2005 ACTION AGENDA
AMERICAN ASSOCIATION
OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS
The American Association of State Highway and Transportation Officials is a nonprofit, nonpartisan association representing highway and transportation agencies in the 50 states, the District of Columbia, and Puerto Rico. It represents all transportation modes, including air, highways, public transportation, rail, and water. Its primary goal is to foster the design, construction, maintenance, operation, and management of an integrated national transportation system.

AASHTO’s mission is to advocate transportation-related policies and provide technical services to support states in their efforts to efficiently and safely move people and goods.

The issues and recommendations within this publication are based on current policies of the Association that have been approved by the AASHTO Board of Directors.
Invest in transportation to sustain America’s economic recovery.
✔ Complete the reauthorization of a well-funded, six-year highway and transit bill.

✔ Advance environmental stewardship and expedite project review.

✔ Improve transportation safety.

✔ Strengthen transportation security and emergency response capabilities.

✔ Stabilize funding for intercity passenger-rail service.

✔ Improve freight movement.
Last year an AASHTO survey of its member state departments of transportation found that failure to enact a six-year highway and transit reauthorization bill had cost the states $2.1 billion dollars in project delays and 90,000 jobs.
INTRODUCTION

Legislation to reauthorize the Federal-aid highway and transit programs is more than seventeen months overdue. Over the past year, Congress enacted six short-term program extensions—the last extending through May, 2005—causing program uncertainty, a disruption to the normal flow of funds, and restrained spending for project planning, design, and construction. Our states must have the program certainty and financial stability that a multi-year bill will provide. Now is the time to GET IT DONE!

Last year an AASHTO survey of its member state departments of transportation found that failure to enact a six-year highway and transit reauthorization bill had cost the states $2.1 billion dollars in project delays and 90,000 jobs. Effective program and fiscal management by state departments of transportation softened the impacts, but further project delays, erosion of purchasing power, and job losses will continue without the funding certainty that a multi-year highway and transit authorization provides.

More importantly, investments in transportation are investments in people. Our transportation network is the means through which our children return from school safely, aging Americans and the disabled gain mobility, and commuters have affordable mass transit options to get to work. Furthermore, a well functioning transportation system is critical to America’s economic growth and global competitiveness.

It is time for Congress to take action and enact this long overdue legislation.

John F. Lettiere, Jr.
President

John Horsley
Executive Director
Invest in transportation to sustain America’s economic recovery.

✔ Ramp up highway and transit funding over the six-year reauthorization period to levels that:

— Meet core program needs, and

— Address funding requirements for projects of national and regional significance, including border and corridors and mega-projects through mechanisms to supplement revenues.
From the beginning of our nation, Congress has recognized that a national transportation system is essential to bind the nation together, to ensure the well being of our citizens, and to sustain the growth of our economy. Federal, state, local, and private partnerships were required to build our interconnected, multimodal national transportation system. Today, preservation and modernization of the transportation system is essential to sustain America's economic competitiveness and to maintain our quality of life. This requires additional investment from all sectors.

As detailed in AASHTO’s Bottom Line Report, an annual capital investment of $92 billion for highways and bridges is necessary just to maintain the condition and performance of the highway system, while $125.6 billion is necessary to improve its condition and performance.

An annual capital investment of $19 billion is required to maintain the condition and performance of the nation’s transit systems, while $44 billion is required to improve their condition and performance.

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Additional investment is necessary to address the growing backlog of unmet highway and transit capital needs. Substantial investment is needed in the passenger- and freight-rail systems, and the nation’s ports and waterways. **A commitment of public resources from all levels—Federal, state, and local—as well as private sector contributions will be required.**

State and local capital investment in our nation’s highway and transit systems has continued to increase over the past 20 years. According to the U.S. Government Accounting Office, between 1982 and 2002, state and local capital investment in highways increased 150 percent—from $14.1 billion to $35.7 billion, whereas the Federal investment increased 98 percent—from $15.5 billion to $30.7 billion. The states’ investment in transit now surpasses the Federal contribution. In 2003, the states contributed $9 billion as compared with the Federal investment of $7.2 billion.
This past year, Congress enacted legislation to place the same Federal user fees on ethanol-blended motor fuels as on gasoline. The legislation also provides resources to combat motor fuel tax evasion. Those measures along with growth in the economy and travel are expected to boost Highway Trust Fund revenues by $24 billion over the next six years. These and additional enhancements are needed for Federal contributions to keep pace with the growth in state and local investments in highways, transit facilities, and services.
Complete the reauthorization of a well-funded, six-year highway and transit bill that:

✔ Provides sufficient resources to meet national highway, bridge, and transit needs;

✔ Preserves transportation funding guarantees and firewalls; and

✔ Gives priority to funding core highway programs.
Authorization for the Federal-aid highway, highway safety, motor carrier, and transit programs under the Transportation Equity Act for the 21st Century (TEA 21) expired September 30, 2003. Since that time, Congress has enacted six, short-term measures to temporarily extend the programs. The 108th Congress took the initial steps required for reauthorization by requiring ethanol-based fuels to be taxed at the same rate at gasoline and transfer all revenues to the Highway Trust Fund.

After 20 months of piecemeal extensions, states, metropolitan and local governments need and must have the multi-year certainty and stability required for planning, financing, constructing, and managing highway and transit capital programs. The 109th Congress needs to move quickly to resolve policy differences and complete action on a highway and transit reauthorization bill.

That:

✔ PROVIDES SUFFICIENT RESOURCES TO MEET NATIONAL HIGHWAY, BRIDGE, AND TRANSIT NEEDS

Congress and the Administration are considering at least a six-year investment of $284 billion for highways and transit. AASHTO’s reauthorization goals include a minimum capital investment in highways and transit of $300 billion. While the $284 billion level does not fully meet that target, other proposals such as the Build America Bond program offered by Senators Talent and Wyden could provide supplemental funding of up to $30 billion to address capital projects and achieve AASHTO’s overall goal of reaching at least a $300 billion investment level. Other supplemental funding for the Highway Trust Fund could include offsetting lost revenue from tax exempt state and local gasoline use via a payment.
from the General Fund to the Highway Trust Fund valued at approximately $6 billion over the life of the bill. In addition, the Senate Finance Committee continues to explore additional ways of combating fuel tax evasion to boost Highway Trust Fund revenues beyond those included in the American Jobs Creation Act of 2004.

According to the Government Accounting Office, state and local capital investment in highways increased by 150 percent in real terms from 1982 to 2002, while the Federal investment increased by only 98 percent. Federal aid provides 45 percent of annual highway capital investment while state and local governments provide 55 percent. Increased investments at all three levels will be required to meet national needs.

✔ PRESERVES TRANSPORTATION FUNDING GUARANTEES AND FIREWALL FUNDING GUARANTEES

With enactment of the Transportation Equity Act for the 21st Century (TEA 21), the principle that all Federal highway user fees collected should be promptly invested in highway and transit programs was achieved.

Funding guarantees and firewalls are the mechanisms that Congress put in place to ensure the integrity and reliability of the dedicated Highway Trust Fund revenues.
Budgetary firewalls and funding guarantees were established with the creation of new budget categories for highway and transit discretionary spending, that are “walled-off” from other domestic discretionary programs. This blocks the ability to artificially limit spending in highways and transit in order to divert resources to non-transportation programs.

It is essential that firewalls and funding guarantees are retained in the successor to TEA 21.

✔ GIVES PRIORITY TO FUNDING CORE HIGHWAY PROGRAMS

It is through the core highway programs—the Interstate Maintenance, the National Highway System (NHS), Bridge Rehabilitation and Replacement, the Surface Transportation Program (STP) including safety, and the Congestion Mitigation and Air Quality Program—that states and local governments build, maintain, and operate a safe and efficient highway system. Erosion of the core programs diminishes the ability of state and local governments to respond to their needs. The only way to fund the core highway programs at the highest possible levels is to avoid diversion caused by disproportionate increases in national discretionary programs and the creation of new program categories.
Advance environmental stewardship and expedite project review.

✔ Advance environmental stewardship; and

✔ Streamline the project development process.
Delivering transportation projects better and faster requires a renewed commitment to environmental stewardship and to expedited project review.

ADVANCE ENVIRONMENTAL STEWARDSHIP

State transportation agencies are demonstrating environmental leadership—leaving the environment in better condition, exceeding minimum regulatory requirements, and fulfilling responsibilities as trustees of the environment.

To support this commitment to stewardship in reauthorization of TEA 21 Congress should:

✔ Simplify administration of the Transportation Enhancement Program which has provided for $4.9 billion to be programmed over the past 10 years, benefiting over 15,000 communities;

✔ Provide annual funding for AASHTO’s Center for Environmental Excellence to provide technical assistance, training, and support for innovative state pilot projects and approaches; and

✔ Provide funding to states and Federal agencies such as the Environmental Protection Agency and U.S. Fish and Wildlife Service to demonstrate how programmatic approaches can improve protection of wetlands, habitat, and other resources.

STREAMLINE THE PROJECT DEVELOPMENT PROCESS

A 2002 study by the General Accounting Office reported that it takes from 9 to 19 years to complete a major transportation program. In FY 2003, the Federal Highway Administration found that the median time for completing a
Federal Environmental Impact Statement was 70 months—nearly six years. In FY 2002, the median time was 4.5 years.

Today’s environmental review process is in need of change to reduce unnecessary delays so that transportation improvements important to the public can proceed without sacrificing the environment.

AASHTO believes that some small but essential changes can simplify the environmental process and make it work better and faster while preserving fundamental environmental protections:

✔ Designate U.S. DOT as the lead agency for determining purpose and need and range/scope of alternatives for NEPA.

✔ Establish a 90-day statute of limitations on legal claims against NEPA decisions.

✔ Delegate to the state transportation agencies U.S. DOT’s environmental responsibilities for projects classified as categorical exclusions (CEs), and establish a five-state pilot program to delegate U.S. DOT’s environmental responsibilities for environmental assessments (EAs) and environmental impact statements (EISs).

✔ Permit the results of the transportation planning process to have standing for purposes of NEPA or other environmental reviews.

✔ Reform Section 4(f), 49 USC 303 (c), for projects with minor impacts on Section 4(f)-protected properties, and direct U.S. DOT to clarify the factors to be considered in applying the
“prudent and feasible” test under Section 4(f) for transportation projects. Exempt the Interstate Highway System from treatment as an historic resource under Section 4(f) and 106.

✔ Include transportation air quality conformity reforms which bring balance and consistency with the State Implementation Plan (SIP) process, including four-year planning and conformity update cycles, 10-year planning horizons, alignment of conformity with the end of the maintenance period, the ability to substitute Transportation Control Measures (TCMs), and a 12-month grace period for failure to make a conformity finding.

✔ Authorize funding for the Center of Environmental Excellence.
Improve transportation safety.

- Enhance the effectiveness of safety programs to reduce fatalities.
During the past decade, about 42,000 Americans have died and 3.25 million more have been injured each year in motor vehicle crashes. Over this same period the fatality rate has stalled in its decline. Almost 60 percent of all fatalities take place on rural roads. According to U.S. DOT, the economic impact of motor vehicle crashes has reached $230.6 billion per year (in 2000$), for an average of $820 for every person living in the United States.

AASHTO believes that in reauthorizing the Federal-aid highway program, Congress should:

✔ Require the states to have a comprehensive highway safety plan consistent with their long-range transportation planning processes.

✔ Consolidate the existing NHTSA safety grant programs into a single, flexible Section 402 highway safety program.

✔ Require that STP 10 percent safety set-aside funds or a new highway safety improvement program be used consistently with comprehensive strategic highway safety plans, and give states greater flexibility to transfer among the sub-categories.

✔ Continue but separate TEA-21's safety and security planning process criteria.

✔ Eliminate prohibitions against Federal, state and local officials proactively supporting new state, and local safety statutes.

✔ Authorize and fund a state-supported effort to develop software for a state of the art transportation safety information management system.

✔ Establish and fund a Center of Excellence for Comprehensive Safety Analysis and Support.
Strengthen transportation security and emergency response capabilities.

✔ Enhance transportation security, large-scale disaster incident response, and interagency communication.
Transportation security extends well beyond the threat of terrorism to also include emergency preparedness and response to natural disasters, major traffic incidents, rapid military deployment, and preservation of economic security through assured mobility.

Protecting the traveling public requires a systematic evaluation of vulnerabilities and measures to improve emergency response capabilities, upgrade traffic management during crises, and enhance communications among the public, the military, law enforcement, and responder services—including transportation.

To achieve these goals, Congress should:

- Increase funding for the Federal-aid highway program to $45 billion per year by FY 2009 to support development and maintenance of the nation’s critical infrastructure and to enable states to invest in hardening of key, nationally significant infrastructure;

- Continue to fund the discretionary ITS deployment program at $142 million per year and support the application of an additional $500 million per year from existing funding categories to support accelerated deployment of ITS capabilities for transportation system monitoring, traffic control, and traveler information systems—which have played critical roles in recent evacuation and emergency response situations;

- Support funding through state Department of Homeland Security Grant recipients of key emergency response capabilities for transportation agencies, including:
  - Emergency response planning and coordination with public safety and emergency management partners;
  - Training and exercising;
  - Interoperable communications and information sharing systems; and
  - Freight and container security systems.
Stabilize funding for intercity passenger-rail service.

✔ Enact legislation assuring that the nation's travelers will have sufficient and dependable intercity passenger-rail service.
AASHTO calls for the enactment of long-term legislation assuring that the nation's travelers will have efficient and dependable intercity passenger-rail service.

Prior to the enactment of this legislation, there must be a stabilization period during which:

✔ There should be a moratorium on increases in state payments to Amtrak;

✔ Congress should provide the funding needed for Amtrak to continue operation of current services and not interrupt vital commuter-rail services; and

✔ The Administration and Congress should provide national leadership and engage with states to chart the course toward a long-term viable passenger-rail system. AASHTO believes that intercity passenger-rail service is a basic element of the nation's multimodal transportation system.

Passenger-rail transportation can supplement highway and airport capacity in congested and rapidly growing traffic corridors, and is a safe and environmentally responsible form of transportation. Since September 2001, it is even clearer that in many areas of the country rail offers an essential transportation alternative and contributes to a more dependable and resilient transportation system.

Amtrak funding uncertainties, the current state government budget emergencies, the continuing need to act upon the reauthorization of Amtrak, and inaction on rail financing bills in both houses of Congress have made it difficult to look to the long term.

Any changes in the current system for the provision of intercity passenger-rail service should fully consider the implications for all users, allow for reasonable transition, and prevent disruptions or interruptions in current service.
It has been well-documented by AASHTO that many states around the country are actively involved in the planning, financing, and provision of passenger-rail service.

A solid foundation for Federal–state partnerships should be established. Federal financing for capital and operating costs should be patterned on the stable and very successful financing systems for the other transportation modes, with a dedicated source of funding and standard Federal–state matching shares for infrastructure investment. This funding should not be authorized from the Highway Trust Fund.

Specifically, intercity passenger-rail legislation should:

- Ensure the level of Federal responsibility necessary for sustainable financing, system integrity, quality, and accountability;
- Establish a sound foundation for passenger-rail service partnerships between states and the Federal government;
- Provide a stable and fiscally responsible system for funding passenger-rail operating costs;
✔ Create a dedicated, sustainable source of funding for intercity passenger-rail operating infrastructure improvements to maintain, in partnership with the freight railroads and other stakeholders, a world-class rail transportation network, thereby fueling economic growth and development; and

✔ Incorporate sufficient flexibility that enables states to set their spending priorities and implementation timing based on their own unique circumstances, consistent with national rail-transportation policy.
Improve freight movement.

✔ Improve movement of freight through:

— Increased investment in all modes;

— Expanded funding for intermodal connectors and freight corridors; and

— The strengthening of freight expertise at all levels.
Over the next 20 years, international trade is expected to triple—and domestic freight to double. E-business has not reduced volume—but has transformed it as warehouses have moved onto the roads and deliveries are made in every neighborhood. The highway system carries 80 percent of the total tonnage of freight. Without increased investment in infrastructure and improvements to operational efficiency, our competitiveness in world markets may be at risk and our capacity to maintain and improve the American quality of life will be compromised.

AASHTO recommends the following:

✔ Increase the overall highway program to at least $45 billion by FY 2009 to allow states and their localities to significantly increase resources dedicated to improving the movement of freight, including intermodal connectors;

✔ Increase the Borders and Corridors Program proportional to the increase in the overall program augmented by the expanded availability of innovative finance tools;

✔ Provide $7 million annually for a freight planning capacity-building program to improve statewide and metropolitan transportation planning processes;

✔ Provide $8 million annually for a Freight Transportation Cooperative Research Program;
✔ Create a U.S. DOT national freight-industry advisory group, with significant state participation;

✔ Expand and perfect existing financing tools, such as the Transportation Infrastructure Financing Innovation Act (TIFIA) and state infrastructure banks (SIBS), and add new mechanisms and incentives, such as intermodal pooling and tax incentives;

✔ Continue the highway/rail at-grade crossings program (Section 130) program and increase the funding proportionate to the increase in the overall program;

✔ Clarify the eligibility for CMAQ funding of freight-transportation projects that contribute to achievement of CMAQ objectives; and

✔ Increase the loan and loan-guarantee amount available through the $3.5 billion Railroad Rehabilitation and Improvement Financing Program, and eliminate restrictions in the program that limit the financial advantage of the loan program.