



OPEN MEETING NOTICE

TRANSPORTATION LEGISLATIVE ADVISORY COMMITTEE

Marge Vogt, 1st Vice Chair-MARC Board, Chair

There will be a meeting of MARC's Transportation Legislative Advisory Committee on **Tuesday, September 20, 2011 at 8:00 A.M. in the Heartland Room on the second floor** of the Rivergate Center, 600 Broadway, Kansas City, Missouri.

A G E N D A

1. Welcome and Introductions
2. Purpose of TLAC
3. Current Status of Federal Transportation Authorization and Funding
4. Overview of 2008-2009 MARC Position on Federal Transportation Authorization (attached)
5. Group Discussion:
 - Elements to retain in updated version of MARC's Position
 - Elements to change in updated version of MARC's Position
6. Preparation for Next Meeting
7. Other Business
8. Adjournment

Parking: Free parking is available when visiting MARC. Visitors and guests should park on the upper level of the garage. To enter this level from Broadway, turn west into the Rivergate Center parking lot. Please use any of the available spaces on the upper level at the top of the ramp.

Special Accommodations: Please notify the Mid-America Regional Council at (816) 474-4240 at least 48 hours in advance if you require special accommodations to attend this meeting (i.e., qualified interpreter, large print, reader, hearing assistance). We will make every effort to meet reasonable requests.

MARC programs that receive federal funding may not discriminate against anyone on the basis of race, color or national origin, according to Title VI of the Civil Rights Act of 1964.

Appendix A: Consensus Position on New Federal Transportation Authorization

Transportation plays a vital role in connecting the Kansas City region's people and businesses to goods, services and other opportunities. Many of the region's transportation services and facilities are supported by federal transportation funds. The current federal transportation authorization, SAFETEA-LU, expired in 2009 but has been continued by a series of Congressional extensions. Action is required by Congress to ensure that the nation's and the region's transportation needs will continue to be addressed. MARC has worked with the Kansas and Missouri departments of transportation, local transit agencies and area local governments to outline the Kansas City region's expectations for the next federal transportation authorization.

The next federal transportation authorization may serve as a transitional bill, bridging between the past approaches to investing in the nation's transportation infrastructure, and a new approach that focuses on a sustainable future for the country, ensuring that economic systems, environmental systems and social systems all are enhanced in ways that not only meet today's needs, but also preserve the ability of future generations to meet their own needs.

National Vision and National Purpose

Legislative Goal: Establish a Clear Direction for the Nation's Transportation Investments

Our nation needs and deserves a world-class transportation system that promotes and achieves robust commerce and economic competitiveness, personal opportunity and social equity, energy security, global and local environmental protection, public health, national connectivity, national security, and effective emergency management and disaster response. This will require strategic investments in transportation systems and services that are effective and efficient, balanced across all modes, safe, reliable, maintained in a state of good repair and environmentally sound. Additionally, at this particular point in time, it is vital that the country invest in infrastructure that will stimulate the nation's economy while implementing well-planned products of lasting value.

Specifically, we need a clear and comprehensive plan that connects our country across all modes from border to border and coast to coast: a national highway system plan, a national passenger rail plan, a national freight/goods movement plan, a national passenger aviation plan, and a clear metropolitan strategy for the nodes where all of these systems interconnect. These plans cannot be identified in isolation, but must be developed to complement each other, as one singular national system with many components, to ensure we are using the most effective and efficient means to move people and goods across the country.

Performance Outcomes

Legislative Goal: Establish a Performance-Driven Investment Strategy

In order to accomplish this national vision, it will be necessary to define clear performance objectives, measure our progress against those objectives, and make appropriate adjustments in our investments. Some of these objectives should be tied to broad components of our national vision — greenhouse gas emission reductions, energy consumption, economic return and job creation, for example, while other objectives should be tied to the performance of the transportation system itself — traffic safety, congestion relief, availability of travel options or choices, maintenance of existing assets, etc.

Detailed performance measures should be developed at the state and regional level, in response to and in concert with the national objectives. These measures must look at the relationships across and between modes, such as:

- the relationship between the nation's passenger aviation system, and a national passenger rail network (some high speed);
- the relationship between urban transit systems and national passenger systems (both aviation and rail);
- the relationship between urban transit systems and congested urban roadway corridors;
- the relationship between freight rail corridors and parallel highway corridors with significant truck traffic;
- the relationship between freight rail corridors in urban centers and the need for urban passenger rail corridors; and
- the relationship between the design characteristics of our communities and the transportation options they support (i.e. walkable, bicycle-friendly, and transit-supportive).

Establishing a performance-driven investment strategy for the country will provide accountability to the public that their transportation dollars are actually accomplishing the things that they value and that are beneficial to them.

Programs

Legislative Goal: Design Programs to Ensure Progress in All Parts of the Country and Across All Components of the Transportation System

The design of the federal transportation programs should provide maximum flexibility to states and metropolitan regions to achieve the performance outcomes in support of the national objectives. However, within that flexibility, there should be some baseline assurances: Midwest regions such as the Kansas City area, must be provided adequate resources to address their transportation challenges, even though they may currently have different degrees of congestion, transit utilization, and environmental impacts than other parts of the country; transit programs need to be assured of guaranteed amounts in order to conduct long term service and facility planning; and system expansion should not come at the expense of maintaining existing infrastructure.

Legislative Goal: Provide Adequate Flexibility to Achieve Both National and Regional Priorities

In the Kansas City region, the programs need to provide the flexibility to achieve the region's transportation priorities: maintaining and upgrading the existing transportation systems (all modes) to a state of good repair; increasing the choice of travel modes available, by significantly expanding investments in public transportation including programs for the disabled and elderly, as well as biking and walking facilities and programs; integrating transportation projects into the fabric of the community, taking into account environmental context, aesthetic and design context, and equal opportunity and social equity context; increasing the effectiveness of existing infrastructure and services (all modes) through technology deployment and operational strategies and supporting strategic decisions about when and where to expand the system; enhancing the region's role as a center of goods movement; and promoting safe travel across all transportation modes in the region – and doing all of this in a way that also accomplishes the region's goals around economic progress, environmental health and social wealth.

Legislative Goal: Improve Federal Funding Program Delivery Mechanisms

Federal funding programs should be streamlined and approval processes simplified for all programs. Federal oversight of tax dollars is important but federal agencies should administer federal programs with reasonableness and flexibility so as not to result in a significant burden on states and local communities. No new federal mandates should be issued affecting transportation without corresponding funding to support those mandates — the ADA paratransit service requirement is an example for the Kansas City region where a mandate was issued without additional funding to implement it. Finally, federal funding programs should be structured to maintain purchasing power while providing a predictable funding stream to foster better planning.

Decisions/Authority/Partnerships

Legislative Goal: Foster Effective Collaboration in Decision-Making

In a major metropolitan setting, such as the Kansas City region, the individual components of the transportation system are owned and operated by a variety of entities (state departments of transportation, cities and counties, toll authorities, transit agencies, private corporations, etc.). In order for the overall transportation system to perform most effectively and deliver the best mobility options for all citizens, each of the elements (highways, local roads, transit services, bike/pedestrian facilities, freight and passenger terminals, etc.) must work together. While the federal government should retain a strong role in funding transportation and setting broad national objectives, it should also support stronger collaborative relationships between all parties responsible for transportation in metropolitan areas, to encourage more shared decision making and more effective linkages between the elements of the transportation system while recognizing the needs and goals of cities and counties within the region. Metropolitan Planning Organizations should continue to serve as the place for metropolitan collaborative planning and decision making, facilitating efforts to address the complex, metropolitan transportation challenges facing our country.

And because many of our challenges, such as freight and intercity passenger movement, transcend individual state or metropolitan boundaries, the federal government should provide leadership and incentives to convene clusters of regions (so-called mega-regions), or convene groups of states to tackle multi-state corridors for freight and passenger movement. Examples of this in the Kansas City region include coordination with neighboring metropolitan planning organizations in St. Joseph and Lawrence, the Success in the Heartland initiative looking at connections between the Kansas City region and other neighboring major regions (Oklahoma City, Omaha, Des Moines, Minneapolis), I-29 and I-35 multi-state corridor coalition activities, and the Midwest Regional Rail initiative looking at a Midwest high speed rail network linking the Kansas City region to a number of other Midwest regions.

States should continue to have a strong role in planning and funding multi-modal state transportation networks in partnership with metropolitan regions and multi-state collaborations.

Another area of collaboration is between multiple disciplines. Efforts are underway in the Kansas City region to better integrate conservation/environmental planning and transportation planning, and to create stronger linkages between land use planning at the local level and transportation planning at the regional level. Federal transportation policy should encourage this linkage and integration, and view it as a means to streamline project development activities and expedite the time it takes to develop and approve projects, but in a way that strengthens the National Environmental Policy Act, rather than circumvents it.

Funding

Legislative Goal: Broaden Transportation Funding Base and Funding Amount

The nation's transportation needs are extensive, but similarly, there are great opportunities and benefits that transportation investments could generate. Because of that, it is vital that the country significantly increase its financial investment in transportation to restore and enhance the purchasing power of federal funding for transportation. It is also important that the nation have a long-term, dedicated, predictable and sustainable revenue stream to support transportation investment into the future.

The core of the nation's transportation funding should continue to be derived from transportation-related sources. In the Kansas City region, this approach is reflected in motor vehicle fuels taxes, automobile registration fees, other auto related fees and taxes, and tolls on selected facilities. These approaches should be continued in the near term, even as the country works to move to new models of transportation-related fees such as a vehicle miles travelled (VMT) tax, value pricing, indexing of existing fuel taxes, and ton-mile taxes on freight.

This foundation of transportation-related sources should be supplemented by additional resources from environmental legislation (i.e. cap and trade systems/carbon taxes) to reduce transportation's contribution to green house gas emissions, and should be further supplemented with new transportation resources to foster innovative, environmentally sound transportation initiatives and stimulate the economy. Additionally, as transportation investments are increasingly viewed as tools to help address economic stimulus, energy security, environmental protection and social equity, it is reasonable to direct general fund revenues to transportation projects and services to support this broader mission.

Federal funding should continue to require local commitments and local match, but percentages of that match should be equalized across modal programs. Today, federal aviation programs are funded at 90 percent federal/10 percent match; highway programs are 80 percent/20 percent; funding for major transit facilities (New Starts) is so competitive that most recent projects are 50 percent/50 percent; and federal funds available for local road systems are so limited that often local governments significantly overmatch them to have sufficient funds to complete meaningful projects. Federal matching percentages should be equalized across programs, particularly ensuring that transit projects receive 80 percent federal funding commensurate with highway projects, but programs should still retain flexibility for state and local project sponsors to overmatch, when appropriate, to complete priority projects.

The federal authorization should also provide maximum flexibility to local governments, states and regions to implement their own additional funding mechanisms to complement federal transportation investment and ensure adequate resources are available to meet the region's and the nation's transportation needs.

The MARC Board urges Congress to enact a new multi-year federal transportation authorization that will establish a new transportation vision for our country, ensure our transportation investments achieve both broad national and regional objectives as well as improved transportation performance, support collaborative partnerships between federal, state, regional and local governments and agencies, and provide substantial funding to ensure our critical national and regional transportation needs are met.

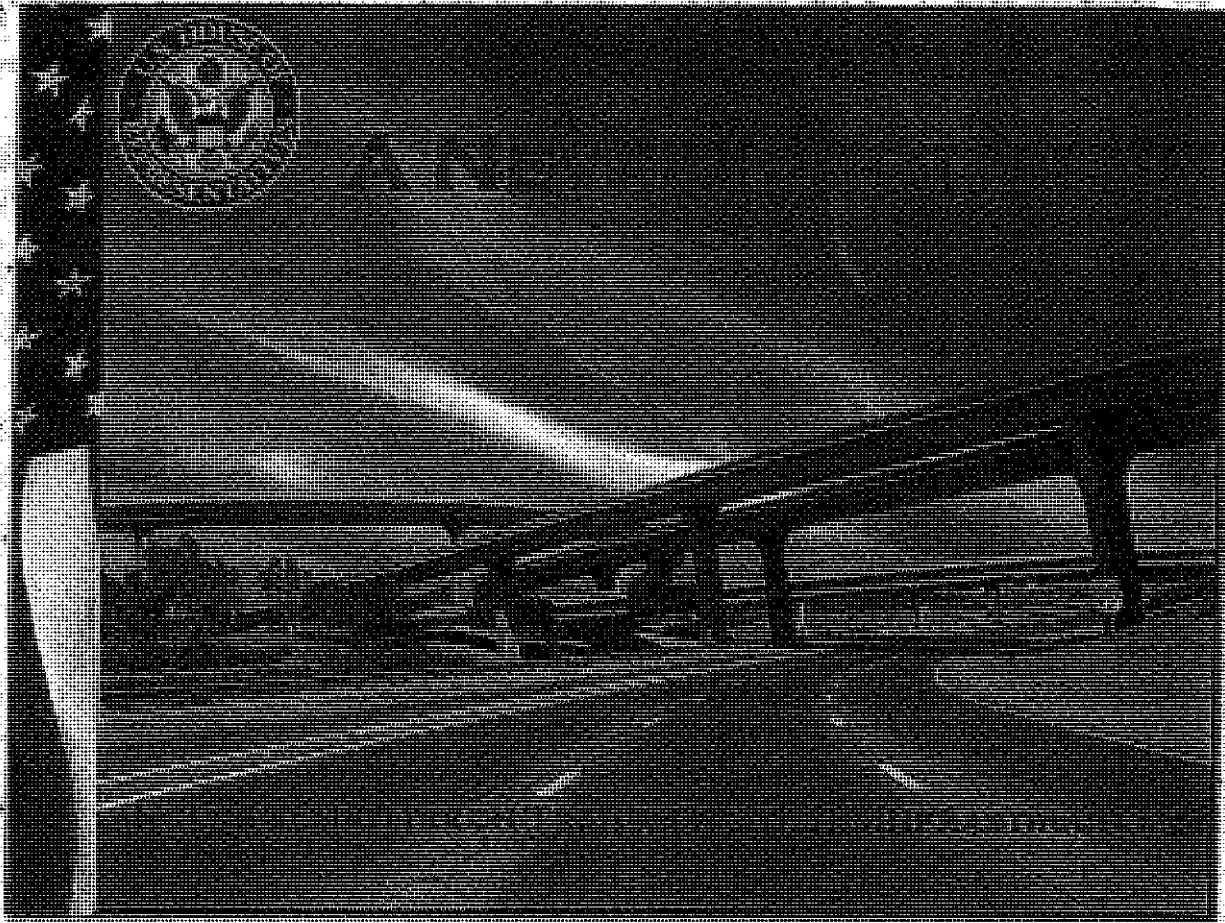
Comparison of MARC Consensus Position on Transportation Authorization
with
House Transportation and Infrastructure Committee Leadership Proposal
Senate Environment and Public Works Bipartisan Bill Outline (MAP-21)*

MARC Position	House Proposal	Senate Proposal
<p>Establish a Clear Direction for the Nation's Transportation Investments</p>	<p>Does not articulate a national transportation vision. Focuses on fiscal responsibility, process streamlining, and core programs that serve a federal purpose.</p>	<p>Does not articulate a national transportation vision. Suggests the bill will modernize and reform the transportation system to create jobs, accelerate economic recovery and build a foundation for long-term prosperity.</p>
<p>Establish a Performance-Driven Investment Strategy</p>	<p>References performance measures, but does not define them. States meeting performance goals will have more flexibility in how they spend funds.</p>	<p>Incorporates performance-based approach into statewide and metropolitan planning processes. Focuses the highway program on reducing fatalities, improving bridges, fixing roads and reducing congestion. States will set their own targets for these and for freight movement.</p>
<p>Design Programs to Ensure Progress in All Parts of the Country and Across All Components of the Transportation System</p>	<p>Directs more funds into formula programs (rather than discretionary programs). Continues the Transit program, but eliminates requirements for funding other "non-highway" activities (which is being interpreted as the elimination of CMAQ, TE, and Safe Routes to School programs). States will still have</p>	<p>Consolidates the core highway programs from 7 to 5 (highway performance, mobility, freight, congestion mitigation/air quality, and safety). Activities with "dedicated funding" have been removed and consolidated into broader core programs – States will have flexibility to</p>

	<p>flexibility in this regard, as long as they are meeting performance goals.</p> <p>Suballocation of STP funds to metropolitan areas is reported to continue.</p> <p>Does create a new Maritime Title to address harbor maintenance, short- sea shipping, and other maritime issues.</p>	<p>fund such activities as they see fit.</p> <p>Suballocation of some funds to metropolitan areas continues.</p> <p>Establishes a National Freight Program to improve the movement of freight on highways, including intermodal connectors.</p>
<p>Provide Adequate Flexibility to Achieve Both National and Regional Priorities</p>	<p>Performance goals (when defined) will indicate national priorities.</p> <p>Flexibility to address other priorities (state or regional) depends on first meeting national performance goals.</p> <p>Does not specifically mention regions or metropolitan areas, nor describe any specific programs or opportunities for them.</p>	<p>Performance outcomes/targets incorporated into planning.</p> <p>Core programs will have broad eligibilities for projects.</p> <p>Continues explicit direction of some resources to metropolitan areas.</p>
<p>Improve Federal Funding Program Delivery Mechanisms</p>	<p>Reduces the number of federal programs (by 70) and streamlines project delivery by condensing the environmental review process, allowing some pre-construction activities to occur concurrent with the NEPA process, promoting more integration of planning and NEPA, and supporting programmatic approaches to project clearance.</p>	<p>Consolidates 87 programs under SAFETEA-LU to less than 30 programs.</p> <p>Includes provisions designed to reduce project delivery time and costs while protecting the environment (innovative contracting, dispute resolution, early right-of-way acquisition, early coordination between agencies, incentives, reduced process for projects with no significant environmental impact).</p>

<p>Foster Effective Collaboration in Decision-Making</p>	<p>Does not discuss collaboration between levels of government; does not describe decision-making processes. Does not specifically mention the metropolitan planning and decision-making process.</p>	<p>Does not discuss collaboration between levels of government. Does discuss improving the planning process in terms of adding performance-based approaches.</p>
<p>Broaden Transportation Funding Base and Funding Amount</p>	<p>Does not broaden the funding base, but does expand financing tools (TIFIA and State Infrastructure Banks), and promotes more public-private partnerships. Does not increase funding. Rather, reduces funding to match the anticipated receipts into the Highway Trust Fund.</p>	<p>Authorizes funding at current funding levels which will require funding beyond the current trust fund's receipts. Provides expansion and modification of TIFIA program.</p>

*Senate EPW Committee is only responsible for the Highway portion of the Senate bill.



TRANSPORTATION REAUTHORIZATION PROPOSAL

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BOB GIBBS, CHAIRMAN
WATER RESOURCES AND ENVIRONMENT SUBCOMMITTEE

TABLE OF CONTENTS

Page 1.....	Introduction
Page 2.....	Stabilizing the Highway Trust Fund
Page 4.....	Maximizing Existing Revenue
Page 5.....	Streamlining Project Delivery & Cutting Red Tape
Page 7.....	Program Reform & Reducing the Size of Government
Page 9.....	Short-Term Alternatives: Long-Term Failure
Page 10.....	Federal Highway Program
Page 11.....	Federal Transit Programs
Page 12.....	Highway and Motor Carrier Safety
Page 13.....	Hazardous Materials Transportation
Page 14.....	Rail Transportation
Page 15.....	Maritime Transportation
Page 16.....	Summary

INTRODUCTION

The American people want the federal government to ensure their hard-earned tax dollars are wisely and effectively invested in improvements for the nation's infrastructure. They want investments in transportation systems to create jobs and a stronger economy.

The American people also want an end to bureaucracy, red tape, and wasteful programs. They want Washington to live within its means and make the difficult but necessary spending decisions that all Americans are forced to make for their own households. They want reform.

This fiscally responsible, multi-year proposal follows these clear mandates from the American people and creates long-term jobs by:

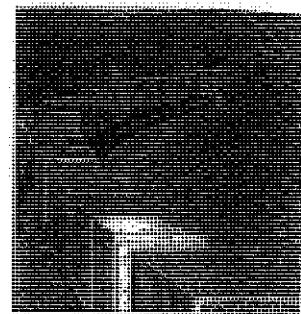
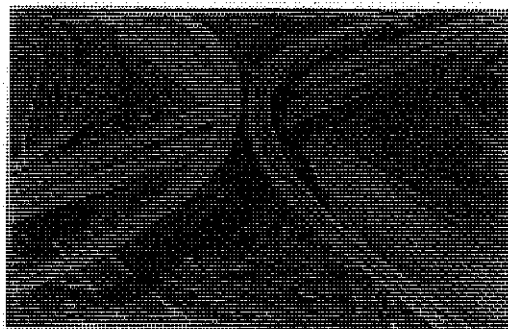
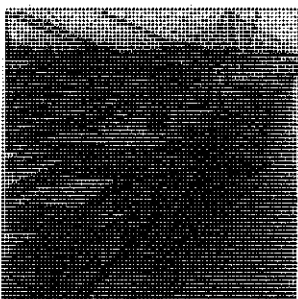
- Better leveraging and maximizing the value of limited federal resources,
- Streamlining the project approval process,
- Reforming our federal transportation programs,
- Reducing the federal bureaucracy,
- Improving programs that don't work while building upon programs that work well, and
- Providing flexibility to states to address their own unique, critical infrastructure needs.

This proposal reauthorizes the federal highway, transit, and highway safety programs and ensures that the revenues deposited into the Highway Trust Fund are used for their intended purposes. Long-term funding for these programs is essential for states to plan major infrastructure improvements. By reducing the federal bureaucracy, eliminating waste, and cutting red tape to make infrastructure programs work better, we can do more with less.

Transportation safety is a key component of this proposal, which ensures that as we seek to streamline federal programs and processes, safety also is improved.

This comprehensive proposal also makes significant reforms and improvements to federal policies and programs relating to freight and passenger rail transportation, hazardous material transportation, and maritime and waterborne transportation. More than ever, the nation's transportation systems must work together as a seamless network in order to ensure the flow of commerce and provide a sound basis for economic growth.

This is a fiscally responsible proposal that maximizes the value of our precious resources, reforms transportation programs, speeds up the completion of projects, and reduces the size of government in order to more effectively build our infrastructure and create jobs for America.



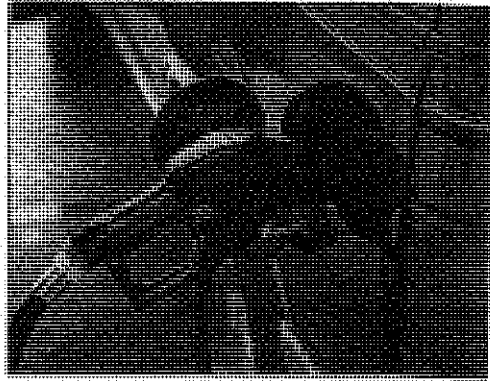
STABILIZING THE HIGHWAY TRUST FUND

As the national debt increases, the American people are becoming more frustrated with the federal government spending money it does not have. Congress must align its spending with the amount of revenue collected.

The foundation of the nation's system for funding highway and transit projects is the Highway Trust Fund. User fees — gas taxes — are deposited into the Trust Fund and distributed to states and transit agencies by formula. The promise of the Trust Fund is that these fees paid by the American people when they use the transportation system will be reinvested in projects that improve their highways, bridges, and transit systems, and not spent on other unrelated federal programs.

The Trust Fund has been essential to the success of our national transportation system because it ensures a reliable source of infrastructure funding for the states and transit agencies that allows them to plan for large multi-year projects and create long-term jobs.

However, if fiscal stability is not restored to the Highway Trust Fund, we risk losing it. In 2010, the Trust Fund brought in \$35 billion in revenue, but \$50 billion in spending was authorized. Over the past three years, Congress has had to transfer approximately \$35 billion from the General Fund into the Highway Trust Fund to keep it solvent. Continued spending at this unsustainable rate will ensure the Trust Fund goes broke in 2013. Driving the Trust Fund into bankruptcy may result in once again having to rely on general federal revenues and the unpredictable annual appropriations process for transportation funding. This will eliminate the necessary stability the Trust Fund provides states and transit agencies.



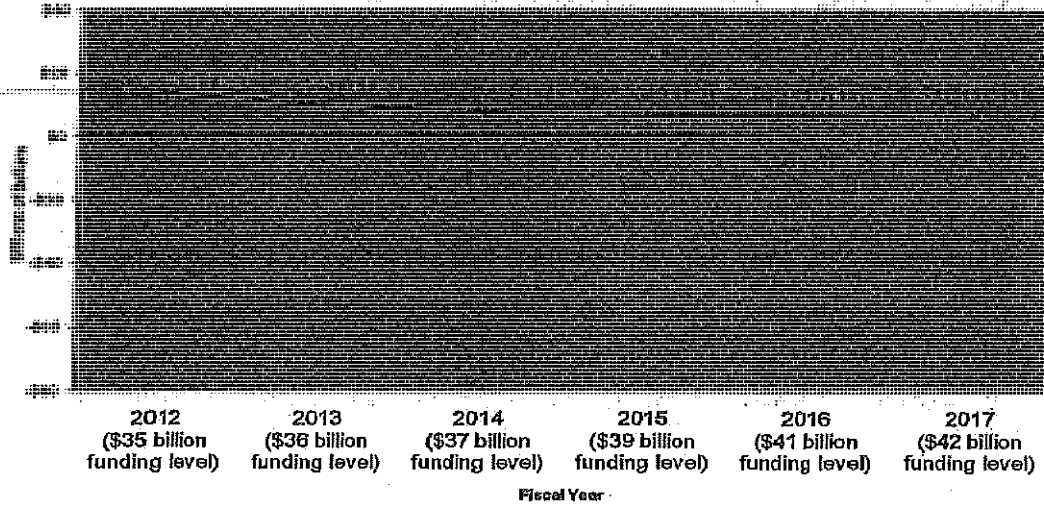
This proposal puts the “trust” back into the Trust Fund by ensuring that the nation is not spending money it does not have and aligning transportation expenditures with revenues. It authorizes approximately \$230 billion over six years from the Highway Trust Fund — funding levels consistent with the amount of revenue being collected — and allows the Trust Fund to stay solvent well into the future.

Other options simply are not fiscally responsible or realistic. Neither Congress nor the Administration will support an increase in the gas tax. The Trust Fund cannot support a two-year bill at current spending levels, as some have proposed. Even extending funding for one year at current levels would require a 50% cut in 2013 to keep the Trust Fund solvent.

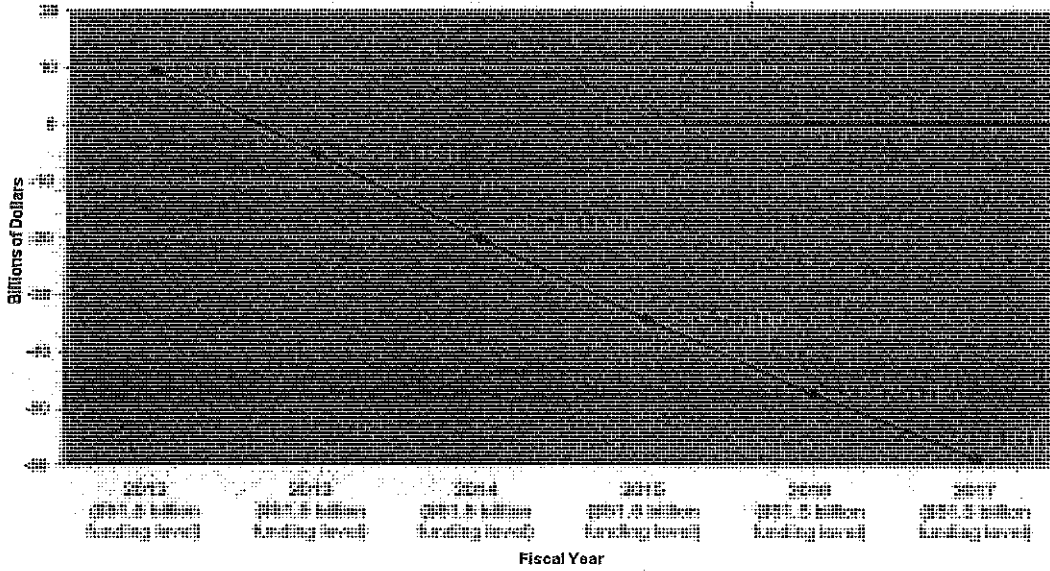
We must maintain the long-term viability of the Highway Trust Fund and ensure that the federal government stops spending money it does not have.

See charts on the following page for a comparison of Trust Fund solvency under various proposals.

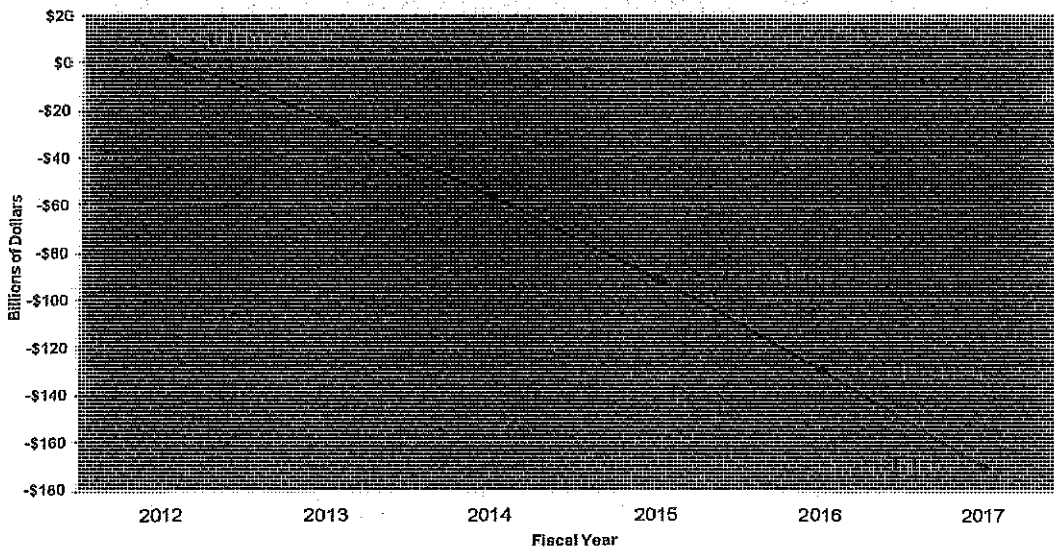
**Highway Trust Fund Balance
Under the House Transportation Reauthorization Proposal**



**Highway Trust Fund Balance
If Current Funding Levels are Maintained**



**Highway Trust Fund Balance
Under the Administration's Proposal**



MAXIMIZING EXISTING REVENUE

As federal spending is realigned with available revenues, the impact of our limited resources must be maximized. This proposal will increase the value of infrastructure resources in a number of ways, including better leveraging existing federal funds and adopting policies that will attract private sector investment.

Private sector interest in infrastructure investment is considerable, and encouraging the private sector to responsibly partner with federal and state governments can significantly enhance the amount of available federal revenue. While public-private partnerships cannot address all of our infrastructure needs, significant changes in existing programs and policy will propel private sector investment.

This proposal builds upon and improves the successful Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program. The measure dedicates \$6 billion to the TIFIA program resulting in \$60 billion in low interest loans to fund at least \$120 billion in transportation projects. Providing additional funding for TIFIA will help meet demand for credit assistance for transportation projects and enable increased leveraging of Highway Trust Fund dollars with state, local and private-sector funding.

Under this initiative, existing lanes on the Interstate Highway System remain toll-free, however states will have the ability to toll new capacity on the Interstate System. States will also have greater flexibility to toll non-Interstate highways.

The proposal rewards states that create and capitalize state Infrastructure Banks to provide loans for transportation projects at the state and local level. The percentage of federal highway funding that a state can dedicate to a State Infrastructure Bank will be increased from 10 percent to 15 percent and states will receive a specific amount of funding that can only be used to fund State Infrastructure Banks.

This initiative also unlocks existing revenue sources that are not being fully utilized for their intended purpose. The Harbor Maintenance Trust Fund is supported by cargo fees and is critical for dredging and harbor channel improvements. Despite growing maritime infrastructure needs, these funds are not being used to maintain our ports. This proposal ensures that these funds are properly used to improve the nation's harbors.



This measure improves the underutilized Rail Rehabilitation and Improvement Financing (RRIF) Program by creating a faster and more predictable application process and allowing more flexibility in loan terms. While RRIF was created to allow for loans and loan guarantees to help improve the nation's rail infrastructure, the slow process for approval and constricting terms have stunted its potential. This proposal ensures the program is able to help address the nation's growing rail infrastructure needs at a time when the economy is continuing its recovery.

These initiatives will allow federal dollars to work more effectively and generate additional revenue for infrastructure investment. Better leveraging of resources is a key component of this proposal and will ensure greater value per dollar compared to previous transportation bills.

STREAMLINING PROJECT DELIVERY & CUTTING RED TAPE

Government bureaucracy and red tape in the approval and permitting process cause infrastructure projects to be needlessly delayed. According to the Federal Highway Administration, highway projects can take up to 15 years to complete. While state and local governments deal with the seemingly endless review process, transportation capacity and safety improvements stall, construction costs escalate, and job creation remains on hold.

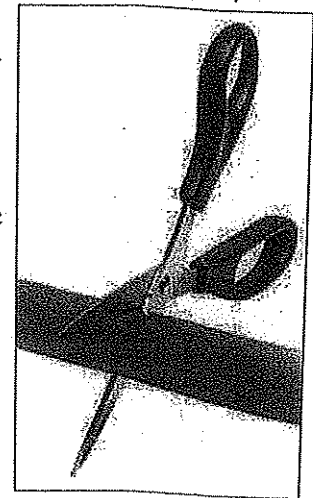
For example, after a series of fatal accidents on a roadway in Toulumne County, California, a project was proposed to widen the roadway by no more than two feet in any location, construct 2,000 feet of new guardrail, replace two culvert pipes, and resurface the road. This project took over seven years just to complete the environmental reviews and permit approvals. Unfortunately, during that seven year period there were additional serious accidents on the roadway that could have been avoided.

Project reviews are necessary to help protect the environment, but a more reasonable process is essential to using our resources more effectively. It can be done. When a design flaw caused the collapse of the I-35W bridge in Minnesota in 2007, the replacement was contracted to be completed in just 437 days and was completed significantly ahead of schedule using innovative contracting methods and a streamlined environmental review process.

This proposal employs lessons from these and other examples to streamline and condense the project review process by cutting bureaucratic red tape, allowing federal agencies to review transportation projects concurrently, setting hard deadlines for federal agencies to approve projects, and delegating more decision making authority to states.

Efficient Environmental Reviews

- Condenses the final environmental impact statement and combines it with the record of decision.
- Provides a single system to review decisions and reduce bureaucratic delay by requiring concurrent reviews and setting deadlines for approvals.
- Classifies projects in the right-of-way as categorical exclusions under NEPA.



Clarifies Eligibility for Pre-Construction Activities

- Allows for acquisition of land during NEPA where the transaction itself does not cause a change in the area's land use or cause adverse environmental effects.
- Encourages corridor preservation to reduce project costs, delays, and impacts on communities.
- Allows detailed design prior to NEPA completion at state expense, making such work eligible for federal reimbursement only if the project is subsequently approved.

Promotes Integrated Planning and Programmatic Approaches

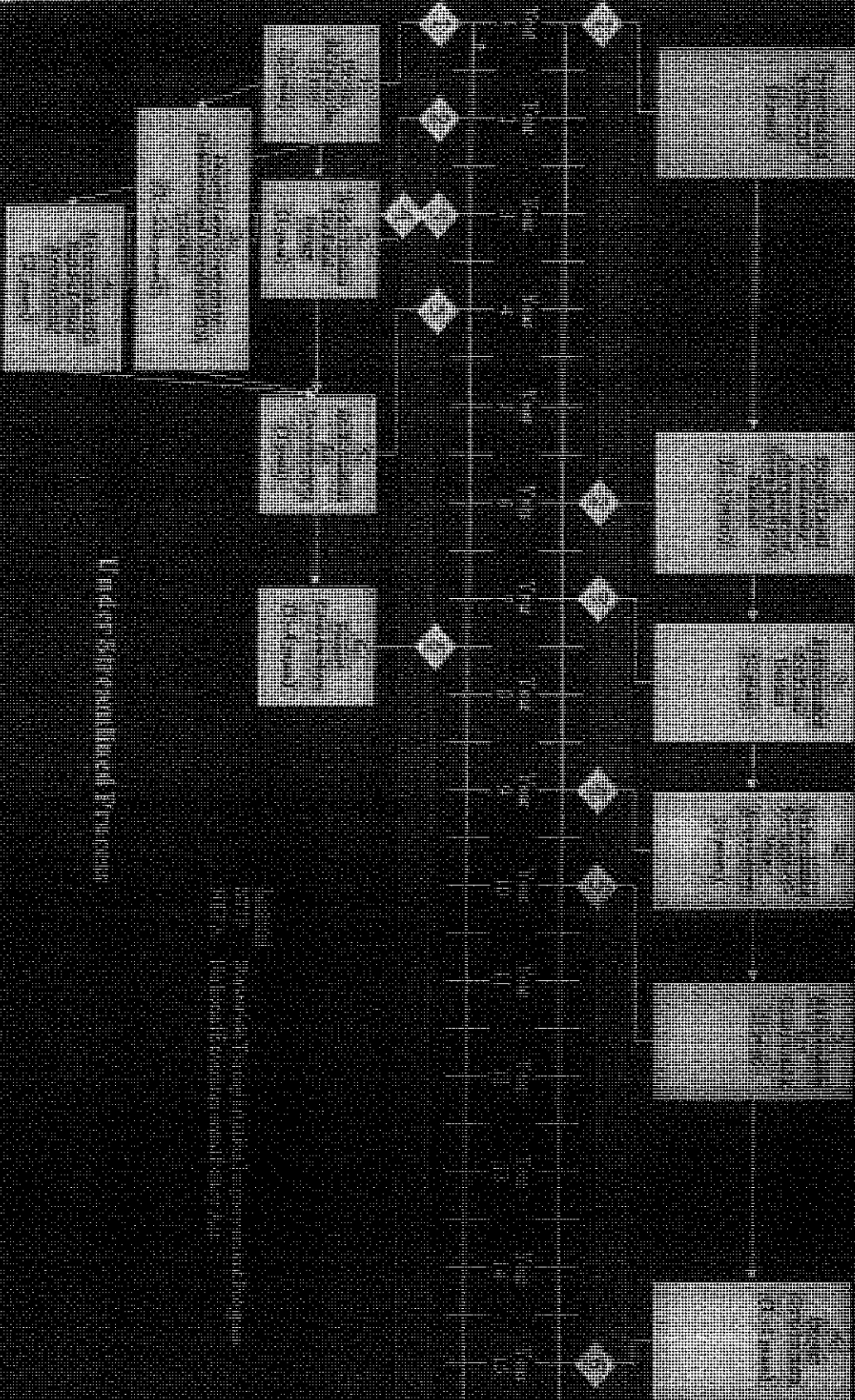
- Builds on the efforts in section 6001 of SAFETEA-LU and allows environmental decisions made in the planning process to be carried forward into the NEPA process.
- Clarifies authority for programmatic approaches (rather than project-by-project reviews).

By cutting the project review process time in half, we can ensure environmental protections remain in place while investing infrastructure resources in a much more effective manner.

⁵ See chart on the following page for a comparison of the current bureaucratic process and the streamlined process under the proposal.

Highway Project Development Process

Highway Project Development Process



PROGRAM REFORM & REDUCING THE SIZE OF GOVERNMENT

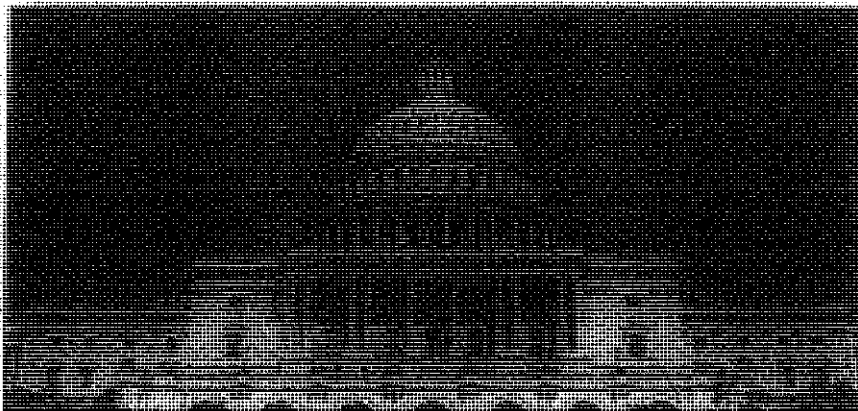
We can also increase the value of our infrastructure resources by cutting the size of government.

Currently, there are over 100 federal surface transportation programs, dozens of which were created over the last 50 years to address issues beyond the original programmatic goals. Many of these programs are duplicative or do not serve a national interest; they simply add to the massive federal bureaucracy. Dollars that could be directed to infrastructure must instead be diverted to keep numerous programs operational.

This proposal reforms surface transportation programs by consolidating or eliminating approximately 70 programs that are duplicative or do not serve a federal purpose. Rather than applying spending cuts evenly across all existing programs, this proposal identifies programs that serve similar purposes, such as the Indian Reservation Roads Program and the Transit on Indian Reservations Program, and consolidates them into a Tribal Transportation Program. The proposal also identifies programs that do not serve a federal interest, such as the National Historic Covered Bridge Preservation Program and the Nonmotorized Transportation Pilot Program, and eliminates them.

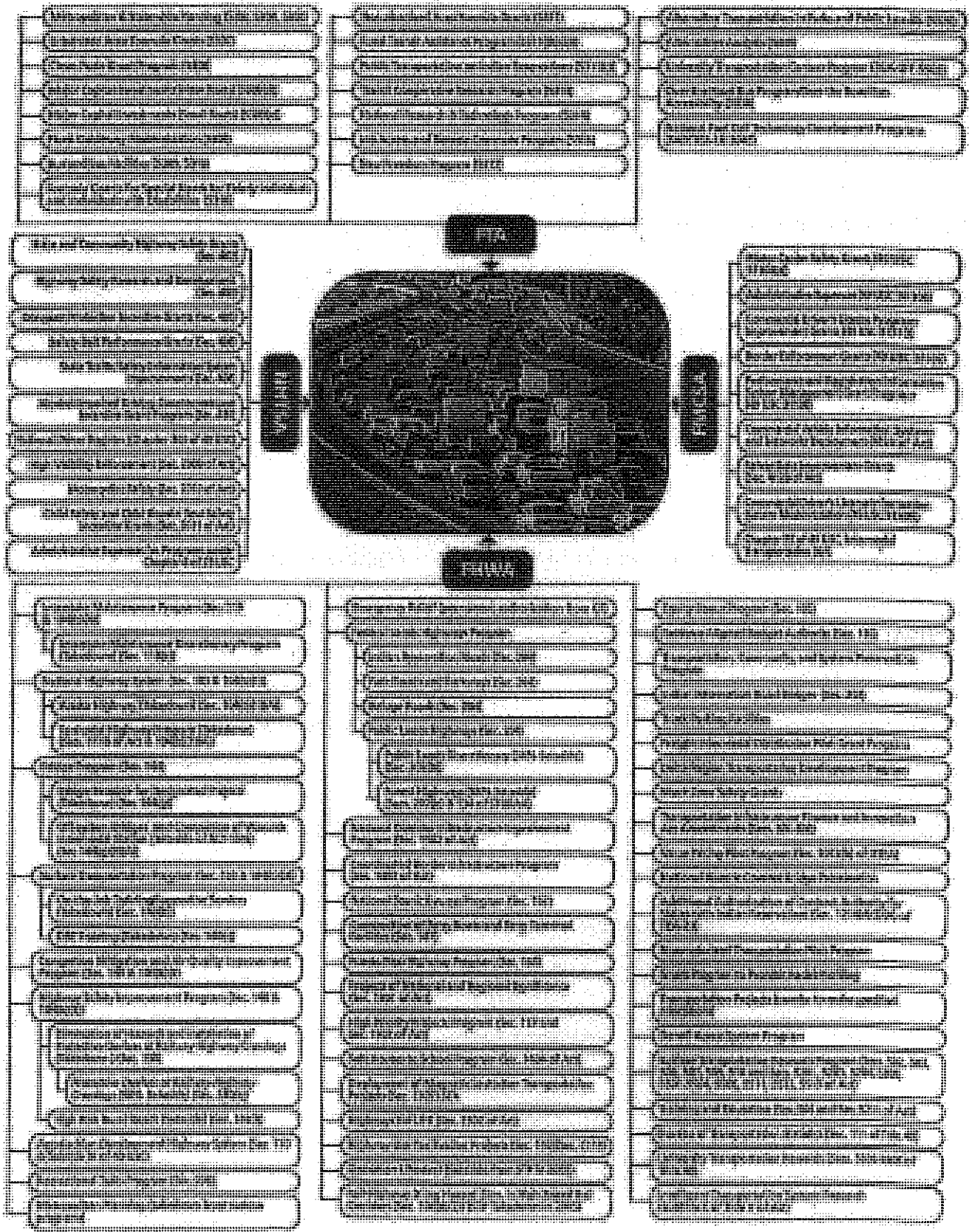
Furthermore, states will no longer be required to spend highway funding on non-highway activities. States will be permitted to fund such activities if they choose, but they will be provided the flexibility to identify and address their most critical infrastructure needs. However, this additional flexibility will not be unchecked. States will be held accountable for their spending decisions through new performance measures and transparency requirements.

Many of the programs that will be consolidated or eliminated in this proposal were created during a period when it was common to spend more than was collected in transportation revenue. We can do more with less and create infrastructure jobs by targeting federal funding to programs and projects that have regional and national impacts and eliminating programs that do not.



See the following page for a chart representing current surface transportation programmatic bureaucracy.

CURRENT SURFACE TRANSPORTATION PROGRAMS & BUREAUCRACY



SHORT-TERM ALTERNATIVES: LONG-TERM FAILURE

A multi-year bill that stabilizes the Highway Trust Fund is the responsible approach to investing in our nation's transportation infrastructure and providing the essential stability for states to plan major projects.

Proceeding with a short-term bill instead of a multi-year proposal will have the following impacts:

- The Highway Trust Fund will remain on a path to insolvency.
- States will not have the funding stability they need for long-term project planning.
- Federal infrastructure programs and policies will go without reform and the already bloated federal bureaucracy will continue to expand.
- The project approval process will continue to be bogged down in bureaucratic red tape.
- Existing federal resources will not be leveraged for maximum value.
- Opportunities will be missed to build upon programs that work well, such as TIFIA, and improve programs that don't, such as RRIF.
- Duplicative and non-essential federal programs will be continued, wasting tax dollars.
- Funds in the Harbor Maintenance Trust Fund will continue to be withheld from investment in harbor channel maintenance.



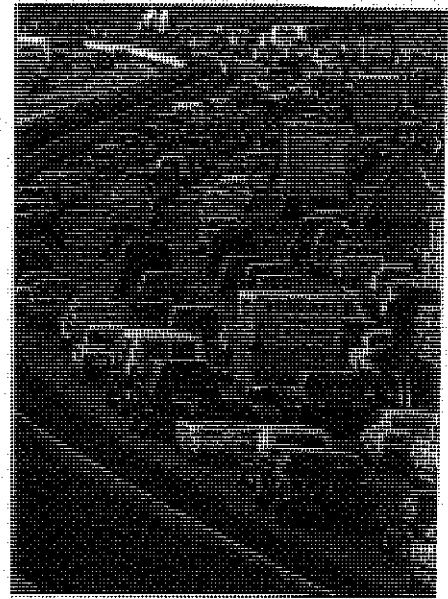
FEDERAL HIGHWAY PROGRAM

Fifty years ago the goal of the Federal Highway Program was to fund road construction projects that facilitated interstate travel and interstate commerce. After the Interstate Highway System was largely completed, the Federal Highway Program began to fund a broader range of projects. Today there are more than 50 programs run by the Federal Highway Administration that fund projects ranging from graffiti removal to planting of wildflowers.

This proposal will eliminate approximately 40 Federal Highway Administration programs and focus our limited federal resources on projects that have regional or national significance. Federal approvals and processes are streamlined to ensure projects are expedited, and administrative overhead is reduced through programmatic reform, increasing the amount of funding available for projects.

State Flexibility and Accountability

- States will maintain the opportunity to fund the broad range of eligible projects under the current Surface Transportation and Congestion Mitigation and Air Quality programs, but they will not be required to spend a specific amount of funding on specific types of projects, such as transportation museums or landscaping.
- More than 90 percent of Federal Highway Program funding will be distributed through formula programs to state departments of transportation, allowing state and local transportation officials to prioritize projects rather than bureaucrats in Washington D.C.
- States are provided the maximum amount of flexibility in choosing what projects to fund with their federal highway dollars, but will be held accountable for those choices through performance measures and transparency requirements.



A Focus on the National Highway System

- The new Federal Highway Program focuses primarily on the National Highway System – a 160,000 mile system of roads that includes the Interstate Highway System and other roads important to the nation's economy, defense and freight mobility.
- More than half of the funding provided for the Federal Highway Program is directed to funding projects on the National Highway System.

Highway Safety

- The proposal continues the Highway Safety Improvement Program and allows funding to be used on safety projects on virtually any road.

Improved Leveraging of Resources

- In order to better leverage our limited federal resources, the Federal Highway Program funds the TIFIA program at \$1 billion a year and distributes funding to states to capitalize State Infrastructure Banks. This keeps the federal financing bureaucracy at a minimum and maximizes states' financial capabilities.

FEDERAL TRANSIT PROGRAMS

The federal transit programs must do more with less. Current program funding levels are not sustainable, and this proposal focuses on policies and programs that most effectively contribute to public transportation services that meet the needs of commuters, transit-dependent individuals, and occasional transit riders.

Private Sector Partnering

- Removes current barriers that prevent the private sector from offering public transportation services.
- Provides incentives to vanpools and intercity bus operators to participate in federally-supported transit services.
- Requires that private intercity and charter bus operators be given reasonable access to federally-funded transit facilities.
- Encourages and rewards public-private partnerships when building new rail transit systems.

Focuses on Formula Programs

- Repeals discretionary programs that are unpredictable and not transparent, and focuses available funding on formula programs that provide stable and predictable funding to states and local transit agencies.
- Increases the percentage of available formula funds for transit programs that benefit suburban and rural areas, and programs that support transit services for the elderly, disabled, and transit-dependent.

Streamlines and Simplifies

- Consolidates and simplifies human service transportation programs from three separate programs to one.
- Streamlines the New Starts and Small Starts competitive grant program, cutting project development time in half.

Improves Transit Safety

- Strengthens the rail transit safety oversight program without creating a new federal transit safety bureaucracy.

Demands Better Performance

- Emphasizes and incentivizes improved performance by establishing performance management targets for all formula grant programs and incentivizing higher ridership through incorporating performance factors in apportionment formulas.



HIGHWAY & MOTOR CARRIER SAFETY

Since 2005, highway fatalities have steadily declined from 43,510 to 33,808 in 2009. There also has been a dramatic reduction in severe and fatal crashes involving large trucks and buses in recent years with fatalities from crashes dropping from 5,116 in 2007 to 3,619 in 2009.

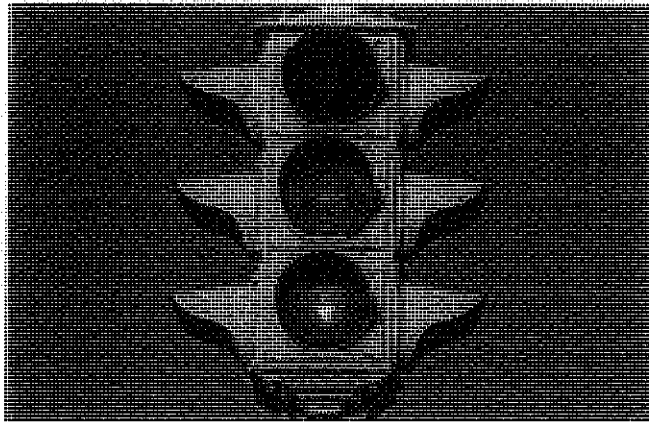
Reauthorization of the highway and motor carrier safety programs will continue the progress made in recent years by incorporating performance measures into each state's highway safety plan. Each state is required to establish quantifiable targets for each performance measure. This will help states target the most effective highway and motor carrier safety activities and hold states accountable for how they spend their federal funding.

NHTSA Safety Programs

- Focuses funding on NHTSA's highway safety grant program that distributes money to states through a formula for highway safety activities.
- Clarifies that states can use highway safety grant funding for initiatives to increase seat belt use, prevent impaired driving, and improve motorcycle safety.
- Changes the distribution formula for NHTSA's highway safety grant program so states that have laws and programs designed to increase seat belt use, prevent impaired driving, or improve the safety of young drivers receive more funding.
- Holds states accountable by requiring them to spend federal funding in areas where they are not meeting performance goals.

Motor Carrier Safety Programs

- Ensures that federal regulations keep unsafe trucks and buses off the road while allowing companies that operate in a safe and responsible manner to continue to do so.
- Prevents companies that have been shut down for violating safety standards from reincarnating as new carriers to avoid compliance.
- Consolidates grant programs and institutes new performance measures to focus state motor carrier safety efforts on reducing the number of crashes and fatalities involving large trucks and buses.
- Establishes annual inspection programs for buses.
- Requires the Secretary to establish a clearinghouse of positive drug and alcohol test results by commercial drivers.
- Requires the Secretary to prescribe regulations to establish minimum training requirements for commercial drivers.



HAZARDOUS MATERIALS TRANSPORTATION

The Pipeline and Hazardous Materials Safety Administration oversees the safe and secure shipment of nearly 1.4 million daily movements of hazardous materials, including such common products as paints, fuels, fertilizers, alcohols, chlorine, fireworks, and batteries that are essential to the general public and local economies.

This proposal advances safety, efficiency, and accountability in the transportation of hazardous materials and promotes the nation's economic health through certainty and uniformity in the regulation of those materials.

Promotes Regulatory Certainty and Transparency

- Requires regulations to be cost-effective and based on science, not overly burdensome, and take into account the economy, private industry, and jobs.
- Establishes regulatory certainty through notice and comment rulemaking.
- Promotes efficiency by incorporating safe special permits into regulations.
- Requires program review to improve administration of motor carrier permitting.

Creates Uniformity to Grow Business and the Economy

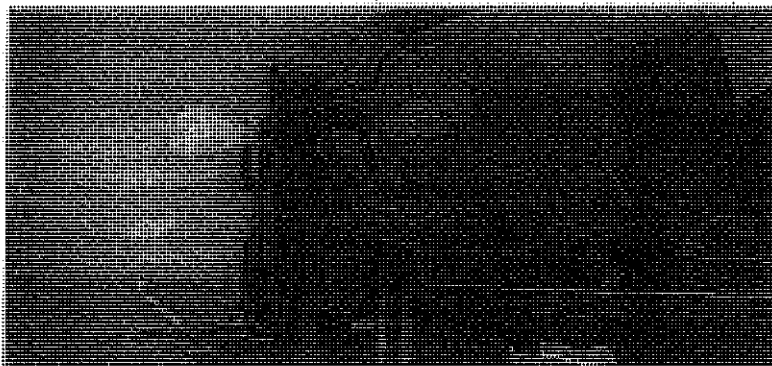
- Eliminates differing state requirements for notification, enforcement, and permitting that hinder the free-flow of commerce and do not increase safety levels.
- Establishes uniform training and enforcement among the states.
- Ensures the nation's expert on hazardous materials transportation remains its international representative.
- Eliminates overlapping federal jurisdiction.
- Protects economic growth by preempting unreasonable burdens on commerce.

Reduces Regulatory Burdens

- Bans certain regulations whose cost-effectiveness is unproven.
- Ensures no new user fees will be imposed on the industry.
- Eliminates unnecessary package inspections that burden commerce.
- Ensures penalties are fairly imposed on those entities responsible for violations.

Promotes Accountability and Saves Money

- Allows flexibility and requires accountability in managing grant programs.
- Eliminates wasteful earmarks.



RAIL TRANSPORTATION

Government must do more with less and leverage its federal investments to the fullest extent.

Additionally, regulatory overreach and misguided spending programs are crippling our economy, stifling job creation, and wasting our limited federal resources. This proposal streamlines the project delivery process, reduces regulatory burdens, and promotes accountability and responsibility while maintaining the highest commitment to rail safety.

Doing More With Less and Leveraging Federal Investments

- Creates a faster and more predictable application process for Rail Rehabilitation and Improvement Financing (RRIF) loans.
- Increases access to the RRIF program by providing more flexible loan terms.
- Makes high-speed rail projects eligible for RRIF loans.

Streamlining Project Delivery

- Expedites project review which reduces costs to project sponsors.
- Increases coordination among federal agencies and allows for review of projects concurrently.
- Creates greater certainty by establishing hard deadlines for agency action and decisions.
- Delegates more decision making authority to the states.
- Expands classes of projects excluded from extensive environmental review.

Reducing Regulatory Burdens

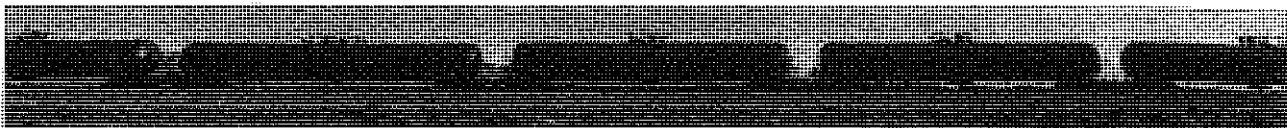
- Increases the opportunity for the successful implementation for Positive Train Control (PTC) by changing the implementation deadline, providing clear direction for rail carriers, and allowing for technology neutral solutions, while maintaining our commitment to safety.
- Improves the rulemaking process at the Federal Railroad Administration to protect against overly-burdensome regulations and red tape.

Reforming Amtrak and the High-Speed Rail Program

- Places limits on Amtrak's use of federal funds to focus it on providing better service.
- Ensures high-speed rail projects are truly high-speed in their definition and design.
- Cuts Amtrak's operating subsidy by 25 percent in FY 2012 and 2013.
- Leverages private sector dollars and expertise for high-speed rail project financing.
- Requires transparency in project funding application evaluation and selection.

Promoting Accountability and Saving Money

- Repeals the Capital Investment Grants to Support Intercity Passenger Rail Program to prevent the Administration from continuing to give federal funds to low-speed rail projects, saving \$1.1 billion in FY 2012 and FY 2013.
- Eliminates the congestion grants set aside program in the Intercity Passenger Rail grants program, currently authorized at \$100 million per year in FY 2012 and 2013.
- Terminates Capital Grants for Rail Line Relocation, a program whose authorization expired in FY 2009 but continues to receive appropriations.



MARITIME TRANSPORTATION

Waterborne trade at our nation's ports is vital to the American economy, and millions of jobs throughout the country are dependent upon the commercial shipping industry. This proposal will reform and streamline maritime programs and policies to remove impediments to this cheap, safe and environmentally-friendly form of transportation.

Ensures Dedicated Funds Go to Infrastructure Programs

- The Harbor Maintenance Trust Fund (HMTF) provides funds for the United States Army Corps of Engineers (Corps) to carry out the dredging of navigation channels to their authorized depths and widths. The HMTF is based upon a user fee collected from shippers that utilize the nation's coastal ports. Unfortunately, we do not invest all of these fees back into harbor maintenance. In FY 2010 the HMTF grew by \$1.3 billion, but only \$828.6 million was spent. If the status quo continues, the HMTF is estimated to have a balance of \$6.93 billion at the end of FY 2012.
- This proposal ties HMTF expenditures to revenues and ensures that we invest funds collected for harbor maintenance as intended.

Streamlines Project Delivery & Federal Bureaucracy

- Expedites permits administered by the Corps to help address backlogs that increase project costs, which are eventually borne by U.S. consumers and shippers.
- Streamlines the study process for Corps navigation projects
- Ensures that policies and projects among departments sharing jurisdiction of the maritime transportation system are coordinated and streamlined.

Encourages Private Sector Investment and Leverages Non-Federal Funding

- Encourages short-sea shipping by prohibiting double-taxation of vessels shipping goods between domestic ports. Our entire freight transportation network will be better utilized under this initiative.
- Allows non-federal project sponsors that have already arranged financing to contract with the Corps to expedite studies for navigation projects.
- Stimulates domestic shipbuilding and creation of maritime jobs by expanding the allowable use of tax-deferred Capital Construction Fund accounts.
- Clarifies provisions relating to credit for work carried out by non-federal sponsors of Corps projects.
- Ensures that ports seeking to deepen channels are not penalized for trying to attract the larger vessels becoming more common in shipping. This provision will help the U.S. remain globally competitive.



SUMMARY OF PROPOSAL

HIGHWAY, TRANSIT AND HIGHWAY SAFETY PROGRAMS

Transportation Reauthorization Bill Funding

- Provides \$230 billion over six years from the Highway Trust Fund – consistent with the amount of revenue deposited into the Highway Trust Fund during that time frame.

Better Leverage Existing Resources

- Funds the TIFIA program at \$1 billion per year and provides incentives for states to create and capitalize State Infrastructure Banks.

Surface Transportation Program Reform

- Consolidates or eliminates nearly 70 duplicative programs or programs not in the federal interest.
- No longer requires states to spend highway funding on non-highway activities, but permits states to fund those activities if they so choose.

Streamlining the Project Delivery Process

- Cuts bureaucratic red tape by allowing federal agencies to review transportation projects concurrently, delegates project approval authority to states, and establishes hard deadlines for federal agencies to make decisions on permits and project approvals.
- Expands the list of activities that qualify for Categorical Exclusions – an approval process that is faster and simpler than the standard process.

Federal Highway Program

- Distributes nearly all federal highway funding to state DOTs through formula programs designed to preserve existing highways, build new highway capacity, and address congestion, freight mobility, and highway safety.
- Focuses the Federal Highway Program on the Interstate Highway System and the National Highway System – the highways that facilitate interstate travel and commerce.

Transit

- Removes current barriers that prevent the private sector from offering public transportation services, provides more focus on transit programs that benefit suburban and rural areas, and improves transit options for the elderly and disabled.

Highway and Motor Carrier Safety

- Ensures that federal regulators keep unsafe trucks and buses off the road while allowing companies that operate in a safe and responsible manner to continue to do so.
- Incentivizes states to enact laws that prevent impaired driving, increase seatbelt use and improve the safety of younger drivers.

PASSENGER AND FREIGHT RAIL PROGRAMS

Better Leveraging of Federal Funds

- Leverages private sector dollars and expertise.
- Eliminates unnecessary grant programs.

Improves Current Programs

- Reforms underperforming programs, such as the Railroad Rehabilitation and Improvement Financing (RRIF) Program, to enhance participation.
- Promotes transparency and accountability in rail programs.

Streamlines Rail Project Delivery

- Reduces red tape by allowing concurrent reviews of rail projects, setting hard deadlines for decisions by agencies, and increasing coordination among agencies.
- Delegates more authority to the states.
- Expands the use of categorical exclusions for certain classes of projects.

Enhances Rail Safety

- Ensures positive train control is properly implemented in the safest manner.

Promotes Regulatory Reform

- Requires rail regulations to be based on reasoned cost/benefit analysis and the best available science, and to consider effects on jobs and the economy.

MARITIME TRANSPORTATION PROGRAMS

Restores Trust to the Harbor Maintenance Trust Fund

- Ties Harbor Maintenance Trust Fund to revenues, ensuring fees paid by shippers go to channel maintenance.

Expedites Permit Processing

- Permanently extends the Corps of Engineers' Section 214 program. Permit backlogs impact the timeliness and cost of these investments - costs ultimately borne by U.S. consumers and shippers.

Expedites Navigation Studies

- Allows non-federal project sponsors to contract with the Corps to expedite their study for an enhanced navigation project.
- Exempts navigation projects from having to participate in reconnaissance phase of a project study.

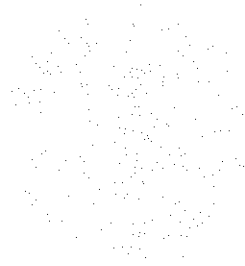
Provides Equity for Deepening Projects

- Ensures that ports requesting the construction of deeper channels are not penalized for attempting to attract larger vessels.

Provides Incentives for Domestic Waterborne Transportation

- Eliminates double-taxation on shippers engaged in coast-wise or short-sea shipping.
- Expands the allowable use of Capital Construction Fund accounts to expand the U.S. flagged fleet and spur domestic shipbuilding.

NOTES



Moving Ahead for Progress in the 21st Century Bipartisan Bill Outline

Moving Ahead for Progress in the 21st Century (MAP-21) will modernize and reform our current transportation system to help create jobs, accelerate economic recovery, and build the foundation for long-term prosperity. Specific highlights from key areas of the legislation follow.

Funding

MAP-21 authorizes Federal-aid highway programs for 2-years while maintaining current spending levels. The goal of the Committee remains attaining the optimum achievable authorization depending on the resources available and in a way that does not increase the deficit and can achieve bipartisan support. In addition, MAP-21 eliminates earmarks.

Core Programs

MAP-21 continues to provide the majority of Federal resources to the States through core programs using funding formulas. However, the core highway programs have been consolidated from seven in SAFETEA-LU to five, as follows:

- The National Highway Performance Program
 - Consolidates the Interstate Maintenance program, the National Highway System program, and part of the Highway Bridge Program into a single program that focuses on the most critical 222,000 miles of roads in the nation.
 - Provides States with increased flexibility in their use of funds if they adequately maintain the condition of their Interstate system and bridges.
- The Transportation Mobility Program
 - Consolidates several existing programs to provide funds to States for projects on all Federal-aid highways and all bridges and tunnels.
 - Provides for the sub-allocation of some funds to metropolitan areas and to other areas of the State based on population.
- National Freight Program
 - Provides formula funds to States for projects to improve the movement of freight on highways, including freight intermodal connectors.
- Congestion Mitigation and Air Quality Improvement Program
 - Provides funds to States for projects and programs in air quality nonattainment and maintenance areas for ozone, carbon monoxide, and particulate matter, which reduce transportation related emissions.
 - Consolidates several existing programs to provide resources for additional transportation eligibilities.

- **Highway Safety Improvement Program**

- Provides funds to States for infrastructure improvements on all public roads to achieve a significant reduction in traffic fatalities and serious injuries.
- Improves data collection and analysis to allow States to more accurately focus funding on the most dangerous roads.

Consolidation

MAP-21 consolidates 87 programs under SAFETEA-LU to less than 30 programs. The activities for which dedicated funding has been removed have been consolidated into the very broad core programs, leaving States with the flexibility to fund these activities as they see fit.

America Fast Forward

MAP-21 builds upon the success of the Transportation Infrastructure Finance and Innovation Act (TIFIA) program to help communities leverage their transportation resources through federal credit assistance. The TIFIA program provides direct loans, loan guarantees, and lines of credit to large and nationally or regionally significant transportation projects with a revenue stream at terms that are more favorable than those available in the private sector and that will leverage private and other non-federal investment in transportation improvements. MAP-21 increases the funding for the TIFIA program from \$122 million per year to \$1 billion per year. Other modifications include: increasing the maximum share of project costs from 33 percent to 49 percent; allowing TIFIA loans to be used to support a program of projects, and allowing upfront commitments of future TIFIA program dollars through the use of master credit agreements. In addition, MAP-21 sets aside \$100 million per year for projects in smaller cities and rural areas under lower interest rates. The Federal Highway Administration has stated that historically every Federal dollar spent through the TIFIA program can mobilize up to \$30 in transportation investments.

Performance

MAP-21 focuses the highway program on key outcomes, such as reducing fatalities, improving bridges, fixing roads, and reducing congestion, in order to ensure that taxpayers are receiving the most for their money. States will set their own targets for improving safety, road and bridge condition, congestion, and freight movement.

Accelerated Project Delivery

MAP-21 includes several provisions designed to reduce project delivery time and costs while protecting the environment. Examples of improvements include: expanding the use of innovative contracting methods; creating dispute resolution procedures; allowing for early right-of-way acquisitions; reducing bureaucratic hurdles for projects with no significant environmental impact; encouraging early coordination between relevant agencies to avoid delays later in the review process; and providing incentives for accelerating project delivery decisions within specified deadlines.

Planning

MAP-21 improves the Statewide and metropolitan planning processes to incorporate a more comprehensive performance-based approach to decision making. Utilizing performance targets will assist states and metropolitan areas in targeting limited resources on projects that will most improve the condition and performance of highways and bridges.

Other Programs

- **Federal Lands and Tribal Transportation Programs**
 - Provides funding for highway projects on Federal lands, tribal reservations, and roads that provide access to Federal lands.
 - Agencies receiving funding include the National Park Service, the Forest Service, the Bureau of Indian Affairs, the Bureau of Land Management, the Army Corps of Engineers, and the Fish and Wildlife Service.

- **Research and Education**
 - Funds research and development, technology deployment, and training and education activities to further innovation in highway and bridge construction and preservation.
 - Streamlines existing research programs to focus funding on key national research areas.

American Jobs Act

Transportation Provisions

\$27 billion – Highway restoration, repair, construction; passenger and freight rail projects

\$ 6 billion – Capital projects to modernize existing fixed-guideway transit systems and replace/rehabilitate buses and bus facilities

\$ 4 billion – intercity passenger rail/high speed rail

\$ 3 billion – transit capital projects (new buses and repair/rehabilitation of existing bus and rail systems)

\$ 2 billion – Amtrak

\$ 2 billion – airport development grants

\$ 1 billion – FAA air navigation facilities

\$ 5 billion – competitive awards (like TIGER)

\$10 billion – national infrastructure bank