

AMERICAN ASSOCIATION OF
STATE HIGHWAY AND
TRANSPORTATION OFFICIALS

AASHTO
THE VOICE OF TRANSPORTATION

MAP-21 and Beyond: A Status Report from AASHTO Work Groups

October 1, 2012

AASHTO

Today's Webinar

- MAP-21 Implementation Overview
- AASHTO's Implementation Work Groups: Status Reports
- FY 2013 Appropriations, CR and Sequestration
- Beyond MAP-21: Reauthorization Plans

MAP-21 Implementation Overview

- U.S. DOT Implementation Framework
- Time Line for Guidance, Regulations, and Studies/Surveys
- Outlook for next 6 months

<http://www.fhwa.dot.gov/map21/>

AASHTO MAP-21 Implementation Work Groups: Focal point for Implementation and Beyond

8 Work Groups

- Project Delivery; Planning, Asset Mgmt & Performance Based Planning & Programming; Finance; Safety; Freight; Highways; Transit; Performance Measures

AASHTO MAP-21

Implementation Work Groups

- **Charge:** Evaluate MAP 21; identify and provide recommendations on implementation issues; identify State DOT implementation support needs; provide internal technical support
- **Products:** Guidance Issues & meetings with U.S. DOT; Work Group MAP 21 Assessments of Provisions, Questions & Issues; September AASHTO-wide webinar; AASHTO BOD briefing

Work Group Status Reports

Finance Work Group

Michael Bridges, LA DOTD

AASHTO

Jack Basso

Joung Lee

Finance Work Group Charge

- Implementation of expanded provisions in regards to tolling, TIFIA, and Public-Private Partnerships (PPP), among others
- Examination of potential federal surface transportation revenue solutions beyond FY 2014
- Administration of apportionments and obligation limitation including consideration of eligibility, flexibility, and performance management during transition from SAFETEA-LU to MAP-21

Matrix of Surface Transportation Revenue Options

(All revenue estimates in \$ millions)

Funding Mechanisms	NSTIFC Score*	Mechanism Yield (2012)	Current Rate	Illustrative Rate	Revenues 2011	Avg Revenues 2012-2017	Total Revenues 2012-2017
Existing Mechanisms							
Truck/Trailer Sales Tax Increase	3.665	1% of Sales = \$ 162	N/A	5.0%	\$ 812	\$ 1,359	\$ 8,152
Tire Tax on Light Duty Vehicles	3.640	\$1.00 Fee = \$ 1,862	N/A	\$3.00	\$ 5,585	\$ 5,881	\$ 35,284
Diesel Tax Increase	3.575	1c/gal = \$ 386	24.4c/gal	15.0c	\$ 5,786	\$ 6,226	\$ 37,356
Diesel Tax Indexing	3.575		N/A		\$ -	\$ 585	\$ 3,512
Gas Tax Increase	3.575	1c/gal = \$ 1,327	18.4c/gal	10.0c	\$ 13,272	\$ 13,303	\$ 79,818
Gas Tax Indexing	3.575		N/A		\$ -	\$ 1,370	\$ 8,218
Share of US Customs Revenues	3.540	1% of Receipts = \$ 277	N/A	1.0%	\$ 277	\$ 360	\$ 2,161
Truck Tire Tax Increase	3.365	100% Increase = \$ 346	N/A	10.0%	\$ 35	\$ 45	\$ 270
Annual Registration Fee (Light Duty Vehicles)	3.320	\$1.00 Fee = \$ 248	N/A	\$10.00	\$ 2,482	\$ 2,614	\$ 15,682
Annual Registration Fee (Trucks)	3.320	\$1.00 Fee = \$ 9	N/A	\$15.00	\$ 129	\$ 131	\$ 787
HVUT Increase	3.315	100% Increase = \$ 944	N/A	15.0%	\$ 142	\$ 141	\$ 844
Container Tax	3.300	\$1 per TEU= \$ 391	N/A	\$15.00	\$ 5,866	\$ 6,401	\$ 38,408
Imported Oil Tax	3.270	\$1.00/Bbls = \$ 3,528	N/A	\$1.00	\$ 3,528	\$ 3,528	\$ 21,171
Sales Tax on Diesel	3.250	1.0% of Sales = \$ 850	N/A	10.6%	\$ 9,013	\$ 10,862	\$ 65,172
Sales Tax on Gas	3.250	1.0% of Sales = \$ 3,347	N/A	8.4%	\$ 28,112	\$ 34,108	\$ 204,647
US Freight Bill -- All Modes	3.140	1% of Sales = \$ 7,612	N/A	1.0%	\$ 7,612	\$ 8,452	\$ 50,713
US Freight Bill -- Truck Only	3.140	1% of Sales = \$ 6,608	N/A	1.0%	\$ 6,608	\$ 7,338	\$ 44,028
Sales Tax on New and Used Light Duty Vehicles	3.110	1.0% of Sales = \$ 2,619	N/A	1.0%	\$ 2,619	\$ 2,619	\$ 15,715
Sales Tax on New Light Duty Vehicles	3.110	1.0% of Sales = \$ 1,625	N/A	1.0%	\$ 1,625	\$ 1,625	\$ 9,752
Harbor Maintenance Tax	3.090	0.1% Tax = \$ 1,236	N/A	0.5%	\$ 6,181	\$ 6,745	\$ 40,472
Annual Drivers License Surcharge	2.985	\$1.00 Surcharge = \$ 214	N/A	\$5.00	\$ 1,072	\$ 1,116	\$ 6,694
Dedicated Income Tax - Business	2.940	0.1% of current taxes = \$ 198	N/A	1.0%	\$ 1,984	\$ 4,291	\$ 25,745
Dedicated Income Tax - Personal	2.940	0.1% of current taxes = \$ 956	N/A	1.0%	\$ 9,560	\$ 15,429	\$ 92,576
Sales Tax on Auto-related Parts & Services	2.925	1.0% of Sales = \$ 2,327	N/A	1.0%	\$ 2,327	\$ 2,613	\$ 15,680
Future Potential Mechanisms							
Annual Highway Miles Traveled Fee (All Light Duty Vehicles)**	4.140	1c/VMT = \$ 6,499	N/A	2.0c	\$ 12,998	\$ 13,475	\$ 80,851
Annual Highway Miles Traveled Fee (All Trucks)**	4.140	1c/VMT = \$ 908	N/A	3.0c	\$ 2,723	\$ 2,823	\$ 16,936
Ton-Mile Freight Charge -- All Modes	2.995	1c/ton-mile = \$43,497	N/A	0.5c	\$ 21,748	\$ 24,150	\$ 144,898
Ton-Mile Freight Charge -- Truck Only	2.995	1c/ton-mile = \$12,731	N/A	0.5c	\$ 6,365	\$ 7,068	\$ 42,409
Ton Freight Charge -- All Modes	2.855	1c/ton = \$ 164	N/A	25.0c	\$ 4,111	\$ 4,565	\$ 27,389
Ton Freight Charge -- Truck Only	2.855	1c/ton = \$ 113	N/A	25.0c	\$ 2,835	\$ 3,148	\$ 18,890

* "NSTIFC Score" refers to revenue mechanism evaluations conducted by the National Surface Transportation Infrastructure Financing Commission based on revenue stream, economic efficiency/impact, implementation/administration, and equity considerations.

** VMT fee estimates refer to miles traveled on the Interstate System.

Finance: Recommendations from 2008

(Successful Measures in Bold)

1. In order to invest in a robust surface transportation program to meet significant national needs, Congress should fund a \$565 billion multimodal program
2. Adopt a diversified portfolio of revenue options to meet the recommended program funding needs stated above. In order to reach the funding target, Congress should consider a menu of revenue and related options.
3. **Maintain the current federal and state shares for highway and transit capital programs.**
4. **Eliminate or limit earmarking in federal transportation programs.**
5. **Given the magnitude and diversity of needs, develop policies that support flexible use of both conventional and innovative funding and financing tools. In addition, states and local governments should be provided with maximum flexibility to use federal revenues from existing core sources to meet systemic transportation needs.**
6. Ensure budgetary firewalls and funding guarantees for all modes including providing dedicated, guaranteed funding -- with budgetary treatment identical to the highway account, including firewalls, guaranteed spending and contract authority – to states for intercity passenger rail.

Finance: Recommendations from 2008

(Successful Measures in Bold)

7. Create a Commission to recommend to Congress periodic adjustments for revenues necessary to meet program needs.
8. Adopt a long-range approach to funding the surface transportation system that gradually moves away from dependence on the current motor fuels tax to a distance-based direct user fee such as a fee on vehicle miles traveled.
9. Assure that any climate change legislation that creates a new revenue source, either through a carbon tax or cap-and-trade, provides substantial funding for transportation proportional to transportation's impact on greenhouse gas emissions, and dedicate a sufficient portion of these revenues to support intercity passenger rail, transit, highway operations, bicycle and pedestrian projects, and freight programs that reduce greenhouse gas emissions.
- 10. Special consideration should be given to important but costly projects that have regional or national benefits to ensure that projects of this type can be funded.**
11. Fund a proof of concept multi-state test(s) of a VMT-based funding approach at \$50 million per year for 2010, 2011 and 2012 with a report to Congress by 2013.

Finance: Input and Recommendations

TIFIA

- Use 49% cost share as starting point for evaluation instead of 33%
- Extend rural project eligibility to all projects in which any portion of their scope falls in a rural area
- Collect the \$100,000 fee when receiving application, not letter of interest
- Provide greater clarity to allow potential project sponsors to better understand how the TIFIA application process is expected to work
- Permit joint or separate TIFIA applications for multi-state projects with shared/common pledge of revenues
- Clarify the project evaluation criteria especially in regards to objective/measurable determination of public interest

Project Delivery Work Group

Carol Lee Roalkvam, WSDOT

AASHTO

Shannon Eggleston

Jennifer Brickett

Project Delivery

Key Implementation Issues

- 1) New/modified Categorical Exclusions
- 2) Planning and NEPA linkages
- 3) Environmental Review Process Schedule
- 4) Final Environmental Impact Statement (FEIS) and Record of Decision (ROD)

Project Delivery

AASHTO Input & Recommendations

- 1) Categorical Exclusions (work group prepared draft regulations)
 - Emergency projects: allow for safety and infrastructure adaptation upgrades.
 - Projects in existing “operational right-of-way”: define in regulation as is defined in the statute.
- 2) Planning/NEPA Linkages: guidance should ensure that existing flexibility is preserved.
- 3) Environmental review process schedule: FHWA should clarify that a coordination plan is not required to contain a schedule.
- 4) FEIS/ROD: FHWA should develop definitions of “minor” and “substantial change” in coordination with SCOE.

Freight Work Group

Rich Biter, FLDOT

AASHTO

Leo Penne

Chris Smith

Freight

Key Implementation Issues

- State Freight Plans—Increased Fed Match
- National Freight Network Designation
- National Freight Performance Measures
- National Freight Strategy
- Critical Rural State Freight Corridors
- State Freight Advisory Committees
- Investment Data/Planning Tools
- Freight Conditions/Performance Reports

Freight

AASHTO Input & Recommendations

- Accept state plans for increased fed match /adopt rule consistent with law
- Provide process for state input to national freight network and national freight strategic plan
- Adopt AASHTO/FHWA freight performance measures/collaborative process for implementation

Performance Measures Work Group

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Tony Kane

Matt Hardy

Performance Measures: AASHTO Key Issues

1. Defining National-level Measures
2. Relationship between National-level and State-based Measures
3. Risk-based Asset Management Plan
4. Evaluation of a performance-based planning approach?
5. Data Collection

Performance Measures: AASHTO Input and Recommendations

- SCOPM Task Force addressing national-level measure definition
- States will address national-level measures, but will use many other criteria in selecting projects, developing programs, etc.
- U.S. DOT needs to provide States with maximum flexibility in defining risk within their State.
- Work with the States in defining the criteria that will be used to evaluate “...the effectiveness of the performance-based planning processes of States.”
 - Do not be prescriptive about what a performance-based planning process is. Rather, define critical elements.
 - Performance must look beyond making progress towards the national-level measures.
- SCOP Subcommittee on Data is developing Core Data Principles.

Statewide and Metropolitan Planning Work Group

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AASHTO

Matt Hardy

Jennifer Brickett

Statewide and Metropolitan Planning Key Implementation Issues

- Performance Measures and Evaluations
- Implementation Schedule
- Proliferation of Plans
- Establishment of RTPOs
- Project Selection in TMAs

Statewide and Metropolitan Planning Input and Recommendations

- Avoid forcing states into a worst-first approach
 - Need to balance risk reduction, public involvement, and customer expectations
- Work with individual States in developing a plan update cycle that is least disruptive to the existing process
- U.S. DOT should seek to minimize duplication, eliminate conflicts, and streamline planning and reporting requirements for LRP, Asset Management Plan, SHSP, CMAQ and STIP.

Transportation Alternatives Program

- Key Issue: Competitive project selection process
- Recommendation
 - Ensure flexibility in the competitive grant process at the state level is in order
 - Do not require a specific process or steps.

CMAQ

Key Implementation Issues

- Ability to use CMAQ for Highway and Transit Operations Activities
- States Flexibility with a Non-Attainment Area
- Evaluation and Assessment of CMAQ Projects
- Priority Use of Funds in PM 2.5 Areas
- Electric Vehicle and NGV Infrastructure Provisions

CMAQ

AASHTO Input & Recommendations

- **Ability to use CMAQ for Highway and Transit Operations Activities**
 - ❖ Discontinue the 3-year limitation
 - ❖ Enable states to use federal funds to support highway and transit operations on an ongoing basis
- **Electric Vehicle and NGV Infrastructure Provisions**
 - ❖ U.S. DOT should support and encourage public-private partnerships

Safety Work Group

Tom Cole, ID DOT

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Tony Kane

Kelly Hardy

Safety

Key Implementation Issues

- Strategic Highway Safety Plans (SHSPs)
- Performance Measures
- New Programs, Old Funds

Safety Recommendations

- Flexibility
- Consistency
- Data

Highways Work Group

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Tony Kane

Jim McDonnell

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Highways

Key Implementation Issues

- Expansion of NHS (Sec. 1104)
 - Expanded from 160,000 miles to 220,000 miles
 - NHS requirements now apply to many more facilities
- National Highway Performance Prog (Sec. 1106)
 - Penalties in “Interstate System and NHS Bridge Conditions” section appear to override the asset management approach
- Highway Worker Safety (Sec. 1405)
 - Detailed requirements regarding the use of positive protection (i.e., barriers) are now in law

Highways

Key Implementation Issues

- Project Approval and Oversight (Section 1503)
 - Life-cycle cost analysis takes prominence in new requirements
- Tolling (Section 1512)
 - Requires inter-operability of toll systems across the country within 4 years
- Buy America (Section 1518)
 - Provisions now apply to all contracts associated with a given project, regardless of whether federal funds are involved

Highways

AASHTO Input & Recommendations

- Expansion of NHS (Section 1104)
 - Emphasize coordination with the states in determining appropriate NHS facilities
- National Highway Performance Prog (Sec. 1106)
 - Focus on asset management approach, not “worst first”
- Highway Worker Safety (Section 1405)
 - Flexibility is vital

Highways

AASHTO Input & Recommendations

- Project Approval and Oversight (Section 1503)
 - LCCA is for VE analysis tool, should not be the sole basis for a final decision
- Tolling (Section 1512)
 - Allow flexibility by allowing “planning for interoperability” to meet the requirement
- Buy America (Section 1518)
 - At a minimum, exclude subcontracted tasks
 - Work to address in next reauthorization

Transit Work Group

Sharon Edgar, MI DOT

AASHTO

Shayne Gill

Jillian Linnell

Public Transportation Work Group Charge

- Review opportunities/impacts in MAP-21 for states/ public transportation systems;
- Provide recommendations to AASHTO Board on the implementation/administration of new, amended and consolidated federal transit programs; and
- Develop recommendations for technical corrections; FTA guidance and implementation activities; and programmatic and funding provisions for the successor to MAP-21.

Workgroup Activities

- July/August/September 2012 – SCOPT leadership conducted detailed review of MAP-21 transit title
- August 2012 - SCOPT Work Group conducts initial impact assessment
- August 2012 – AASHTO/states meet with FTA Associate Administrator to seek clarification/discuss interpretation of various MAP-21 provisions
- September 2012 – SCOPT Work Group finalizes assessment of program opportunities/concerns/questions and has informal conversations with key FTA staff
- Initial letter to FTA describing critical issues for consideration

MAP-21 Transit Opportunities

- Sustains a strong federal partnership with public transportation systems;
- Maintains federal transit program at current funding levels;
- Increases the share of federal transit funding apportioned through formulas;
- Focuses resources on the repair, rehabilitation and replacement of aging infrastructure, vehicles and equipment; and
- Reduces the number of discretionary programs; consolidates the number of boutique programs; and formularizing some and updating others.

Top Five Implementation Issues

1. *Mobility for Elderly Individuals/Individuals with Disabilities (5310)*
Provide maximum administrative program flexibility by authorizing large urbanized areas to transfer Section 5310 funding to states for statewide administration/programmatic efficiency.
2. *State of Good-Repair (SGR)* - Simplify and streamline the current grant approval process for routine and recurring SGR activities (e.g., bus replacement, preventive maintenance, track and signal rehabilitation/replacement) so that benefits to the system/system users accrue faster.

Top Five Implementation Issues

3. *Transit Safety & Asset Management* – Adopt the CTAA Certified Safety and Security Officer program as the model safety program for rural and specialized transportation systems.
4. *New Starts/Core Capacity* - Grandfather projects currently in Final Design under SAFETEA-LU New Start processes.
5. *Performance Measures/Target* - Focus performance measurement/targets for rural and specialized systems at a statewide level and limit the frequency of reporting and level of detail for these extremely small systems.

FY 2013 Appropriations, CR & Sequestration

- FY 2013 Continuing Resolution
 - 6 months through March 27, 2013
 - Flat obligation limit for Highways
 - 0.612% increase for transit
 - Continued 6-month funding for USDOT, TIGER, Amtrak
- Outlook for FY 2013 Appropriations
- Sequestration
 - Gramm-Rudman-Hollings Balanced Budget and Deficit Control Act of 1985 exempts contract authority programs
 - 8.2% reduction in non-exempt, non-defense, discretionary funding

Beyond MAP-21: Reauthorization Plans

- AASHTO Work Groups
 - Assess further policy needs and recommendations
- AASHTO Reauthorization Steering Committee
 - February, 2013
 - May, 2013
 - October, 2013
- AASHTO Board of Directors
 - October, 2013

For More Information
AASHTO MAP 21
Implementation Work Groups

<http://map21.transportation.org>