



AGC Surface Transportation Reauthorization Priorities

Establish a Clear, Achievable National Goal

To maximize the beneficial impacts of what may be a smaller federal investment, the federal involvement will be forced to focus on just the National Highway System (NHS) routes. The programs should not be micromanaged by Congress or the US DOT, but should instead be subject to minimum standards for performance, maintenance, environmental compatibility and safety. Funds should be given to states to address national priorities within the state's borders.

Multi-Year Authorization

It is imperative that transportation construction market place has a multi-year authorization that provides funding certainty to states and to our members so they can appropriately plan, invest in new equipment and make hiring decisions.

Performance Standards

The bill should establish a set of specific performance standards in the areas of congestion relief, asset protection, safety and financial stewardship and impose enforcement mechanisms to ensure the enforcement of these standards.

Protect Existing Assets and Increase Capacity

Even with a smaller investment sufficient revenue must be provided to ensure our national network of highways, bridges, and public transportation facilities are properly maintained and enhanced for continued productivity and safety. Our surface transportation capacity must be increased to accommodate the increase demand on the current system. The creation of a dedicated freight program should be enacted to focus on heavily congested corridors carrying U.S. freight shipments

User Fee Financing

The reauthorization bill should maintain and enhance the highly successful user fee financing method for supporting transportation investments. Absent a straight increase in the federal motor fuels tax and in order to maintain the purchasing power of the tax it should indexed to Consumer Price Index or a measure of highway construction costs.

Budget Firewalls

In order to maintain the sanctity of the highway trust fund and ensure stability and predictability of federal highway and transit investments to states in order for them to maximize efficiency and public benefit on delivering transportation projects the bill should restore the guarantee that Highway Trust Fund dollars are used for highway and transit investments.

Supplementing Current Revenues/Innovative Financing

Without additional funds, there will be a great need to provide supplementary revenue streams for traditional transportation infrastructure funding. These mechanisms are important in providing up-front capital to state and local governments to meet their construction needs by leveraging future dollars.

- Public Private Partnerships (PPPs) have their place and limits. Since the majority of PPPs are entered into at the state and local level the federal government should develop best practice information for PPPs that focuses on transparency and accountability.
- Congress should consider transitioning the user-fee collection model to a Vehicle Miles (VMT) tax. A VMT tax would be charged to all vehicles using transportation infrastructure that is eligible for federal funds. Mileage could be electronically recorded and collected at the gas pump when vehicles are fueled or through a monthly invoice.
- Reauthorize the Transportation Infrastructure Financing Investment Act (TIFIA) loan program with a larger volume capacity and increase the project eligibility for TIFIA financing.
- Continue the availability of Grant Anticipation Revenue Vehicles or GARVEE Bonds and Grant Anticipation Notes. These grant anticipation financing vehicles enable public agencies to borrow against future federal grants and provide upfront funding for capital investment.
- Invest in the re-capitalization of state infrastructure banks. Ensuring the health of the state infrastructure banks could help support smaller projects.
- Lift the volume cap on Private Activity Bonds for highway and intermodal projects.
- Reauthorize the Build America Bonds program as a financing option and/or include Transportation and Regional Infrastructure Projects Bonds as part of the next authorization.
- Establish a national infrastructure bank to help address surface transportation infrastructure needs. Many questions remain as to structure, capitalization, and scope of a national infrastructure bank, therefore, the bank should not be seen as a rifle shot solution to our surface transportation funding needs.
- Make permanent interstate tolling pilot programs in SAFETEA-LU
- Allow state and local governments to toll new capacity on the Interstate system.
- Allow tolling of the Interstate in large metropolitan areas
- Allow tolling of the Interstate for reconstruction and rehabilitation

Program Reform

Allow states the flexibility to address federal priorities within their borders

This newly focused federal program must allow states the greatest flexibility to make strategic decisions on a narrower program that focuses on NHS improvements that will best address the national objective. To accomplish this, many existing funding categories will have to be eliminated and or incorporated into the newly expanded NHS program. The majority of the funding should focus on keeping the NHS in a state of good repair and adding capacity necessary to keep the NHS fully functional and accommodate future economic growth. For the rest of the needs, a program like the Surface Transportation Program (STP) could allow access to a more flexible program without existing sub-allocations, allowing states to address the priority national needs within their borders. States should be free to address national and state priorities but do not have the resources to spend on government programs that are not the core national priority.

For more information contact Sean O'Neill at oneills@agc.org (202) 547-8892

Clean Construction

To mitigate the impact of meeting PM2.5 air quality standards on transportation construction equipments, the bill should provide a mechanism for the states to reimburse the contractor (through a change order) for the costs of applying diesel emission control technologies on equipment operating on federally funded transportation projects.

Project Delivery and Streamlining

The time it takes to deliver transportation projects takes too long and cost too much. According to the Federal Highway Administration, major highway projects take approximately 13 years to start to finish. Much of this time is due to the environmental review process. The average time to complete an environmental impact statement (EIS) for highway projects ranges from 54 to 80 months or around 2 to 7 years. With the cost of construction materials inflation rapidly eroding the purchasing power of the public works dollar, project delays can have a significant impact on the overall cost of a construction project.

SAFETEA-LU incorporated a number of process changes designed to speed up the environmental review process, including a 180-day statute of limitations on environmental lawsuits against transportation projects and delegation of certain responsibilities to the states. AGC recommends the reauthorization bill maintain and improve upon these changes.

- Eliminate redundancies in the National Environmental Policy Act (NEPA) process. The NEPA process can require repetitive analysis of issues that have already been address prior to the start of the NEPA process in the planning process or during the development of the draft EIS. Project sponsors should be able to make certain project decisions from planning applicable during the NEPA process, including decisions on purpose and need, general project location, and modal choice.
- Reduce permit process delays. Congress should require greater coordination among federal agencies reviewing transportation permits, including setting time limits for review; using federal transportation funds to pay for regulatory staff to expedite reviews and comply with deadlines; and establishing a Cabinet-level appeal process where the U.S. DOT can resolve disputes.

Improve Employee Safety in Highway Work Zones

Every year over 100 workers die in construction work zones, many the result of being struck by a motor vehicle. Steps need to be taken to provide safeguards to ensure that workers are not put at risk. Provisions ensuring the installation of barriers between construction work zones and traffic lanes in those cases where workers are in danger of being struck by moving traffic should be put in place.

Urban Mobility

Federal policy and programs should support congestion mitigation and improved mobility in urban areas by supporting increased highway capacity and public transportation.

Rural Connectivity

The primary objective of federal investment in small communities and rural areas should be to support connectivity to major economic and population centers.

Freight

A national freight transportation program for identifying and funding federal, state, and metropolitan efforts to ensure adequate capacity, reduce congestions and increase throughput at key highway, rail, waterway, and inter-modal choke points should be established.

Accountability

Project approval and funding should be linked to economic benefits and performance-based outcomes. States and localities should be allowed to pursue solutions that work best locally to meet their unique transportation needs. If those solutions are implemented with federal funding, they should measurably contribute to addressing national interest and goals.

Earmarks

Earmarks can undermine the integrity of federal transportation programs and should be limited if they are not related to transportation infrastructure. Earmarks must meet cost/benefit goals and be included in the state transportation plan.