. There is $739 million a year in MAP-21 authorizations that is considered mandatory spending and therefore not subject to obligation limitations (FY 2012: $42.3 B - $.739 M= $41.5B). By comparison, the FY 2011 highway obligation limitation is $41.1 billion. MAP-21 includes a mechanism that would reduce these investment levels if the Highway Trust Fund's Highway Account balance fell below a threshold level to ensure the solvency of the account.

Highway Policy Reforms

The measure would consolidate the 87 current programs that constitute the federal highway program down to 21 programs. There would be six main formula programs:

- National Highway Performance Program (NHPP). This program would be a consolidation of the current National Highway System (NHS), Interstate Maintenance, and Bridge Programs. The NHPP includes a heavy emphasis on performance standards for each state's NHS routes and bridges. States would have substantial flexibility to spend their NHPP funds, including on transit capital projects, bicycle lanes and ferry boats, but would face penalties if they did not meet targets for the conditions of NHS roads and bridges. NHPP funds can be used on new capacity, but such projects would be limited to 40 percent of a state's combined NHS apportionments for the last three fiscal years.

- Transportation Mobility Program. This program would be similar to the current Surface Transportation Program—a pot of funds that states and local governments could use for almost any activity related to surface transportation, including transit, transportation enhancements, carpool projects, and highway capacity. Funds would be distributed within a state based on population.
- Congestion Mitigation and Air Quality (CMAQ) Program. MAP-21 would retain the current CMAQ program, which funds activities to improve air quality. The bill would allow states to use CMAQ funds for diesel retrofit programs—a long standing goal of ARTBA.
- Highway Safety Improvement Program. The core infrastructure safety program would be retained and calls for the creation of safety performance measures to help guide state investments. The measure would eliminate the current set asides for high risk rural roads and rail-highway crossings, both of these activities are included in the section's performance goals.
- National Freight Network Program. The bill would create a new program focused on improving the flow of goods movement. The measure would direct the U.S. Secretary of Transportation to develop a National Freight Strategic Plan with freight performance goals, and would allow funds to be focused on the Interstate Highway System and other projects with a demonstrated freight benefit while that plan is being developed. States would be able to spend up to 10 percent of their freight program apportionments on freight rail and maritime activities.
- Metropolitan Planning. The bill would elevate the current metropolitan planning set-aside into a distinct formula program.

MAP-21 does not include specific funding levels for these activities, but it is estimated the National Highway Performance Program and the Transportation Mobility Program would represent nearly 75 percent of the bill's annual highway authorizations.

Environmental Reforms

MAP-21 contains a number of significant revisions to the project review and approval process. Chief among these is the expanded use of categorical exclusions (CEs), a concept which has long been advocated by ARTBA. Currently, the transportation planning process allows projects, which neither individually nor cumulatively have a significant environmental impact, to be treated as a CE. MAP-21 creates new classes of activities for transportation improvements that would automatically qualify for CE status and not have to undergo a more burdensome Environmental Assessment or Environmental Impact statement. MAP-21 also expands upon the concept of delegating parts of the environmental review and approval process to states started in SAFETEA-LU. Specifically, MAP-21 would allow states to either assume control of the entire National Environmental Policy Act review process or to assume control only of CEs. Both types of delegation have been previously supported by ARTBA. Also, MAP-21 includes other ARTBA priorities in reforming the project delivery process such as greater controls for lead agencies in the review and approval process as well as options for setting timelines for agency decisions.

Public-Private Partnerships

MAP-21 also makes strategic investments to attract private infrastructure investment. Specifically, the proposal would increase funding for the Transportation Infrastructure Finance and Innovation Act (TIFIA) program from $122 million per year to $1 billion annually. The financial leverage reflected in TIFIA's statutory formula demonstrates that $1 billion in program loans has the potential to support more than $20 billion in project activity. This outcome, however, would require full utilization of the program's capacity. Of the $1 billion annual allocation, 10 percent would be set aside for rural infrastructure improvements, defined as projects of $25 million or more in non-urbanized areas with populations of less than 200,000. The legislation would increase the maximum share of project costs eligible for TIFIA funds from 33 percent to 49 percent. MAP-21 would also allow a group of related transportation improvements to apply together for TIFIA assistance rather than limiting the program to individual projects.