COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

THE SURFACE TRANSPORTATION AUTHORIZATION ACT OF 2009

A BLUEPRINT FOR INVESTMENT AND REFORM
EXECUTIVE SUMMARY

Presented by

Chairman James L. Oberstar, Ranking Member John L. Mica,
Chairman Peter A. DeFazio, and Ranking Member John J. Duncan, Jr.

June 18, 2009

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EXECUTIVE SUMMARY

America's surface transportation network is essential to the quality of life of our citizens and the productivity of the nation's economy. This expansive, national network provides all Americans – from those living in the largest cities to the smallest towns – with extraordinary freedom of mobility and unprecedented opportunity.

The Costs of Decades of Underinvestment

Regrettably, our transportation system, once the envy of the world, is losing its battle against time, growth, weather, and wear. The system is suffering from decades of underinvestment, and the costs are staggering:

- Each year, 42,500 people are killed and 2.5 million people are seriously injured in more than six million motor vehicle crashes, which are now the leading cause of death of children and young adults ages three to 34.

- Congestion is crippling our major cities and even our small towns, at a cost of more than $78 billion a year, causing hardship for drivers and increasing costs and inefficiencies for America's businesses.

- Accidents and traffic delays cost Americans more than $365 billion a year – $1 billion a day – or $1,200 for every man, woman, and child in the nation.

- The quality of our transportation system is deteriorating: almost 61,000 miles (37 percent) of all lane miles on the National Highway System (NHS) are in poor or fair condition; more than 152,000 bridges – one of every four bridges in the United States – are structurally deficient or functionally obsolete; and more than 32,500 public transit buses and vans have exceeded their useful life. The nation's largest public transit agencies face an $80 billion maintenance backlog to bring their rail systems to a state of good repair and, within the next six years, almost every transit vehicle (55,000 vehicles) in rural America will need to be replaced.

- Since designation of the NHS in 1995, the percentage increase in miles traveled on the NHS has been three times the percentage growth in the system's lane miles.

- As a result of this underinvestment, the total cost of logistics for U.S. companies has increased from 8.8 percent of Gross Domestic Product (GDP) in 2004 to 10.1 percent in 2008 – a $412 billion increase in four short years.

- The transportation system also imposes significant costs on the environment. In the United States, approximately 28 percent of total greenhouse gas emissions, which have been demonstrated to contribute significantly to global climate change, are attributed to the transportation sector. Private vehicles are now the largest contributor to household "carbon footprints", accounting for 55 percent of carbon emissions from U.S. households.

- Unlike other major industrialized nations, Americans have limited transportation choices. The United States has almost no high-speed passenger rail service, even though it is widely recognized that high-speed rail can significantly reduce congestion on our highways and in the air, decrease our dependence on foreign oil, and reduce greenhouse gas emissions. We invest only a fraction of the amounts invested by European and Asian countries in high-speed rail.

Although the U.S. Department of Transportation (DOT) is charged with addressing these enormous challenges, it has not lived up to its original purpose of integrating and implementing transportation policy. Most of DOT's policies are established and administered by separate agencies of the Department, each of which focuses on a single mode of transportation.

Since completion of the Interstate Highway System, our national transportation policy has lacked strategic focus. Although States and metropolitan regions are required to develop long-range transportation plans for highway, transit, and rail investment, there has been no attempt to aggregate these plans and establish a National Transportation Strategic Plan that is intermodal in nature and national in scope.

In addition, Federal transportation programs have no performance metrics. Today, there is no requirement for States, cities, and public transit agencies to develop transportation plans with specific performance objectives, nor does DOT ensure that States are meeting specific performance objectives. DOT and state departments of transportation primarily decide whether projects are eligible for funding, but not whether the projects that are funded actually achieve the expected benefits. Throughout Federal surface transportation programs there is limited transparency, accountability, and oversight.

There are also unnecessarily long delays – more than 10 years for many highway and transit projects – for needed transportation improvements to be planned, approved, and constructed.

Furthermore, the financing mechanism for the programs is in crisis. The Highway Trust Fund (Trust Fund), which finances surface transportation programs, does not have adequate revenues to meet existing commitments made by the Federal Government. If this is not corrected, there will be massive cuts in transportation investments beginning later this year, which will cause

crippling job losses, a deepening of the economic recession, and a further deterioration of the assets and performance of the nation's surface transportation system.

A Blueprint for Investment and Reform

Today, we advance a Blueprint for Investment and Reform that will transform Federal surface transportation from an amalgamation of prescriptive programs to a performance-based framework for intermodal transportation investment. The Blueprint is designed to achieve specific national objectives: reduce fatalities and injuries on our nation's highways; unlock the congestion that cripples major cities and the freight transportation network; provide transportation choices for commuters and travelers; limit the adverse effects of transportation on the environment; and promote public health and the livability of our communities.

Specifically, the Surface Transportation Authorization Act of 2009:

- Redefines the Federal role and restructures Federal surface transportation by consolidating or terminating more than 75 programs;
- Consolidates the majority of highway funding in four, core formula categories designed to bring our highway and bridge systems to a state of good repair; improve highway safety; develop new and improved capacity; and reduce congestion and greenhouse gas emissions and improve air quality;
- Focuses the majority of transit funding in four core categories to bring urban and rural public transit systems to a state of good repair; provide specific funding to restore transit rail systems; provide mobility and access to transit-dependent individuals; and plan, design, and construct new transit lines and intermodal facilities;
- Directs Federal highway safety investments to specific activities demonstrated to reduce fatalities and injuries on our roads;
- Establishes new initiatives to address the crippling congestion in major metropolitan regions, and eliminate bottlenecks in freight transportation;
- Creates a National Transportation Strategic Plan, based on long-range highway, transit, and rail plans developed by States and metropolitan regions, to develop intermodal connectivity of the nation's transportation system and identify projects of national significance;
- Reforms the U.S. Department of Transportation to require intermodal planning and decision-making; ensure that projects are planned and completed in a timely manner; and ensure that DOT programs advance the livability of communities;
- Requires States and local governments to establish transportation plans with specific performance standards; measure their progress annually in meeting these standards; and periodically adjust their plans as necessary to achieve specific objectives;
- Improves the project delivery process by eliminating duplication in documentation and procedures;
- Establishes a new program to finance planning, design, and construction of high-speed rail;

- Creates a National Infrastructure Bank to better leverage limited transportation dollars;

- *Provides funding of $450 billion over six years – the minimum amount needed to stop the* decline in our surface transportation system, begin to make improvements, and restore and enhance the nation's mobility and economic productivity. The Surface Transportation Authorization Act:

  - Doubles the investment in highway and motor carrier safety to $12.6 billion;

  - Provides $337.4 billion for highway construction investment, including at least $100 billion for Capital Asset Investment to begin to restore the National Highway System (including the Interstate System) and the nation's bridges to a state of good repair; and

  - Provides $87.6 billion from the Mass Transit Account of the Highway Trust Fund and $12.2 billion from the General Fund for public transit investment to restore the nation's public transit systems to a state of good repair, and provide access and transportation choices to all Americans from large cities to small towns;

- Within this $450 billion investment, the Act provides $50 billion for Metropolitan Mobility and Access to unlock the congestion that chokes major metropolitan regions; and $25 billion for Projects of National Significance to enhance U.S. global competitiveness by increasing the focus on goods movement and freight mobility; and

- In addition to this $450 billion investment, the Act provides $50 billion over six years to develop 11 authorized high-speed rail corridors linking major metropolitan regions in the United States. The high-speed rail initiative will provide greater consideration for projects that: encourage intermodal connectivity; produce energy, environmental, and other public benefits; create new jobs; and leverage contributions from state and private sources.

The $450 billion for highway, highway safety, and transit investment over six years is a 38 percent increase above the current funding level ($326 billion). The Surface Transportation Authorization Act also provides an additional $50 billion investment for high-speed rail. Together, this $500 billion investment will **create or sustain approximately six million family-wage jobs.**[1]

In sum, the Surface Transportation Authorization Act of 2009 transforms the nation's surface transportation framework and provides the necessary investment to carry out this vision. This increased investment is accompanied by greater transparency, accountability, oversight, and performance measures to ensure that taxpayer dollars are being spent effectively and in a manner that provides the maximum return on that investment.

[1] This estimate is based on 2007 Federal Highway Administration data on the correlation between highway infrastructure investment and employment and economic activity, and assumes a 20 percent state or local matching share of project costs. The Federal Highway Administration estimates that $1 billion of Federal investment creates or sustains 34,799 jobs.

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THE NEED FOR FUNDAMENTAL REFORM AND INCREASED INVESTMENT

The Federal-Aid Highway Act of 1956 (P.L. 84-627) established formula grant programs to distribute Federal surface transportation funds to States. These programs provided Federal construction aid for specific eligible highway categories (e.g., Interstate, primary, and secondary highways).

The Federal investment provided by the Federal-Aid Highway Act, and its successors, connected communities across the nation to one another, opened new markets to unleash unparalleled economic growth, and improved mobility and quality of life for the nation. However, in the past 50 years, there have been significant economic and demographic changes that could not have been anticipated when the Interstate System was initially designed. Since 1956:

- The U.S. population has almost doubled, increasing from 169 million to 300 million;
- GDP has exploded, increasing from $345 billion to $14.3 trillion;
- Land use, economic development patterns, and migration patterns have changed significantly, leading to an increased dependence on our surface transportation network, particularly highways;
- The most recent National Household Survey found that 87 percent of daily trips involved the use of personal vehicles; and
- The number of passenger vehicles on the nation's roadways has increased 150 percent from 54 million vehicles to 135 million vehicles.

Many segments of the network handle volumes of traffic that greatly exceed their design standards. This increased traffic comes at a time when many highway assets, built in the 1960s and 1970s, are reaching the end of their useful design life, and need to be rebuilt or replaced. Transit assets also suffer from decades of underinvestment, even as public transit ridership rapidly increases across the United States, from the "old rail" cities to new Western towns.

Safety: The Human Toll and Economic Cost

The societal and economic toll of transportation accidents is staggering. Each year, 42,500 people are killed and 2.5 million people are seriously injured in more than six million motor vehicle crashes. Motor vehicle crashes are the leading cause of death for people of every age from three to 34. Every hour, 150 children (under the age of 19) are treated in emergency rooms for crash-related injuries. Each year, the economic cost of motor vehicle crashes to the U.S. economy is $289 billion.

In addition, crashes involving large trucks and buses remain a significant safety concern. In 2007, more than 5,100 people were killed and 101,000 were injured in more than 400,000 motor

vehicle crashes involving large trucks and buses. The average cost of a fatal crash involving a large truck is more than $3.6 million.

The Cost of Congestion

In 2005, traffic congestion cost $78.2 billion, including 4.2 billion hours of delay and 2.9 billion gallons of wasted fuel, in our nation's metropolitan areas. The average driver in 28 mettropolitan regions experienced 40 or more hours of delay per year. Twenty-seven years ago, only Los Angeles experienced that level of congestion. Families are losing what precious little time they have together because of time spent in traffic on the way to and from work, picking up the kids at day care, or running the endless errands that seem a part of life in today's society.

Congestion is also significantly increasing costs for American businesses. After 17 straight years of decline, the total cost of logistics – the cost of moving goods and services – for U.S. companies began to increase in 2005. Overall, logistics costs have increased from 8.8 percent of GDP in 2004 to 10.1 percent in 2008 – a $412 billion increase in four short years.

This congestion cost can greatly affect businesses' bottom lines. For instance, General Mills spends almost $650 million a year trucking hundreds of millions of cases of food to market. For every one mile per hour reduction in average speed of its shipments, it costs General Mills $2 million of additional logistics costs.

A Deteriorating System

The quality of our transportation system is also deteriorating. Surface transportation assets have limited life spans. Currently, many segments of the nation's transportation infrastructure are reaching or have exceeded their useful design life. Today, almost 61,000 miles (37 percent) of all lane miles on the NHS are in poor or fair condition; more than 152,000 bridges – one of every four bridges in the United States – are structurally deficient or functionally obsolete; and more than 32,500 public transit buses and vans have exceeded their useful life. The nation's largest public transit agencies face an $80 billion maintenance backlog to bring their rail systems to a state of good repair and, within the next six years, almost every transit vehicle (55,000 vehicles) in rural America will need to be replaced. The American Society of Civil Engineers grades our surface transportation system as follows:

Roads	D-
Bridges	C
Transit	D
Rail	C-

The American Society of Civil Engineers estimates that the nation's infrastructure requires an investment of $2.2 trillion over the next five years to bring the infrastructure to a state of good repair.

A major deficiency in our transportation system is the absence of a high-speed rail system. High-speed rail can produce substantial economic benefits, reduce congestion on the highways and

in the air, and produce a net reduction in greenhouse gas emissions. The United States has only one rail line that can support high-speed rail, Amtrak's Acela service between Washington, DC, and Boston, Massachusetts. However, even this line cannot operate at high speeds over major segments and operates at an average of 73 miles per hour. By contrast, major European and Asian countries rely substantially on high-speed rail and continue to expand their systems.

In 2008, Congress authorized the development of 11 high-speed rail corridors linking major metropolitan regions throughout the United States. In 2009, at the request of President Barack Obama, Congress provided $8 billion to begin construction of these high-speed rail systems. The Passenger Rail Investment and Improvement Act of 2008 (P.L. 110-432, Division B) and this $8 billion investment are the first serious commitments to high-speed rail in the history of the nation.

However, despite the historic nature of this investment, it pales in comparison to the investments of our global competitors. Earlier this year, China announced that it will invest $730 billion in its railways (including high-speed rail) in the next four years (through the end of 2012). Spain, which opened its first high-speed rail line in 1992, has a network today of more than 1,200 miles of high-speed rail (traveling at 186 miles per hour). By 2020, Spain will invest almost $140 billion to develop a network of 6,200 miles of high-speed rail lines throughout the country.

1956 Policies and 2009 Needs

The transportation programs and policies crafted more than a half-century ago are no longer well-suited to address today's challenges of improving the condition, performance, and safety of our system. With completion of the Interstate Highway System, national transportation policy lost its focus. Today, there are more than 108 individual programs, as well as dozens of set asides and takedowns, that provide Federal surface transportation funding. Overlapping and similar eligibility, transferability of funds, and the lack of transparency, accountability, and oversight make it impossible to determine whether programs are meeting national objectives. The Government Accountability Office (GAO) put it succinctly in a 2008 report: "To some extent, the Federal-aid Highway program functions as a cash transfer, general purpose grant program, not as a tool for pursuing a cohesive national transportation policy."[2]

In addition, our lack of a National Transportation Strategic Plan impedes our ability to replicate the successes of the Interstate Highway System in other transportation programs today. As we move beyond construction of the Interstate, we must develop a new transportation paradigm that is intermodal in nature.

Present and future demands on the nation's intermodal surface transportation network require a bold new vision, greater accountability, and a forward-thinking approach to address these challenges.

[2] GAO, *Restructured Federal Approach Needed for More Focused, Performance-Based, and Sustainable Programs* (2008).

THE CRISIS IN THE HIGHWAY TRUST FUND

If we do not act quickly to authorize and reform Federal transportation programs, we will face a major crisis.

The existing reauthorization act, which is financed by the Highway Trust Fund, expires on September 30, 2009. In the past 30 years, Congress has never completed action on the reauthorization act by the date on which the programs expired. Instead, Congress has extended the programs for short-term periods while action was completed on the long-term reauthorization act. During consideration of the last reauthorization act, Congress extended the programs 12 times prior to enactment of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (P.L. 109-59).

A business-as-usual reauthorization is not acceptable. In the past, during these periods of multiple short-term extensions of the programs, state departments of transportation have slowed investment because of the uncertainty regarding the long-term future of the program, and been unwilling to invest in large, long-term projects until enactment of the reauthorization act. In this time of severe economic recession, the effects of any slowed investment could offset much of the benefits of the increased transportation investment provided under the American Recovery and Reinvestment Act (P.L. 111-5).

This concern for the economic effects of short-term reauthorization extensions is critically compounded by the current financial crisis in the Trust Fund. Prompt Federal action is necessary to stabilize the Trust Fund and restore the confidence of state departments of transportation and the contactor community or many States will not have enough confidence in future financing of the programs to go forward with significant new construction.

According to DOT, the Highway Account of the Trust Fund is running out of cash and may not have enough funding to reimburse States for their Federal highway investments as early as August 2009. The shortfall is projected to be $5 billion to $7 billion by September 2009 and an additional $8 billion to $10 billion in fiscal year 2010. If the Trust Fund runs out of cash, DOT will immediately begin rationing reimbursements to States, creating cash flow problems for States and significant uncertainty for the future of the program.

The current user fees supporting the Trust Fund are completely inadequate to maintain our existing infrastructure. If we continue at existing funding levels, our road surfaces will continue to deteriorate, structurally-deficient bridges will go unrepaired, and congestion will worsen. The mainstay of funding is the 18.3-cent-per-gallon gasoline user fee, which has not been increased since 1993, and produces progressively less revenue as the fuel efficiency of automobiles increases. The current user fees generate only enough revenue to finance a $35.1 billion of Federal highway, highway safety, and public transit investments in fiscal year 2010, which would be a 34 percent cut from this year's $53 billion funding level. Without additional revenues, a six-year surface transportation authorization bill could fund only $236 billion in highway, highway safety, and transit investment – $90 billion less than the current investment level over the next six years ($326 billion). These shortfalls could result in a loss of more than three million good, family-wage construction jobs.

The uncertainty of short-term extensions, Trust Fund cash flow problems, and potential highway, highway safety, and transit funding cuts could each cause significant job losses, and together, may severely deepen the current recession.

It is imperative for Congress to act on the Surface Transportation Authorization Act and establish a sound and sustainable revenue stream to finance the future of surface transportation.

TRANSFORMATIONAL REFORMS IN THE SURFACE TRANSPORTATION AUTHORIZATION ACT

The next surface transportation authorization must affirm the nation's commitment to building and operating an intermodal surface transportation network that can meet the demands of the 21st Century. The Surface Transportation Authorization Act creates a performance-based framework, designed to achieve results with transparency, accountability, and oversight to ensure that goals are met. This Act restructures DOT to implement more effectively the goals and objectives of the Federal surface transportation programs, improve the delivery of critical surface transportation projects, facilitate the utilization of all modal options to address needs, and provide taxpayers with a better, more measurable return on their investment in the nation's infrastructure.

A Clear Federal Role and National Objectives

Existing Federal surface transportation programs prescribe the type of project eligible for funding, but then afford States great discretion to shift funds between programs. The lack of clear Federal priorities and system-wide objectives has made it difficult to understand or identify the Federal role in surface transportation. Many of these Federal programs are ineffective in addressing current transportation challenges requiring solutions that integrate multiple modes of transportation. Further, the various program goals are often unclear and, in some cases, conflicting.

The Surface Transportation Authorization Act will transform the nation's surface transportation policies by clearly defining the role and specific objectives of the Federal Government in providing resources to States to carry out programs. These objectives include:

- Create a National Transportation Strategic Plan;
- Improve the safety of the surface transportation network;
- Bring existing highway and transit facilities and equipment to a state of good repair;
- Facilitate goods movement;
- Improve metropolitan mobility and access;
- Expand rural access and interconnectivity;
- Lessen environmental impacts from the transportation network;
- Improve the project delivery process by eliminating duplication in documentation and procedures;
- Facilitate private investment in the national transportation system that furthers the public interest;
- Ensure that States receive a fair rate of return on their contributions to the Trust Fund;
- Provide transportation choices; and
- Improve the sustainability and livability of communities.

Consolidate and Simplify Programs

To ensure that the national objectives and priorities are best addressed, the Surface Transportation Authorization Act consolidates or terminates more than 75 programs. Most highway funding will be provided under four, core formula categories:

- **Critical Asset Investment** – Consolidates the existing Interstate Maintenance program, National Highway System program, and Highway Bridge program into one streamlined, outcome-based Critical Asset Investment program whose goal is to bring the highways and bridges on the NHS (including the Interstate System) to a state of good repair and maintain that condition.

- **Highway Safety Improvement** – Restructures the Highway Safety Improvement program to focus on reducing motor vehicle crash fatalities and injuries on the nation's highways, grade-crossings, and rural roads by investing in improvements to remove or lessen roadway safety hazards.

- **Surface Transportation** – Provides States with surface transportation funding through a flexible program that enables States and metropolitan regions to address state-specific needs including new highway and transit capacity. Facilitates local decision-making and participation by increasing the role of communities.

- **Congestion Mitigation and Air Quality Improvement (CMAQ)** – Restructures the CMAQ program to fund projects that improve air quality, reduce congestion, and improve public health and the livability of communities.

Similar consolidations are being proposed for programs in the Federal Transit Administration (FTA), National Highway Traffic Safety Administration (NHTSA), and the Federal Motor Carrier Safety Administration (FMCSA). Establishing core categories with specific performance objectives will simplify Federal surface transportation programs, and provide States, metropolitan regions, and public transit agencies with flexibility to identify the best approach to achieve the specific national performance objectives.

Require Performance Standards and Institute Accountability Measures

The Surface Transportation Authorization Act includes program-specific performance standards and measures that will hold funding recipients accountable for their choices on projects and the impact that those choices will have on meeting national objectives. These performance standards include:

- Reducing the number of people killed and injured in motor vehicle crashes;

- Restoring the highway, bridge, and public transit systems to a state of good repair; and

- Ensuring that motor carriers and commercial motor vehicle drivers comply with Federal motor carrier safety laws and regulations.

Many other performance standards will be tailored to the particular challenges of a State or metropolitan area as part of an overall long-term plan for investing surface transportation funds.

Under existing law, States may transfer up to 50 percent of their core highway formula program funds to other programs. This power to transfer funds eliminates the link between Federal goals and the actual investment decisions at state and local levels. The Surface Transportation Authorization Act continues to provide States, cities, and public transit agencies with flexibility in how they choose to meet specific national performance objectives, but it institutes transparency, accountability, and oversight for these grant recipients to ensure that they meet these performance objectives. This approach is critical to transforming Federal surface transportation investment from the existing block grant programs to a performance-based framework.

Expand Mobility and Access for People and Goods

Improving and expanding mobility on the nation's surface transportation system is critical to the nation's economic competitiveness as well as to our fellow citizens' access to work, medical care, education, and recreation. Passenger and freight mobility are important to rural, suburban, and metropolitan communities alike.

To accomplish these national objectives, the Surface Transportation Authorization Act establishes the following programs:

- **Metropolitan Mobility and Access** – Provides significant, dedicated funding to help the largest metropolitan regions address congestion. The program requires communities to develop metropolitan mobility plans to articulate each region's comprehensive local strategies for addressing surface transportation congestion and its impacts. To support Metropolitan Mobility and Access, the U.S. Department of Transportation, acting in part through a newly-created National Infrastructure Bank, may provide grants, loans, loan guarantees, lines of credit, private-activity bonds, tax-credit bonds, and other financial tools to help metropolitan regions implement their plans and finance a range of strategies, including improved transit operations, congestion pricing, and expanded highway and transit capacity.

- **Projects of National Significance** – Enhance U.S. global competitiveness by increasing the focus on goods movement and freight mobility. These high-cost projects, which cannot easily be addressed through formula grants of highway or transit funding, have significant national economic benefits, including improving economic productivity by facilitating international trade and relieving congestion at major trade gateways and corridors. To support Projects of National Significance, DOT, acting in part through the National Infrastructure Bank, will provide grants, loans, loan guarantees, lines of credit, private-activity bonds, tax-credit bonds, and other financial tools to States to finance the construction of these projects of national significance.

- **Freight Improvement** – Provides state formula grant funding for freight and goods movement projects and for improving States' ability to conduct freight planning. To

support Freight Improvement, States will receive formula apportionments funded by contract authority derived from the Trust Fund.

- **High-Speed Rail Initiative** – Advances the Committee's and President Barack Obama's vision for high-speed rail, and provides funding to develop the 11 authorized high-speed rail corridors linking major metropolitan regions throughout the nation. To support the High-Speed Rail Initiative, DOT, acting in part through the National Infrastructure Bank, may provide grants, loans, loan guarantees, lines of credit, private-activity bonds, tax-credit bonds, and other financial tools to States to invest in construction of these high-speed rail corridors. This funding will not be provided from the motor vehicle fuel users fees of the Highway Trust Fund.

Improve Livability and Environmental Sustainability of Communities

Providing transportation choices and creating livable communities is essential to improving mobility for all users and ensuring that the transportation system enhances our quality of life. Expanding access to sustainable modes of transportation, and incorporating long-term mobility needs into the community planning process will yield significant benefits for public health and the environment.

To provide national leadership for the creation of livable communities and the development of sustainable transportation choices, the Surface Transportation Authorization Act creates an Office of Livability within the Federal Highway Administration (FHWA) of DOT.

The Office of Livability will establish a focal point within FHWA to advance environmentally sustainable modes of transportation, including transit, walking, and bicycling. This Office will encourage integrated planning, linking land use and transportation planning, to support the creation of livable communities. To ensure that roadways are built with the needs of all users in mind, the Surface Transportation Authorization Act requires that States and metropolitan regions consider comprehensive street design principles. Comprehensive street design takes into account the needs of all users, including motorists, motorcyclists, transit riders, cyclists, pedestrians, the elderly, and individuals with disabilities. Comprehensive street design principles are not prescriptive, do not mandate any particular design elements, and result in greatly varied facilities depending on the specific needs of the community in which they are located.

The Surface Transportation Authorization Act transforms the current transportation planning process by linking transportation planning with greenhouse gas emissions reductions. The Environmental Protection Agency, in consultation with DOT, will establish national transportation-related greenhouse gas emissions reduction goals. DOT, under the existing transportation planning process, will require States and metropolitan regions to develop surface transportation-related greenhouse gas emission reduction targets and incorporate strategies to meet these targets into their transportation plans. DOT, through performance measures, will verify that States and metropolitan areas achieve progress towards national transportation-related greenhouse gas emissions reduction goals.

Improve Efficiency of Federal Programs and Delivery of Projects

The Surface Transportation Authorization Act will significantly reduce the time and administrative burden for projects in the approval process. It will also restructure key functions and offices within DOT to institute reforms and processes that foster greater collaboration and efficiency.

- **New Transit Development** – Significantly restructures transit New Starts and Small Starts to speed project delivery; ensure that all of the benefits of the proposed projects are fully evaluated; and provide a level playing field for local decision-making.

- **Under Secretary of Intermodalism** – Establishes an Office of Intermodalism within the Office of the Secretary, charged with developing and implementing a National Transportation Strategic Plan for addressing the long-term needs of the surface transportation network. The Under Secretary also has responsibility for administering the Metropolitan Mobility and Access and Projects of National Significance programs and the National Infrastructure Bank.

- ***Office of Expedited Project Delivery*** – *Creates offices* within FHWA and FTA to improve the project delivery process by eliminating duplication in documentation and procedures and expedite the development of projects through the environmental review process, design, and construction.

FUTURE SURFACE TRANSPORTATION INVESTMENT NEEDS

Reforming existing programs is vital to addressing our surface transportation needs, but we must also invest more in our infrastructure. The National Surface Transportation Policy and Revenue Study Commission (Commission), which Congress created to determine the future needs of the surface transportation system, identified a significant surface transportation investment gap. The Commission called for an annual investment level of between $225 billion and $340 billion – by all levels of government and the private sector – over the next 50 years to upgrade all modes of surface transportation (highways, bridges, public transit, freight rail, and intercity passenger rail) to a state of good repair. The current annual capital investment from all sources in all modes of surface transportation is $85 billion.

Under existing transportation policy, the Federal highway, highway safety, and transit programs would be funded at a total level of $326 billion over the next six years. This level is not adequate to meet the needs of the system. We believe that a six-year investment of $450 billion is necessary. With the transformational reforms that we are making, the Surface Transportation Authorization Act will help give us the first-class transportation system that the nation will need in the decades to come. This level of investment is necessary to begin reducing roadway fatalities and injuries, improving mobility and access, eliminating freight bottlenecks, mitigating the impacts of our surface transportation system on the environment, and providing greater modal choice for all travelers.

A $450 billion program will enable the Federal Government, States, and major metropolitan regions to go beyond preserving our existing assets and restoring them to a state of good repair to add new highway and transit capacity. Many of the initiatives, including the Surface Transportation, Metropolitan Mobility and Access, Freight Improvement, Projects of National Significance, and New Starts programs, permit funding of new highway and transit capacity. Of course, improving the quality of the existing systems will also enable many of these assets to handle more capacity.

In addition to allowing States and metropolitan regions to add highway and transit capacity, the Surface Transportation Authorization Act provides substantial funding for transportation needs in rural America. Newly-established programs, such as the Critical Asset Investment and Freight Improvement programs, provide States with funding to bring the NHS, almost 70 percent of which is located in rural areas, to a state of good repair. The restructured Highway Safety Improvement program requires States to focus investment on their most dangerous roads, including rural roads which account for an estimated 55 percent of all motor vehicle crash-related fatalities.

The Surface Transportation Authorization Act leverages our investment in infrastructure by creating a National Infrastructure Bank (Bank). The Bank will maximize the limited resources available for investing in our surface transportation needs and allow the Federal Government to leverage resources to invest in our most critical national transportation assets.

Located within DOT's newly-created Office of Intermodalism and working in conjunction with the Metropolitan Mobility and Access, Projects of National Significance, and High-Speed Rail initiatives, the Bank will finance a wide variety of transportation projects, including highway, transit, rail, and intermodal freight projects, with priority given to large capital infrastructure projects that promise significant national or regional economic benefits.

The Bank will provide grants and credit assistance, including secured loans, loan guarantees, and stand-by lines of credit, as well as allocations of tax-exempt private activity bonding authority and tax-credit bonding authority to projects under the Metropolitan Mobility and Access, Projects of National Significance, and High-Speed Rail initiatives.

The National Infrastructure Bank will provide the necessary resources to supplement current Federal investment to build a surface transportation infrastructure system for the 21st Century.

CONCLUSION

The challenges facing the nation's surface transportation system cannot be addressed by making simple alterations to the existing set of surface transportation programs. We must move from an amalgamation of prescriptive programs to a performance-based framework for intermodal transportation investment.

Our Blueprint for the Surface Transportation Authorization Act provides a bold new vision, greater accountability, a forward-thinking approach, and the investments necessary to ensure that Americans have a surface transportation system to meet their needs in the 21st Century.

Specific information on the future framework for Federal surface transportation programs are outlined in the attached summaries.