



U.S. Department of Transportation  
Federal Highway Administration

# Surface Transportation

## Authorization & The Recovery Act

AASHTO Subcommittee on Materials  
Anchorage, Alaska  
August 4<sup>th</sup> 2009

**Thomas Harman**

*Team Leader – Senior Pavement Engineer*  
Federal Highway Administration - Resource Center  
Pavement & Materials TST

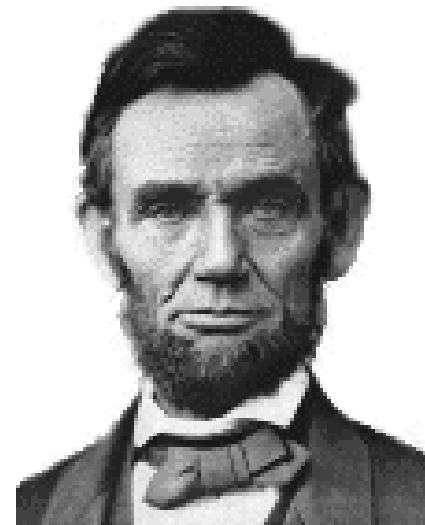




# CHANGE

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*The dogmas of the quiet past  
are inadequate to the stormy  
present... as our case is new, so  
we must think anew and act  
anew.*



# Our Visit

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- Status of the ongoing Legislative Process
  - *As of July 29<sup>th</sup> 2009 at round 8:00PM eastern ☺*
- Future of the Highway Trust Fund?
- Alternatives for Surface Transportation Authorization
- Status of America Recovery & Reinvestment Act of 2009
- *Pictures of Tom's Children*
- *Thunderous Applause!!!*



*All within 20 minutes or less OR your pizza is FREE!*

# SAFETEA-Lu

Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users

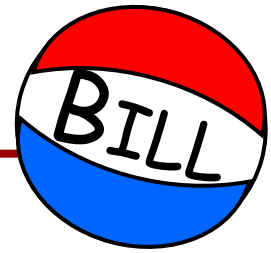


**\$253 billion** authorized over 5 year (2005-2009)

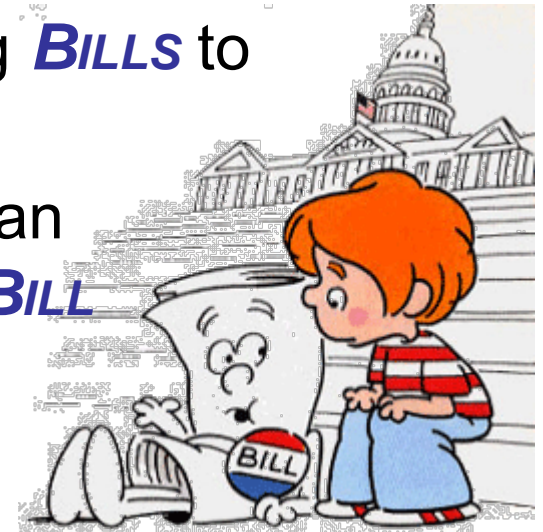
**Federal-aid Highways - \$202 billion 80%**

*In FY 2009 - \$41 billion* Highway Obligation Limitations

# Quick Legislative Lesson

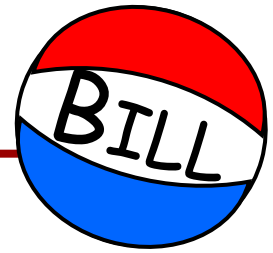


- Authorization
  - This **BILL** authorized FHWA to continue the Federal Aid Highway program. **No Funds** are included in the **BILL**. (meaning: Contract Authority)
- DOT funding Obligation **BILL** (Appropriations) –
  - Each year Congress passes funding **BILLS** to obligate funds for use.
  - This is done by other committees than those that create the Authorization **BILL**



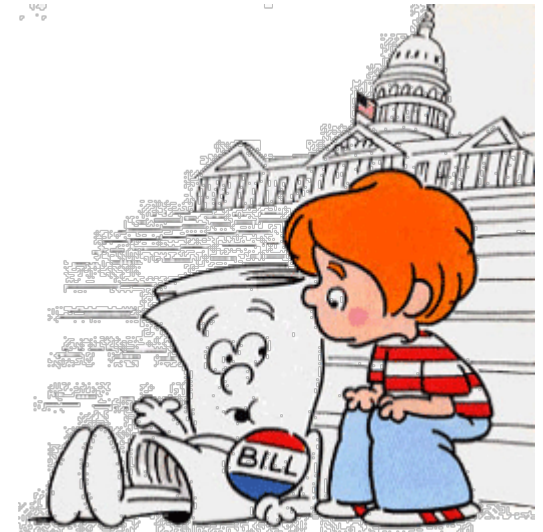
# Legislative Question???

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Under this administration, how many Committees *draft* the Transportation Authorization Bill?

- A. Two
- B. Three
- C. Four
- D. Five
- E. Six



# Pathway to Authorization

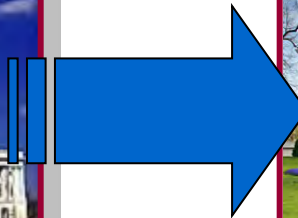
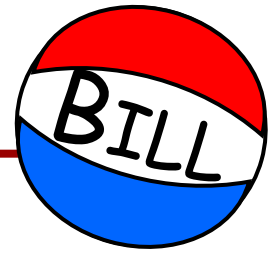
## House of Representatives

1. Transportation & Infrastructure Committee
2. Subcommittee on Highways & Transit
- \$ Ways and Means Committee
- ❖ *Science & Technology Committee*

## Senate

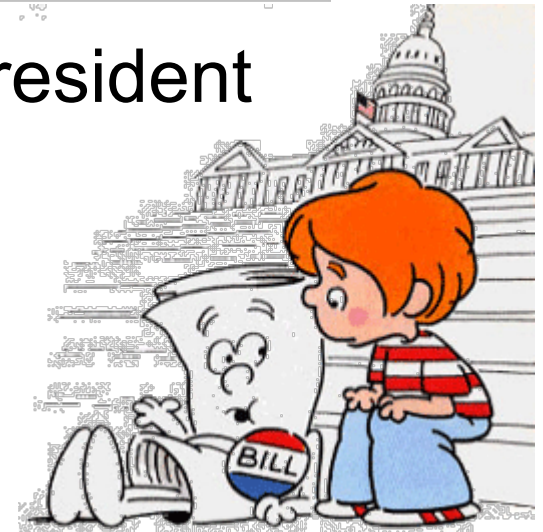
3. Environment & Public Works Committee
4. Appropriations
  - Subcommittee on Transportation, Housing, & Urban Development
5. Commerce, Science & Transportation Committee...
- \$ Finance Committee

# Pathway to Authorization



President

6. Conference Committee



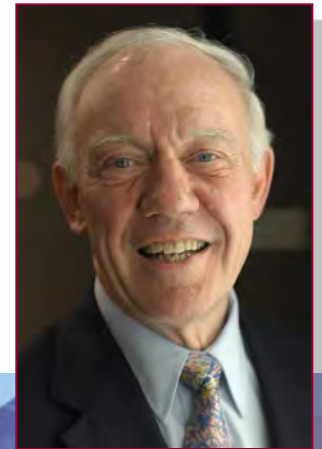
# Transportation & Infrastructure Committee

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June 22<sup>nd</sup> 2009 Mark-up of the BILL (775 pages)

## Surface Transportation Authorization Act of 2010

- 2 ½ years of hearings, 100+ hours, 200+ witnesses
- Six year \$450 billion with \$337.4 billion for highways
  - 37% Increase in highway spending over FY2009 SAFETEA-LU
  - Establish a Council on Intermodalism
  - **Performance Driven** with Benchmarks
  - National Strategic Plan for Surface Transportation
  - Streamlining of existing Programs
  - Expediting Program Delivery



**James Oberstar**  
DFL-Minnesota  
**Chairman**

**Transportation and Infrastructure Committee**



# Subcommittee on Highways and Transit

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## High Priority Project Reform Principles- April 2009

- Title 23 (Highways)
- Chapter 53 of Title 49 (Public Transit)
  - Significant State/Local Support
  - Identified Funding/Financing at Least 80%
- Goals: Transparency & Accountability



**Peter DeFazio**

**D-Oregon  
Chairman**

**Transportation and Infrastructure Committee**



# Key Challenge - Funding



*Federal-aid Highway Act of 1956*

✓ **Established Trust Fund**

**SAFETEA-LU**

✓ Extended authorizations for FY 2005 to 2009

✓ Extended Trust Fund through FY 2011

# Highway Trust Fund

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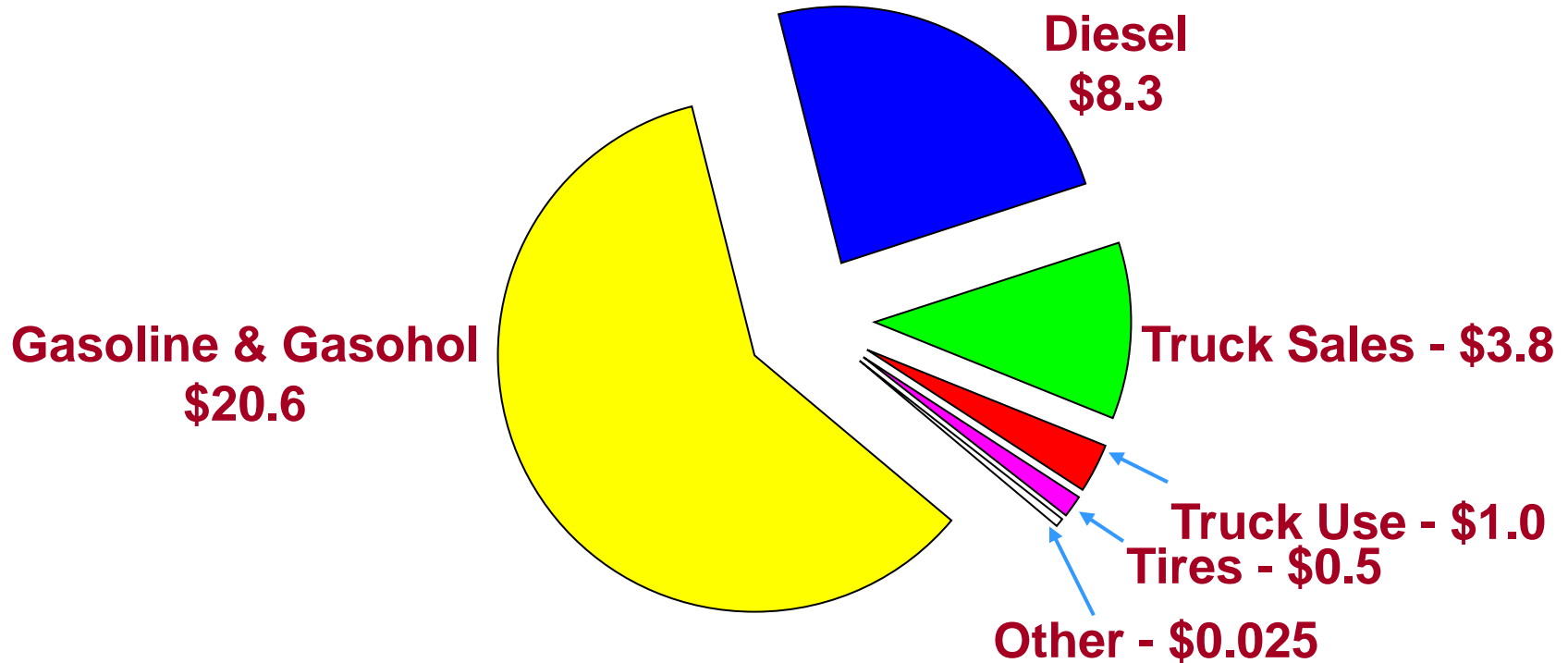
Under which US President was the **gas tax** last increased?

- A. Jimmy Carter
- B. Ronald Reagan
- C. George H. W. Bush
- D. Bill Clinton
- E. George W. Bush



# Highway Trust Fund FY 2006 Receipts

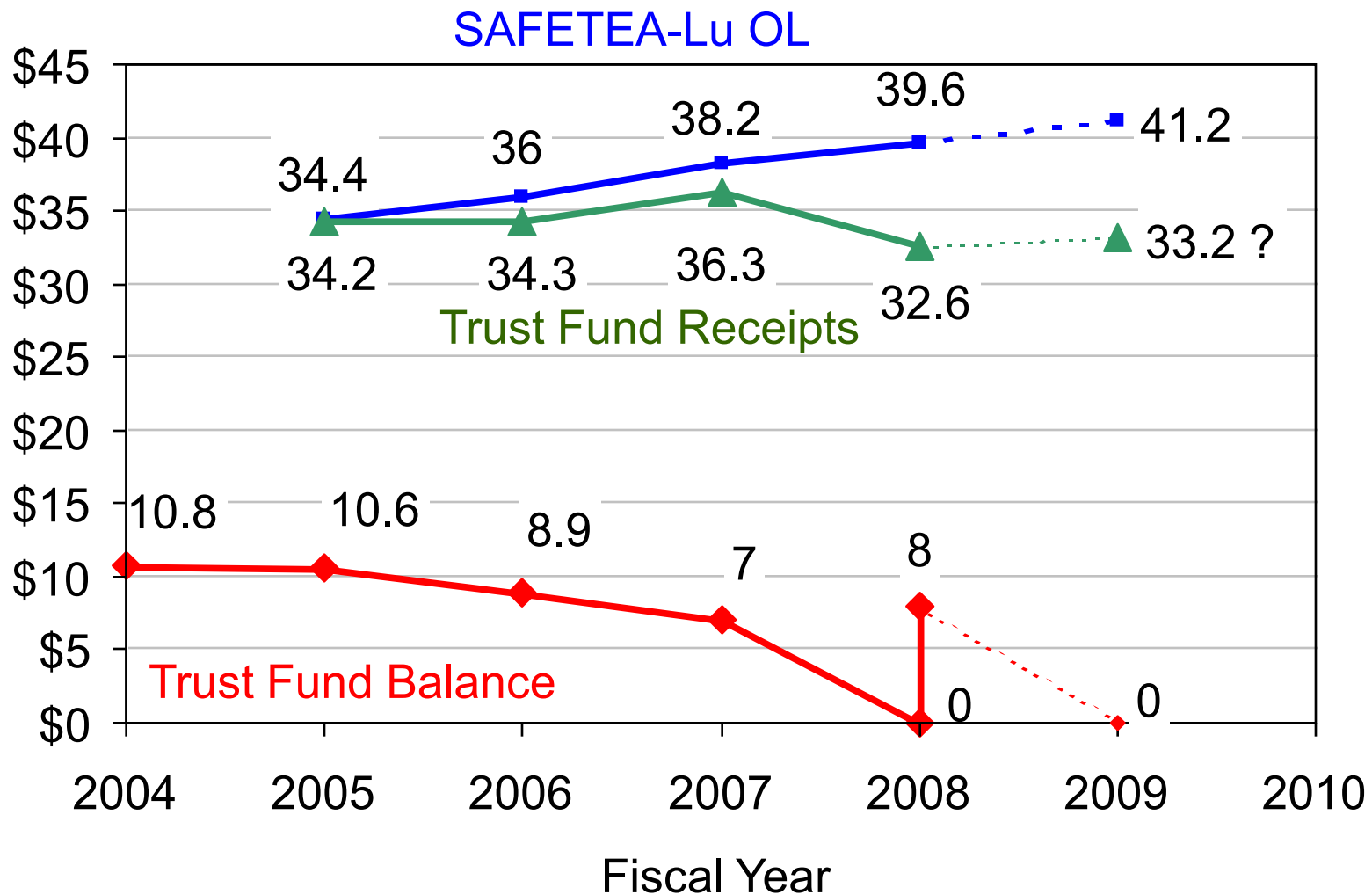
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**Total Receipts = \$34.3 billion**

# SAFETEA-Lu Highway Account – Trust Fund

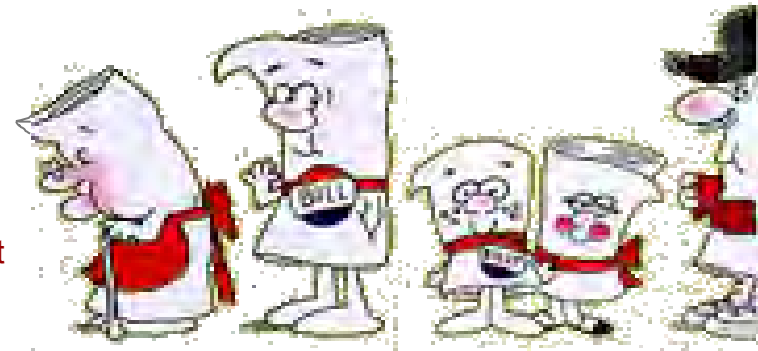
## Estimated \$1.9 billion shortfall for FY 2009



# Possible Payment Slowdown

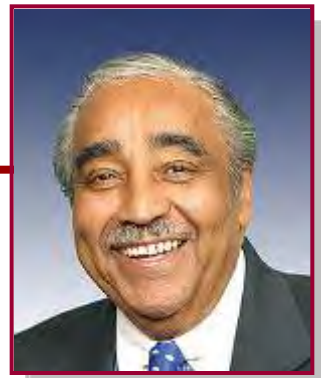
- July 28<sup>th</sup> conference call with 38 States & DC
  - FHWA reimbursements, currently made on a daily basis, **may be cut back to weekly or biweekly**
  - Similar to what was targeted last September when the fund was running low
- “A **shortfall would not shut down the Federal-Aid Highway Program**, nor would it prevent States from using federal dollars for highway projects. However, it would affect how quickly FHWA reimburses States,” FHWA statement
- However...

Authorization & Recovery Act

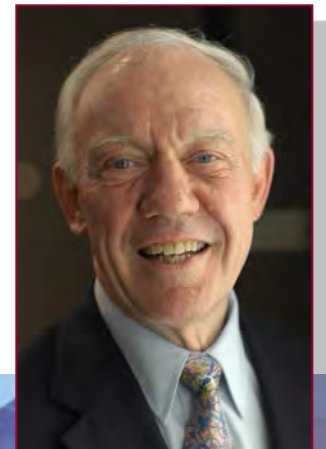


# Highway Trust Fund Fix

- Infusion: Oberstar has asked Ways & Means Committee to approve ~~\$3~~ ~~\$5~~ \$7 billion General Fund transfer
  - (H.R. 3357) July 29<sup>th</sup> 2009 Fiscal Solvency Package (*unemployment, mortgages, trust fund*): *vote 363 to 68*
- Short-term fix to carry us to the end of SAFETEA-LU *plus ~6 month*



**Charles Rangel**  
D-New York  
Chairman W&M



**James Oberstar**  
DFL-Minnesota  
Chairman  
Transportation and Infrastructure Committee



# Senate Transportation Leadership

- Approved Bill (S. 1489) – providing for an 18 month extension of SAFETEA-LU



Support



Senator  
**Barbara Boxer**, D-CA  
*Chair*



Senator  
**Jay Rockefeller** IV, D-WV  
*Chairman*



Senator  
**Patty Murray**, D-WA  
*Subcommittee Chair*



# Senate Finance Committee

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- \$26.8 billion proposal (S. 1474) to fund the 18 month extension of SAFETEA-LU
  - Resume earning interest on Trust Fund
  - \$19.5 billion in “lost” earnings since 1998
  - \$ 7.3 billion return of trust funding appropriated to cover emergency relief activities



**Max Baucus**  
**D-Montana**  
**Chairman**



# Highway Trust Fund Fix

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- The Administration does not support an increase in the gas tax



# Highway Trust Fund Future?

**Something WILL happen next year...**

- ✓ Administration position... no increase in gas tax
- ✓ AASHTO proposal... +10¢/gal indexed to inflation



Authorization & Recovery Act



# 2¢... Input into Authorization



- The NTS Policy & Revenue Study Commission
- USDOT / FHWA - Principles
- AASHTO Proposal
- Many Others...

***“General Themes”***

Authorization & Recovery Act



# The Commission – Debate

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- Future Demands on NTS?
- What are the long-term Investments Needs?
  - Capital Investment Principles:
    - Tied to specific system wide performance objectives
    - Assessed for benefits and costs
    - Influenced by economic, environmental, and energy considerations
- What Revenue Sources are Available?...
- What are the Barriers to Achieving the Vision?...

# The Commission-Barriers

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## Ineffective Investment Decisions

1. Lack of **Performance** Standards
2. Congressional Earmarking
3. Lack of Requirements for **Benefit-Cost** Analysis
4. **Inflexibility** in Funding Arrangements
5. Distribution Method of Highway Funding  
(through State to Local) Q. Priorities?
6. **Regulatory Restrictions** Limiting Tolling on Interstate
7. Institutional Arrangements Impacting Planning...

# Guiding Principles

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- Increased State **Flexibility**
- Narrower/Deeper Federal Role
- **Simplification** of Federal Programs
- Decisions based on **Performance & Merit**
- Encouragement of Innovation
- Encourage **Public-Private Partnerships**
- Direct Pricing of Road Use
- Empowering Customers



**Ray LaHood**  
Secretary



**Victor Mendez**  
Administrator



**Jeff Paniati**  
Executive Director

# 2¢ - Many Options

## AASHTO – Surface Transportation Authorization



### \$545 billion Blueprint for Authorization

\$375 billion for highways over 6 years

- 56% annual increase from average SAFETEA-Lu
- Calling for a 5% limit on Congressional Earmarking, ☺

#### 1. Authorization “**Reform Agenda**”

- “Federal programs must be focused on national interests, and transportation investments must be performance-based and outcome-driven...”

#### 2. **Sustainability**

- Partnering, Planning, “**Green**” Practices

#### 3. Multi-Modal Plan for **Freight**

- Strategic Plan for investments

#### – Goals/Outcomes...

- Expanding our economy, “**Greener**”, Improving the quality of life for our growing population.



**Allen Biehler**  
Secretary PennDOT  
AASHTO President

# 2¢ - Many Options

Commission, AASHTO, ARTBA, NAPA, ATN



## General Themes

New Investment Strategy

Surface Transportation Legislation (Intermodal)

Safety / Freight / Commerce

- Freight Corridors or Critical Commerce Corridors

Performance Based (Risk) Program

Merit (Benefit-Cost) System Investment

Preservation & Growth

Innovative Program Delivery

- Performance Contracting
- Public Private Partnerships / Concessions
- Sustainability



High-speed rail is centered  
in the median of the base corridor

Authorization & Recovery Act

# Transportation Challenges

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- Preservation & Growth required continued **Innovation**
- **Workforce** growth & development
- Performance driven solutions require an even **greater understanding** of the system
- **Sustainability**, WMA and High-RAP are a good start... what's next on the horizon?
- ***Faster***
- **Better**
- ***Smarter***
- **Greener**

# Questions on Authorization?





# ***The American Recovery and Reinvestment Act of 2009***

<http://www.dot.gov/recovery/>

Enacted  
February 17, 2009



U.S. Department of Transportation  
Federal Highway Administration

# The Recovery Act Game

Finished

Q. A	B	C	D	E	F	G	H	I	\$BIG PRIZE
								J	\$ 1.00



1	2	3	\$ 0.50
4	5	6	\$ 0.25
7	8	9	\$ 0.10
			\$ 0.05
			\$ 0.01 x 3

# Case Number 1



1

FOR NO DEATH



# Case Number 2

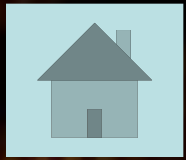


2

FOR NO DEATH



# Case Number 3



3

FOR NO DEAL



# Case Number 4



4

OR NO DEAL



# Case Number 5



5

FOR NO DEATH



# Case Number 6

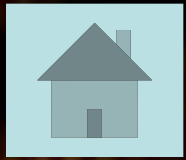


6

FOR NO DEAL



# Case Number 7



7

OR NO DEAL



# Case Number 8



8

FOR NO DEATH



# Case Number 9



9

FOR NO DEAL

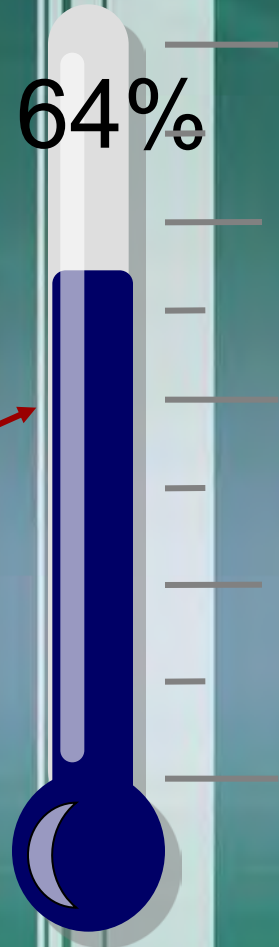


# Status



- Funds Obligate: as of 7-30-09
  - \$ 17,183,259,154 of the \$26,810,000,000
- 6,007 transportation projects have been authorized!
- GOAL: 50% in 120 days

Date of apportionment is March 2, 2009; therefore, any redistribution took place on June 30, 2009.



# Nick Felag at the summit

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Thank You...

Cheese!



# *"They Build What We Accept,"* **Brother Jim**



# The Source of “@II” WWWisdom

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- US Senate Committees
  - [http://www.senate.gov/pagelayout/committees/d\\_three\\_sections\\_with\\_teasers/committees\\_home.htm](http://www.senate.gov/pagelayout/committees/d_three_sections_with_teasers/committees_home.htm)
- House Transportation and Infrastructure Committee
  - <http://transportation.house.gov/>

# The Source of “@II” WWWisdom

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- USDOT, **FOCUS**, **REFORM**, **RENEW**
  - <http://www.fightgridlocknow.gov>
- FHWA, **SAFETEA-Lu**
  - <http://www.fhwa.dot.gov/safetealu/>
- The Commission, **SAFETEA-Lu Report**
  - <http://www.transportationfortomorrow.org/information/>
- AASHTO, **Financing**
  - <http://finance.transportation.org/?siteid=64&pageid=2648>
- ARTBA, **Reauthorization**
  - [http://www.artba.org/tmaw/reauthorization\\_update.htm](http://www.artba.org/tmaw/reauthorization_update.htm)
- America’s Transportation Network, **Reauthorization**
  - [www.americastransportationnetwork.com](http://www.americastransportationnetwork.com)
- NAPA, **SAFETEA-Lu & Reauthorization**
  - [http://vocusgr.vocus.com/grspace2/WebPublish/controller.aspx?SiteName=NAPA&Definition=Home&XSL=Home&SV\\_Section=Home](http://vocusgr.vocus.com/grspace2/WebPublish/controller.aspx?SiteName=NAPA&Definition=Home&XSL=Home&SV_Section=Home)

# Transportation Trivia, A

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What is the correct way to refer to the American Recovery and Reinvestment Act of 2009?

- A. A.R.R.A.
- B. Ar-ră
- C. A-ray
- D. The Recovery Act (of 2009)



# Transportation Trivia, B

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As of July 28<sup>th</sup> 2009, how many transportation projects have been authorized?

- A. 9,128
- B. 5,949
- C. 3,721
- D. 2,863



# Transportation Trivia, C

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What are the main objectives of the Recovery Act?

- A. Job preservation and creation
- B. Infrastructure investment
- C. Energy efficiency and science
- D. Assistance to unemployed, and
- E. State and local fiscal stabilization
- F. All of the Above

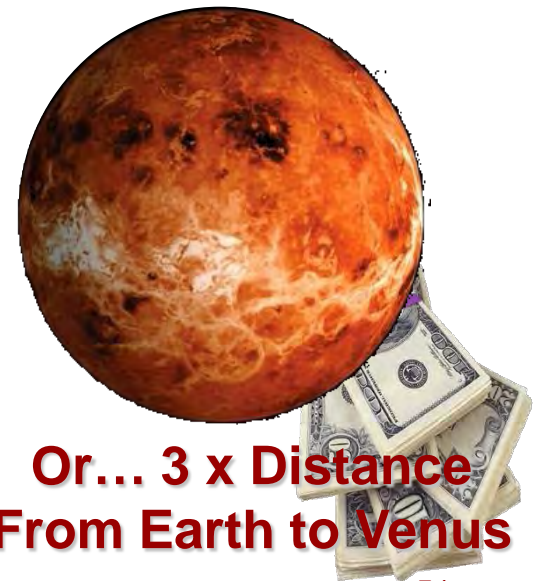


# Transportation Trivia, D



The Recovery Act is a \$787 billion dollar investment in our economy, with \$48.1 billion focused on transportation and \$27.5 billion dedicated to highways? If a dollar is 6.14" long, how many times will the act circle the earth? (Earth circumference = 24,859.82miles)

- A. 897 times
- B. 1,543 times
- C. 2,407 times
- D. 3,068 times



**Or... 3 x Distance  
From Earth to Venus**

# Transportation Trivia, E

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T/F The Recovery Act funds can be used for conversion of advance construction on previously authorized federal-aid projects, with the Federal share up to 100%?

- A. True
- B. False
- C. Depends
- D. Repeat the Question



# Transportation Trivia, F

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In selecting projects for funding, which projects should be given priority under the Recovery Act?

- A. Focused on system preservation
- B. Addressing issues of bridge safety
- C. Projected for completion within 3 years
- D. Located in economically distressed areas

# Transportation Trivia, G

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The Recovery Act includes a Use or Loose Provision, where 50% of the funds must be allocated within 120 days. Who is responsible for the State certification of the funds?

- A. The Chief Engineer to the DOT CFO
- B. DOT to the Governor
- C. The Governor to the US DOT Secretary
- D. Mark Felag to President Obama

# Transportation Trivia, H

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T/F Due to the Applicability of Title 23 Requirements in Title XII, there will be no changes in Buy American implementation for Recovery Act projects?

- A. True
- B. False
- C. Depends
- D. Ask Colin Franco



# Transportation Trivia, I

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Davis Bacon Act requires “No less than locally prevailing wages.” What year was the Act passed?

- A. 1922
- B. 1931
- C. 1956
- D. 1963



# Transportation Trivia, J



FHWA has established National Review Teams to support the stewardship & oversight of the Recovery Act. The teams have identified areas of RISK. Which is considered the greatest?

- A. Local Public Agency (LPA) Oversight
- B. Plans, Spec's & Estimates Quality
- C. Contract Administration
- D. Quality Assurance
- E. DBE Program
- F. Eligibility/Improper Payments
- G. Achievement of Program Goals
- H. Indian Reservation Roads Program

