

**STATEMENT OF
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**BEFORE THE
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON HIGHWAYS AND TRANSIT
UNITED STATES HOUSE OF REPRESENTATIVES**

Implementing MAP-21: Progress Report from U.S. DOT Modal Administrators

MARCH 14, 2013

Chairman Petri, Ranking Member DeFazio, Members of the Subcommittee, thank you for the invitation to appear before you today to discuss the Federal Highway Administration's (FHWA's) progress in implementing the Moving Ahead for Progress in the 21st Century Act (MAP-21). Immediately after President Obama signed MAP-21 in July last year, FHWA moved quickly to effectively carry out its provisions, and I am pleased to highlight our extensive efforts to date on behalf of the American people.

Transportation moves our economy, and the bipartisan support for MAP-21 is a recognition of the national priority to keep America's transportation network operating safely and reliably. Since it took effect, MAP-21 has given States and localities the certainty they need to move forward with projects that employ people and strengthen our transportation system. It sustains our Highway Trust Fund (HTF) and provides State and local communities with a two-year horizon of funding for the roads, bridges, tunnels, and transit our economy needs to stay competitive. That means contractors and construction companies are able to plan for big projects and make the kind of employment decisions that will put hard-working Americans back on the job.

MAP-21 builds on the Department of Transportation's (DOT's) efforts to improve safety across all forms of transportation and offer people safe transportation choices. MAP-21 supports DOT's efforts to shorten project delivery times while protecting the environment. MAP-21 also includes provisions reflecting the importance of freight movement to our economy, streamlines and transforms the Federal-aid program into a performance-based program to better target investment and increase transparency and accountability, and contains a major expansion of the TIFIA program.

As we continue to implement MAP-21's critical provisions and improve our infrastructure, the President wants to build upon this momentum. In his State of the Union address last month, the President called for \$50 billion in increased transportation infrastructure investment to spur economic growth. The President proposed a "Fix-It-First" Program that would direct \$40 billion toward reducing the backlog of deferred maintenance on highways, bridges, transit systems, and airports nationwide and put U.S. workers on the job, along with \$10 billion for innovative transportation investments. President Obama also proposed a Partnership to Rebuild America to attract private capital to upgrade what our businesses need most—efficient roads, rails, mass transit systems, waterways, and ports to move people and goods; and safe and modern energy and telecommunications systems.

FHWA MAP-21 IMPLEMENTATION PROGRESS

Under MAP-21, Congress provided for an investment of \$40.4 billion for Fiscal Year (FY) 2013 and \$41.0 billion for FY 2014 for critical highway infrastructure programs. MAP-21 streamlined and consolidated many of FHWA's programs and made a number of other reforms to existing programs and provisions that required our immediate action to ensure that Federal, State, local, and tribal transportation partners were ready when the Act became effective on October 1. Through our aggressive outreach to partners, development of guidance and rulemakings, and establishment of financial management procedures, FHWA has met and exceeded Congress' challenge. As a result, MAP-21 is having its intended effect nationwide.

Conducting Outreach to Partners and Stakeholders

Very shortly after enactment of MAP-21, FHWA established a MAP-21 website to help link FHWA employees, stakeholders, and the public to the new Act and provide related resources as they became available. Prior to October 1, FHWA developed and delivered 26 informational webinars for FHWA staff, State Departments of Transportation (State DOTs), Metropolitan Planning Organizations (MPOs), local governments, and other stakeholders. FHWA estimates that approximately 10,000 individuals participated in these webinars, which does not include the many others who subsequently have viewed webinar recordings on FHWA's MAP-21 website. These webinars focused on a wide array of topics covering all of FHWA's programs, including safety, project delivery, freight, performance management, planning, environment, innovative finance, transportation alternatives, tribal transportation, and research.

In addition to webinars, we conducted extensive outreach with stakeholders by hosting numerous listening sessions and roundtables. For example, in the freight area, the Department held a National Online Dialogue in September 2012 and a "Talking Freight" webinar in November 2012 attended by more than 300 people. DOT is continuing to hold freight-related roundtables with stakeholders across the country regarding MAP-21 deliverables, including freight performance measures and the National Freight Strategic Plan.

With respect to performance management, last summer, FHWA held a series of webinars, listening sessions, and meetings with stakeholders. In September 2012, we held a National Online Dialogue with more than 8,000 visitors, who contributed 228 ideas for our consideration. In addition, we have held targeted sessions on traffic congestion and National Highway System (NHS) performance with attendance of nearly 1,000 stakeholders, and we recently held a focused listening session with States, MPOs, and transit agencies on target setting where we connected 16 locations around the country using video and web conferencing technologies. This type of outreach is critical as we implement the MAP-21 provisions that, collectively, will transform many elements of our programs to focus on the achievement of performance outcomes.

Issuing Guidance and Rulemakings

The timely development and issuance of guidance and rulemakings is a central component to FHWA's implementation efforts. In order to ensure implementation could begin on October 1, we developed and posted on the MAP-21 website guidance documents and other information, including a bill summary, fact sheets, funding tables, and questions and answers (Q&As) on a

wide range of program and policy changes. FHWA continues to issue guidance and other information to help the Nation's Federal, State, local, and tribal transportation agencies implement MAP-21 programs and provisions and to highlight opportunities available under the new law.

We also took swift action to implement MAP-21 provisions requiring regulatory changes. Many of these requirements provide important changes in the areas of improving safety, accelerating project delivery, achieving performance outcomes, and rebuilding infrastructure. I am pleased to report that FHWA is on track to meet or surpass statutory deadlines for nearly all of the required rulemakings under MAP-21. We have already met statutory deadlines for two final rules and two proposed rules and are actively working on the remainder. For example, jointly with the Federal Transit Administration, FHWA completed a final rule well ahead of the statutory deadline implementing the exclusion from requirements under the National Environmental Policy Act to prepare an environmental impact statement or environmental assessment for actions following declarations of emergency. FHWA and FTA also published a notice of proposed rulemaking for new categorical exclusions related to actions within the operational right-of-way and for projects with limited Federal financial assistance.

In the area of performance management, FHWA is using a comprehensive approach to develop rulemakings that will help States and MPOs make data-driven decisions and efficient use of limited resources. We are planning to publish proposed rules in three phases to establish performance measures: (1) safety; (2) infrastructure; and (3) freight, traffic congestion, and air quality. FHWA is also planning to issue program-related rulemakings that have performance components in a timeframe coinciding with the three phases. This approach will provide a comprehensive overall approach to implementation of the MAP-21 performance requirements.

Providing Needed Resources

Mindful of the need to give States ample time to plan for projects under the newly structured Federal-aid highway apportioned programs, FHWA moved promptly upon MAP-21's passage to provide States needed funding information. Less than two weeks after passage, FHWA issued an Advance Notice of Federal-aid Highway Funds to be Apportioned for FY 2013, which provided States anticipated amounts of funds to be apportioned under MAP-21 in FY 2013. FHWA also provided funding tables for our MAP-21 website as well as guidance and Q&As on a number of related topics, including the apportionment structure and the program codes necessary to obligate funding.

On October 1, 2012, as required by law, FHWA issued a Notice of Apportionment of Federal-aid Highway Program Funds for FY 2013, which apportioned approximately \$37.5 billion to the States under the new MAP-21 structure. Two days later, FHWA issued the Notice of Distribution of Federal-aid Highway Program Obligation Limitation for FY 2013, which provided approximately \$19.1 billion in obligation limitation, the maximum available under the Continuing Resolution. FHWA's actions allowed the States to prepare, plan, and begin obligating the MAP-21 apportionments immediately upon the Act taking effect.

In addition to our efforts related to Federal-aid highway apportioned programs under MAP-21, we have moved quickly to make Emergency Relief funds available to States to help repair the damage to highways and bridges caused by Hurricane Sandy and other disasters. To date, we

have made \$548 million available to States affected by Hurricane Sandy alone. Additionally, we have issued implementing guidance and conducted outreach to help States utilize additional authorities provided under MAP-21, including the delivery of needed supplies to areas affected by disasters.

KEY PROGRAMS AND PROVISIONS

MAP-21 makes great progress in improving safety, rebuilding highways and bridges, expanding the TIFIA credit program, focusing on freight policy, accelerating project delivery, ensuring better transportation planning, and moving us toward a more performance-driven system.

Program Features

MAP-21 consolidated a complex array of programs into a smaller number of broader programs, with the eligibilities generally continuing under such programs. This new program structure is helping to provide our grantees with flexibility to deliver projects more efficiently.

MAP-21 ensures we are investing in the Nation's most important highways. The NHS constitutes only 5 percent of our Nation's 4 million miles of public roads, but it is the network that ties together major points of population and commerce, supporting our economy. The NHS carries more than 55 percent of all highway travel and a significant amount of truck-borne freight. Recognizing the vital service that the NHS provides, MAP-21 authorized the National Highway Performance Program (NHPP), devoting 58 percent of the apportioned highway funds to the improvement of this critical network. The NHPP provides support for the condition and performance of the NHS, for the construction of new facilities on the NHS, and to ensure that investments of Federal-aid funds in highway construction are directed to support progress toward the achievement of performance targets set by a State using an asset management planning process for the NHS.

The Surface Transportation Program (STP) provides funding that may be used by States and localities for projects to preserve and improve the conditions and performance on any Federal-aid highway, bridge and tunnel projects on any public road, pedestrian and bicycle infrastructure, and transit capital projects, including intercity bus terminals. The STP directs funding to maintain and improve Federal-aid highways and bridges on public roads in urban and rural areas, while giving States flexibility to make transportation decisions.

At DOT, where safety is our number one priority, we were excited to see a transportation plan that builds on our aggressive safety efforts, including doubling funding for FHWA's successful Highway Safety Improvement Program (HSIP). With broad eligibilities to achieve a significant reduction in fatalities and serious injuries on *all* public roads, an increased focus on performance, and new data system and improvement provisions, States have an opportunity to make strategic, data-driven investments that will continue to provide safety benefits long after HSIP funds are expended. FHWA works closely with the National Highway Traffic Safety Administration and the Federal Motor Carrier Safety Administration to coordinate our respective efforts to improve safety on a system that is common to all three agencies.

FHWA programs are also helping to improve the environment and provide safe transportation choices. The Congestion Mitigation and Air Quality Improvement Program provides funding to State and local governments for transportation projects and programs to help meet the requirements of the Clean Air Act. The new Transportation Alternatives Program provides for a variety of alternative transportation projects previously eligible under separately funded programs, including projects for recreational trails and safe routes to school.

MAP-21 included programs designed to improve transportation to and within Federal and tribal lands. The Tribal Transportation Program provides funding for transportation facilities that are located on or provide access to Indian Country. In many cases, these facilities provide tribal members with access to basic community services such as health care or educational centers. The Federal Lands Transportation Program provides funding for Federal land transportation facilities that provide access to the most popular recreational destination points within the Federal estate. The Federal Lands Access Program provides funds for facilities that are owned by State and local agencies and are located on, or provide access to, Federal lands, with preference given to facilities that provide access to high-use Federal recreation sites or Federal economic generators.

In addition to these programs, MAP-21 enhanced flexibility to conduct innovative highway-related research, development, deployment, and training activities to address current and emerging needs facing our Nation's transportation system. At our Turner-Fairbank Highway Research Center Facility, we are providing the highway community with advanced and applied research and development related to new and existing highway technologies. The center reviews, tests, studies, researches, and finds solutions to complex technical problems through the development of more economical, environmentally sensitive designs; more efficient, quality controlled construction, operational, and safety practices; and more durable materials. These efforts result in a safer, longer-lasting, and more reliable highway transportation system.

MAP-21 also reauthorized important programs designed to foster the training and development of surface transportation-related workforces and to support disadvantaged business enterprises. FHWA continues to work collaboratively with our State partners to ensure that small businesses owned and controlled by socially and economically disadvantaged individuals are provided fair opportunities to compete for highway construction contracts. FHWA also supports State DOT and local agency workforce development through our National Highway Institute and Local Technical Assistance Program.

Accelerating Project Delivery

Three years ago, I launched the "Every Day Counts" innovation initiative to present new technologies, new ideas and new ways of thinking about shortening project delivery time and expediting the deployment of new and proven technologies into the marketplace. I am pleased that the accelerating project delivery provisions in MAP-21 complement the successes of our initiative by providing an array of provisions designed to further increase innovation and improve efficiency, effectiveness, and accountability in the planning, design, engineering, construction and financing of transportation projects. These provisions will move projects from concept to completion more efficiently to yield broad benefits nationwide, saving time and money, and allowing the public to enjoy the benefits of upgraded infrastructure more quickly.

Immediately after passage of MAP-21, we began working aggressively to implement these provisions by conducting outreach sessions with stakeholders, issuing guidance, and working collaboratively with other Federal agencies. In order to meet the aggressive statutory deadlines and challenges presented by these provisions, we worked extensively with the Transportation Rapid Response Team, composed of representatives from more than 10 Federal agencies and components of the Executive Office of the President, to facilitate the interagency coordination needed to advance rulemaking and guidance documents in accordance with statutory deadlines and to identify and resolve concerns from agency partners. This collaborative effort enabled us to publish two rulemakings ahead of the statutory deadline and issue guidance in a timely manner. Additionally, States such as Illinois, for example, have already utilized our guidance to apply the provision that allows for the consolidation of a final Environmental Impact Statement and Record of Decision in order to expedite the environmental review process.

In addition to our rulemaking and guidance efforts, we also recently concluded a survey of stakeholders to meet the statutory mandate to consider additional categorical exclusions that could be created to help sponsors advance their transportation priorities without unnecessary delays. We are currently assessing the survey results. Going forward, we will continue to engage in a number of activities to implement important provisions and technologies to further improve the efficiency of infrastructure project delivery.

Freight

At DOT, we have taken the lead on improving our Nation's freight movement because we know that in order to compete in a global economy, we need to move quickly and efficiently more than 48 million tons of goods each day, worth nearly 46 billion dollars. MAP-21 provided DOT with unprecedented opportunities to improve freight movement throughout our Nation. MAP-21 establishes a national freight policy, requires the Secretary to establish a National Freight Network (NFN), calls for the creation of a National Freight Strategic Plan, and directs the Secretary to encourage States to develop comprehensive State Freight Plans that include both immediate and long-range freight planning activities and investments.

Last summer, Secretary LaHood announced the creation of our Freight Policy Council. The Council, chaired by Deputy Secretary Porcari, brings together senior leadership, including modal administrators as well as policy, budget, economic, and research experts, to oversee the implementation of MAP-21's freight provisions, including development of the National Freight Strategic Plan. Secretary LaHood also announced the creation of the National Freight Advisory Committee to engage both the public and private sector as we implement MAP-21 provisions, including the development of the National Freight Strategic Plan, and we want representatives from across the transportation spectrum to help us improve the way we move freight. The Department is accepting nominations for committee members until March 21.

Designating the NFN will help us better focus attention on the highways that are most critical to the movement of goods. The NFN will include three components: the Primary Freight Network (PFN) designated by the Secretary, portions of the Interstate System that are not designated as part of the PFN, and critical rural freight corridors. The Secretary will designate up to 27,000 miles of the Nation's most critical existing Interstates and other roads as part of the PFN and will consider adding as many as 3,000 miles of existing and planned roadways necessary for the

efficient movement of goods in the future. In February 2012, FHWA issued a notice regarding the process for designation of the NFN to assist States in strategically directing resources toward improved system performance for the efficient movement of freight. We have established a multi-modal technical advisory team with representatives from DOT and the U.S. Army Corps of Engineers to undertake preliminary analysis for the PFN. This Spring, FHWA will release a draft PFN map for review and comment. We are also developing guidance and technical assistance for critical rural freight corridors and will request submission of such corridors from States this Fall.

The Department issued interim guidance and requested comments in the Fall of 2012 on State Freight Plans, and we expect to publish final guidance this Spring. FHWA is actively working through our Division Offices in each State to encourage States to develop freight plans and establish freight advisory committees. We have asked the American Association of State Highway and Transportation Officials to let States know that we are eager to receive and review their freight plans and that we are available to serve as a technical resource. On March 18, we will conduct a webinar with State DOTs on developing State Freight Plans.

TIFIA

To support infrastructure efforts and job creation, MAP-21 offered a significant boost to our TIFIA program. MAP-21 transforms TIFIA into the largest transportation infrastructure loan program in history, providing communities across America yet another great resource to help them invest in major transportation projects and create jobs in the process. The \$1.75 billion Congress has made available for TIFIA, assuming the same general subsidy level as for the present portfolio, can lead to \$17 billion in loans for needed transportation projects around the country. And those loans can then lead to billions more in private sector and other investments.

That is a very effective multiplier, and there is no shortage of good projects that can use the needed resources TIFIA provides. In the past, TIFIA has supported signature projects like the Presidio Parkway Project in California, which is replacing the structurally and seismically deficient access road to the Golden Gate Bridge and will connect San Francisco and Marin Counties with a safe and modern roadway.

Shortly after enactment of MAP-21, on July 31, DOT published a notice inviting project sponsors to submit letters of interest (LOIs) for TIFIA credit assistance. The Notice also outlined important process changes that we have implemented within the Department to review LOIs on a rolling, first-come, first-served basis. To date, we have received 29 LOIs from project sponsors requesting credit support under the MAP-21 authority. DOT has engaged with all of the project sponsors and is prepared to move expeditiously in advancing eligible projects.

To help the transportation community better understand the new TIFIA process, we have conducted several broad-based webinars and on-site workshops. We posted updated Q&As on the TIFIA and MAP-21 websites, focusing largely on changes in the application process. DOT also is developing an updated TIFIA Program Guide and updated standard Loan Agreement Template.

Performance Management

The cornerstone of MAP-21's Federal highway program transformation is the transition to a performance and outcome-based program, which will provide a means to more efficient investment of Federal transportation funds by focusing on national transportation goals, increasing the accountability and transparency of the Federal highway programs, and helping States and MPOs make targeted investments through performance-based planning and programming.

Over the past several years, FHWA has taken a number of proactive steps to prepare the Agency to move toward a more performance-based Federal highway program. Beginning in 2009, we formed a Performance Management Transition Team to recommend how FHWA could be better prepared to carry out the Federal role of performance management in the Federal highway program. In 2011, we created a new Office of Transportation Performance Management within FHWA to lead, guide, coordinate, and develop the cross-cutting aspects of a performance-related highway program. Taking these steps has enhanced our ability to lead the move toward a more performance-based Federal highway program immediately upon the passage of MAP-21.

In addition to our continued outreach and rulemaking efforts highlighted above, last month, FHWA created a Transportation Performance Management website that serves as a complementary resource to the FHWA MAP-21 website. This new site provides a common place for our partners and stakeholders to share and find resources and information on transportation performance management. For example, the website includes information on the implementation schedule for performance provisions under MAP-21, noteworthy practices from States and local governments, a library of resources including presentations and other tools from FHWA and our partners, and news and events hosted by both FHWA and our partners related to transportation performance management. This site will be a key tool for engaging with our partners and stakeholders. In addition, as the site grows, it will become a forum for collaboration, ensuring that our stakeholders have a place to work with one another and dialogue with FHWA on advancing the state of practice for transportation performance management.

CONCLUSION

Thank you again for the invitation to appear before you today to highlight our achievements in implementing MAP-21. We look forward to working with you as we make continued progress toward full and effective implementation of these critical and important programs and provisions.