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

Oversight of the U.S. Department of Transportation's Implementation of MAP-21 and Fiscal Year 2015 Budget Request for Surface Transportation

MARCH 12, 2014

Chairman Petri, Ranking Member Norton, Members of the Subcommittee, thank you for the invitation to appear before you today to discuss the President's Fiscal Year (FY) 2015 budget request and the Federal Highway Administration's (FHWA's) continued progress in implementing the Moving Ahead for Progress in the 21st Century Act (MAP-21). Currently, while Administrator Victor Mendez serves in the role of DOT Acting Deputy Secretary, I am fulfilling all the duties and responsibilities of FHWA Administrator.

In the year since FHWA last appeared before you to discuss our progress in implementing MAP-21, we have continued to work aggressively toward full and effective implementation of the Act's programs and provisions, and I am pleased to highlight our efforts for you today. MAP-21 provided two years of funding and a more streamlined and performance-driven program structure, which has helped create jobs and grown our economy. MAP-21 will expire on September 30 of this year, and we need to work together to ensure we continue to improve the operation, safety, accessibility and condition of our Nation's highway system. Building on the reforms in MAP-21, President Obama recently proposed a budget for the next fiscal year and laid out his vision for a four-year surface transportation authorization to spur further economic growth and allow States to make sound multi-year investments.

MAP-21 IMPLEMENTATION HIGHLIGHTS

MAP-21 made important changes aimed at improving safety, rebuilding highways and bridges, expanding the TIFIA credit program, focusing on freight policy, accelerating project delivery, and moving toward a more performance-driven system. And the President's four-year reauthorization plan will strengthen these and other priorities even further. Under MAP-21, Congress provided for an investment of $40.4 billion for FY 2013 and $41.0 billion for FY 2014 for highway programs. MAP-21 helped ensure we are investing in the Nation's most important highways through the National Highway Performance Program (NHPP), which devotes 59 percent of the apportioned highway funds to improving the conditions and performance of the National Highway System (NHS), which carries more than 55 percent of all highway travel and 97 percent of truck-borne freight. The Surface Transportation Program (STP) provides States and localities funding for projects to preserve and improve the conditions and performance on

Federal-aid highways, bridge and tunnel projects on any public road, pedestrian and bicycle infrastructure, and transit capital projects, including intercity bus terminals.

MAP-21 built on our aggressive safety efforts, nearly 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 are making 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.

Through MAP-21, FHWA programs are also helping to improve the environment and provide safe transportation choices through the Congestion Mitigation and Air Quality Improvement Program and the Transportation Alternatives Program. MAP-21 also 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 help create a safer, longer-lasting, and more reliable highway transportation system including in the face of greater risk of extreme weather events and natural disasters.

MAP-21 also reauthorized 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. The President's four-year reauthorization plan will allow us to implement lessons learned and significantly expand these efforts for the mutual benefit of our transportation industries and impacted communities.

Accelerating Project Delivery

The President's plan will also allow us to build on the successes in MAP-21 in accelerating project delivery by implementing new policies and procedures that will move USDOT and our Federal partners to fulfilling the President's stated goal of reducing the permitting and approval time for major infrastructure projects in half. FHWA launched the "Every Day Counts" (EDC) innovation initiative in 2010 to speed the completion of highway projects and address the challenges presented by restricted public sector budgets. EDC encourages the use of proven technological innovations and enhanced business processes to address such challenges and to facilitate doing more with less at the State and local levels. The EDC initiative is a State-based model in which FHWA coordinates the rapid deployment of proven, market-ready strategies and technologies to shorten the project delivery process, enhance roadway safety, reduce traffic congestion, and protect the environment. Through the EDC initiative, the FHWA works with the full spectrum of stakeholders to identify a new collection of innovations to champion every 2 years. After identifying the various EDC technologies for deployment, States, local public agencies, and Federal Lands Highway divisions select the innovations which make the most sense for their jurisdictions' unique needs and approaches, establish performance goals related to the selected innovations, and commit to finding opportunities to get those innovations into practice quickly.

The successes in shortening project delivery and increased awareness of the innovations promoted under EDC are recognized throughout the MAP-21. Highlights of FHWA's achievements with EDC described below demonstrate real savings of time and cost around the country resulting directly from the deployment of technological and procedural innovation.

Since EDC's inception, every State Department of Transportation (State DOT) has utilized one or more of the promoted innovations. For example, in the first phase of EDC, over 150 new or updated programmatic agreements were initiated to streamline the process for handling routine environmental requirements, reducing review time on projects. As a result, currently all 50 States have programmatic agreements in place. Oregon DOT, National Marine Fisheries Service, and the FHWA developed a programmatic agreement to provide Endangered Species Act coverage. This programmatic agreement reduced review times from approximately 170 days to 38 days on applicable projects.

Additionally, since EDC-1, more than half of the State DOTs have implemented a Planning and Environmental Linkages process to reduce duplication of work and produce more informed and faster project-level decisions on environmental considerations. Agencies have designed or constructed more than 2,500 replacement bridges using accelerated bridge construction techniques since October 2010, reducing construction time and associated traffic delays. For example, Nevada replaced two bridges in Mesquite using the slide-in bridge technique. The roadway was shut down for just 56 hours as opposed to the months of construction zone delays under traditional construction methods, which saved commuters time and fuel costs. Due to benefits like these, in a number of States including Wisconsin and Alaska, accelerated bridge construction techniques are now routinely used.

In MAP-21, Congress authorized for use on Federally-funded highway projects the once experimental Construction Manager/General Contractor (CM/GC) project delivery method promoted under EDC-1. In my home State of Maine, the State DOT used the CM/GC approach to replace two washed-out bridges. Using the project delivery method enabled Maine to

construct a temporary bypass bridge in 9 days and open permanent replacement bridges in 82 days.

MAP-21 also expanded eligibilities associated with right-of-way acquisition in order to expedite project delivery, which was also a focus of EDC-1 innovations aimed at flexibilities in right-of-way and utility accommodation. MAP-21 codified the enhanced processes promoted under the Planning and Environmental Linkages and Programmatic Agreement innovations to streamline and better coordinate environmental evaluations and reduce review times.

Other provisions of MAP-21 further endorse the FHWA's approach to the accelerated deployment of innovation. The Technology and Innovation Deployment Program (TIDP) provides funding focused on the deployment of innovation in all aspects of highway transportation through three programs: Accelerated Innovation Deployment (AID) program, Strategic Highway Research Program (SHRP), and Accelerated Implementation and Deployment of Pavement Technologies. The AID program provides for demonstration programs, technical assistance, and development of improved tools and methods to accelerate the adoption of proven innovations into standard practice. FHWA's Center for Accelerating Innovation, created in April 2012, is responsible for development of innovation policy for FHWA as well as leadership and coordination of EDC and the other initiatives developed to fulfill the goals of the AID program.

FHWA launched the State Transportation Innovation Council (STIC) Incentive Program in September 2013. The STIC Incentive Program offers technical assistance and funds to support the costs of standardizing innovative practices in a State transportation agency or other public sector STIC stakeholder. As of March 2014, 6 States have taken advantage of the opportunity. Examples of innovations being accelerated into statewide, standard practice under the STIC Incentive Program to date include Missouri DOT developing connection details and specifications for Fiber Reinforced Polymer full-depth bridge deck panel and Pennsylvania DOT creating a compendium of best practices for Rumble Strip Installation on Thin Pavement Overlays.

Also, FHWA launched the AID Demonstration Grant Program on February 19, 2014. Under this program, funds are available to implement an innovation in any aspect of highway transportation including planning, financing, operation, structures, materials, pavements, environment, and construction on any project eligible for assistance. Approximately $30 million ($15 million per FY13 and FY14) in incentive funding is being made available through this program. Applications are currently being accepted on a rolling basis from State DOTs (and sub-recipients), Federal Land Management Agencies, and tribal governments.

Issuing Guidance and Rulemakings

MAP-21 required our immediate action to ensure that Federal, State, local, and tribal transportation partners were ready when the Act became effective on October 1, 2012. The development and issuance of guidance and rulemakings is a central component to FHWA's implementation efforts. Before MAP-21 took effect, we created a website to post related guidance documents and other information, including a bill summary, fact sheets, funding tables, and questions and answers on a wide range of program and policy changes. Since then, FHWA has provided further outreach to partners and issued additional guidance and rulemakings, some of which are described below, to help ensure MAP-21 has its intended effect nationwide. The

guidance and rulemakings are already having an impact. For example, the guidance we issued on the provision allowing the final environmental impact statement and record of decision to be combined has enabled five projects to take advantage of this innovation and is being considered on many other projects.

FHWA has met a number of statutory deadlines, and we are actively working on the remainder. For example, we have implemented the MAP-21 provisions calling for rulemakings to establish National Environmental Policy Act (NEPA) categorical exclusions for projects that can proceed without the preparation on an environmental impact statement or environmental assessment. Jointly with the Federal Transit Administration (FTA), FHWA completed a final rule well ahead of the statutory deadline implementing the categorical exclusion t for actions following declarations of emergency. Washington State used this categorical exclusion for emergencies for the repairs needed to the I-5 Skagit River bridge last year. FHWA and FTA also published a final rule establishing two new categorical exclusions for projects in an existing operational right-of-way or with limited Federal assistance to help sponsors advance their transportation projects without unnecessary delays.

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 publishing rulemakings 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 closely coinciding with the three phases. This will provide a comprehensive overall approach to implementation of the MAP-21 performance requirements. Over the last couple of years, FHWA has undertaken extensive public outreach to ensure that the rules we draft not only address statutory requirements, but also reflect an understanding of how performance management can be effectively implemented. I am pleased to report that on March 11, 2014, FHWA published the first of these rulemakings seeking public comment on the safety-related performance measures.

Freight

At U.S. 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. MAP-21 provided DOT with opportunities to improve freight movement throughout our Nation, and the President's four-year reauthorization plan will greatly accelerate these efforts by establishing a designated $10 billion freight program – one in which freight stakeholders will have a meaningful seat at the table in directing Federal funds in concert with state and local governments. In establishing a national freight policy, MAP-21 required the Secretary to develop a National Freight Network (NFN), create a National Freight Strategic Plan, and encourage States to develop comprehensive State Freight Plans to include immediate and long-range freight planning activities and investments.

Secretary Foxx has continued the freight initiatives launched by Secretary LaHood, including the internal Freight Policy Council and the National Freight Advisory Committee. The Council, chaired by Acting Deputy Secretary Mendez, 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 such as development of the National Freight Strategic Plan. The National Freight Advisory Committee (NFAC), created last year, is engaging both the public and private sector through public meetings, subcommittee work and webinars as we implement MAP-21 provisions. The NFAC is contributing directly to the development of the National Freight Strategic Plan, as DOT seeks to improve the way America moves freight.

As part of our implementation of the National Freight Network, FHWA released a draft highway Primary Freight Network (PFN) and received over 300 comments in 90 days. We are reviewing these comments in advance of issuing a final designation. The PFN and the resulting NFN will help us better focus resources on the highways that are most critical to the movement of goods. The NFN includes three components: the highway PFN, designated by the Secretary, portions of the Interstate System that are not designated as part of the highway PFN, and critical rural freight corridors. The Secretary will designate the Nation's most critical existing Interstates and other roads as part of the PFN and will consider adding other existing and planned roadways necessary for the efficient movement of goods. We are also developing guidance and technical assistance for States to designate critical rural freight corridors and will request submission of these corridors later this spring. Our work on this network designation has also highlighted a need to work more closely with officials in metropolitan areas to better understand the importance of urban roads that are critical to moving freight.

To encourage and guide the development of State Freight Plans, the Department issued interim guidance in the fall of 2012, followed by webinars, technical assistance from the FHWA Division offices and face-to-face meetings with States. Most States are now actively developing or revising their State Freight Plans, and many have established State freight advisory committees.

TIFIA

To support infrastructure efforts and job creation, MAP-21 offered a significant boost to our Transportation Infrastructure Finance and Innovation Act Program (TIFIA). MAP-21 transformed TIFIA into the largest transportation infrastructure loan program in history, providing communities across the United States yet another great resource to help them invest in major transportation projects and create jobs in the process. The $1.75 billion total that Congress authorized under MAP-21 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.

Under MAP-21, TIFIA has supported critical projects like the Downtown Crossing section of the Louisville, Kentucky and Southern Indiana Ohio River Bridges Project, which will create a new bridge across the Ohio River as well as eliminate design deficiencies and safety hazards through reconstruction of the Kennedy Interchange in downtown Louisville. TIFIA also has provided assistance to vital transit projects such as the Regional Connector in Los Angeles, which connects three existing transit lines, offering thousands of area residents more efficient and convenient access to jobs, education, and other ladders of opportunity.

In response to the rolling, first-come, first-served process enacted under MAP-21, we have received 38 letters of interest from project sponsors requesting credit support. DOT has engaged with all of the project sponsors and is moving to advance eligible projects Since the passage of MAP-21, we have closed loans for eight projects, providing nearly $4 billion in credit assistance and nearly $13 billion in total infrastructure investment.

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 has posted an updated TIFIA Program Guide and updated standard Loan Agreement Template on the TIFIA website.

Performance Management

As members of the transportation community, we are collectively confronted with the challenge of meeting the needs of our aging highway and bridge infrastructure amidst many fiscal challenges. MAP-21's infusion of performance-based planning and programming into State and MPO investment decision-making will go a long way to help preserve and improve our surface transportation assets, and we should seek to build on these efforts in the next authorization.

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 after the passage of MAP-21.

As we move toward a performance-based program, it is crucial that we continue to engage stakeholders not only in our rulemaking efforts, but on an ongoing basis. To that end, in 2013, FHWA created a Transportation Performance Management website that provides a forum for our partners and stakeholders to collaborate and find resources and information on transportation performance management. 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.

We also host quarterly webinars with FHWA staff, State DOTs, MPOs, transit providers, and other stakeholder agencies. Just last week, we held a "Let's Talk Performance" webinar focused on sharing best practices of the Texas Department of Transportation, Texas A&M Transportation Institute, Caltrans, and the University of Maryland Center for Advanced Transportation Technology Laboratory, for data collection, storage, access, and analysis in implementing MAP-21 performance provisions. This type of continued 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.

FY 2015 BUDGET REQUEST FOR FHWA

Moving beyond MAP-21, we believe that the next reauthorization must be a comprehensive one that continues the focus on safety, freight, streamlined project delivery, and enhanced performance management, while increasing our investment in multimodal freight projects and doing more to connect communities to centers of employment, education and service. The President's 2015 budget proposes a 4-year reauthorization and requests $48.6 billion for FHWA in FY 2015 to maintain and improve the safety, condition, and performance of our national highway infrastructure, and enable FHWA to provide effective stewardship and oversight of highway programs and funding. The President's budget not only fills the looming shortfall in the highway account of the Highway Trust Fund for the next four years, it provides for sizeable growth in highway investment – a boost of almost 20 percent to help us address the many critical needs we have across the national highway network.

This budget includes continued funding for the Highway Safety Improvement Program; National Highway Performance Program; Surface Transportation Program; Congestion Mitigation and Air Quality Improvement Program; Transportation Alternatives Program; Metropolitan Transportation Planning; Federal Lands and Tribal Transportation programs; and Research, Technology, and Education. It also includes funding for Emergency Relief; Territorial and Puerto Rico Highways; Ferry Boats and Ferry Terminal facilities; On-the-Job Training; and Disadvantaged Business Enterprise.

The budget proposes to continue using TIFIA to leverage Federal dollars in a time of scarce budgetary resources, facilitating private participation in transportation projects and encouraging innovative financing mechanisms that help advance projects sooner than otherwise possible.

Further, the FY 2015 budget continues the focus on accelerating project delivery through expedited environmental review and elimination of duplicate processes. Also, it continues FHWA's commitment to innovation through programs such as expanded tolling authority, as provided in MAP-21.

The budget also includes several new initiatives we believe are essential to the Nation's transportation infrastructure network, including the Multimodal Freight Investment Program, which will advance critically-needed multi-modal or multi-jurisdictional projects to improve goods movement, economic competitiveness and sustainability. The Critical Immediate Investments Program (CIIP) will dedicate necessary resources to high-priority initiatives such as bridge repair and rehabilitation, safety on rural roads, and state of good repair on the NHS. Through the Ladders of Opportunity program, the budget proposes to bolster workforce development efforts to assist workers in developing long-term skills and strengthen the transportation workforce, as well as promote connectivity to underserved communities. The budget also proposes a new program to support critical, large projects accessing Federal and tribal lands.

The Performance Management Data Support Program will provide enhanced data and analytical tools to MPOs, States and the Department, to assist in meeting expanded performance management goals under MAP-21. The budget also proposes a competitive initiative, Fixing and Accelerating Surface Transportation (FAST), to promote best practices and spur innovation in transportation infrastructure by providing incentives to States, MPOs, Tribal governments, and

other Federal agencies to improve strategic transportation investment decision-making, further incorporate performance management into project selection, and encourage other reforms to improve strategic transportation outcomes.

CONCLUSION

Thank you again for the invitation to appear before you today to highlight our achievements in implementing MAP-21 and to discuss the President's budget request. FHWA programs not only help create jobs today that build and maintain our infrastructure, but also enable the movement of people and goods, tie communities together and support our economy.

I look forward to continued work with you and your staff as we build on the reforms in MAP-21 and move toward a new comprehensive surface transportation authorization.

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