



NATIONAL CONFERENCE *of* STATE LEGISLATURES

The Forum for America's Ideas

STATEMENT FOR THE RECORD BY
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AND

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Co-Chairs of the Standing Committees, National Conference of State Legislatures

ON BEHALF OF THE
NATIONAL CONFERENCE OF STATE LEGISLATURES

**THE IMPORTANCE OF MAP-21 REAUTHORIZATION: FEDERAL AND STATE
PERSPECTIVES**

TO THE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
UNITED STATES SENATE

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On behalf of the National Conference of State Legislatures (NCSL), a bipartisan organization representing the 50 state legislatures and the legislatures of our nation's commonwealths, territories, possessions and the District of Columbia, we appreciate that Chairman Inhofe, Ranking Member Boxer, and the other distinguished members of the Senate Environment and Public Works Committee have made this hearing a priority. It represents a key step in examining the need for Federal transportation infrastructure investments and the importance of passing a long-term MAP-21 reauthorization as well as a review of MAP-21's successes and those policy areas in need of an update. It is important that all parties, including state legislatures, can work together to ensure a safe and reliable surface transportation system throughout the country.

The federal government plays a vital role in supporting a national surface transportation system that facilitates interstate commerce, fairly and equally addresses the mobility needs of all Americans and meets our national defense needs. NCSL supports the continuation and preservation of a federal-aid surface transportation program that directs spending to national priorities while allowing for state and insular area flexibility in local and regional variations. The federal program should provide states with maximum flexibility in deciding how to generate and leverage transportation revenues and how to use state and federal dollars. The ability of states to maintain flexibility in decision making and comply with environmental and other mandates depends on regulatory flexibility as well as adequate and reliable funding.

Beyond MAP-21

Funding and Financing

Revenues for our transportation system continue to decline with vehicles becoming ever more fuel efficient and changing travel patterns nationwide. The Highway Trust Fund is estimated to become insolvent in only a few months time. The American Society of Civil Engineers estimates America's surface transportation infrastructure faces a funding gap of about \$94 billion a year based on current spending levels. Taking all of this into account, NCSL urges Congress to work closely with states to develop a shared, long-term vision for financing and funding surface transportation systems that will enhance the nation's prosperity and the quality of life of all Americans.

However, based on the current status of the Highway Trust fund, a short term increase in federal highway transportation funding is needed to provide sufficient funding for the next authorization until a new, more stable long-term funding mechanism for surface transportation can be put in place.

The surface transportation system in the United States needs a new vision to guide it beyond the Interstate Highway era into the 21st century and the needs and challenges that lie ahead. NCSL believes that Congress must:

- Migrate the Highway Trust Fund (HTF) from a gas tax to a new national funding stream. A federal trust fund financed by user fees, should be retained as the primary method of funding federal-aid surface transportation programs. It must provide states a sustained, reliable source of transportation funding.
- Examine innovative ways that capture all system users and encourage pilot programs in states for experimentation with approaches, methods and mechanisms. Any system should ensure both the privacy of users and maximum flexibility for states in the use of funds they receive from the HTF.
- Approve the creation of a \$20 million program, with no more than \$2 million available for allocation to any one state, to support state-level pilot programs to explore transportation funding alternatives to fuel taxes.

- Make all funding and financing options available to state legislatures for state and federal-aid programs. Statutory and regulatory barriers to state and locally-granted revenues should be removed, including all current federal restrictions on states' authorities to toll, allowing states to optimize resources for capacity expansion, operations and maintenance while ensuring free flow of goods and people.
- Encourage and expand incentive-based programs in order to spur local and regional transportation innovation in full coordination with state authorities. A comprehensive approach would promote the use of tolling, congestion pricing, public transit, telecommuting, real-time traffic and other advanced technologies (also known as intelligent transportation systems), and other strategies to achieve interstate mobility goals through urban congestion reduction.
- Ensure states have continued flexibility in creating legislative and programmatic frameworks for Public Private Partnerships (PPPs) and full authority to select and engage in PPP projects. While the level of private sector participation is best determined by state and local authorities, federal guidelines should be designed to accommodate private sector support, although private participation should not be a prerequisite for receiving federal funds.
- Continue credit-based and loan guarantee programs, including the Transportation Infrastructure Finance and Innovation Act (TIFIA), Grant Anticipation Revenue Vehicles (GARVEE), private activity bond, and State Infrastructure Bank (SIB) programs, in order to incentivize private sector investment—particularly for freight mobility by rail, highway and waterway—in projects sponsored by the public sector.
- Provide regulatory flexibility in decision making and complying with environmental and other mandates
- Ensure that surface transportation authorizing legislation acknowledges and fully supports the role of passenger rail for ensuring interstate mobility.
- Avoid the expansion of federal-local funding streams without appropriate coordination with state legislatures as these complicate state-local relationships, financial arrangements, and state match expectations for transportation programs.

Performance Management

One of the largest transformations within MAP-21 was a shift to a more performance based program so as to ensure that investments are correctly targeted, as well as increase the accountability and transparency of these investments. As the U.S. Department of Transportation (USDOT) continues this process of implementing the changes required in MAP-21, we urge the department to both recognize and build off of the extensive work states have done with regard to performance management. We also urge the department and Congress to avoid creating additional reporting mandates or implementing lowest-common denominator performance measures that run counter to good asset management practices.

Program Consolidation

MAP-21 also featured a significant restructuring of transportation programs into a smaller set of core programs with the intention that the new structure would give states and other grantees additional flexibility to deliver projects more efficiently. NCSL supports this enhanced programming flexibility in order to meet a multitude of national goals and its continuation in any reauthorization effort.

Project Streamlining

NCSL believes that the federal government has a role to play in ensuring that national environmental policy aligns with national transportation policy, while assuring efficient and cost-effective approaches to both goals. The findings of an August 2011 Congressional Research Service (CRS) report noted that major highway projects can take 10 to 15 years to plan and build.¹ NCSL support efforts that build on the changes included in MAP-21 to streamline regulatory review processes so that construction projects can again be realized on-time and on-budget.

National Highway and Transportation Safety Administration (NHTSA)

MAP-21 consolidated various grant programs from SAFETEA-LU, including impaired driving and motorcycle grants, along with the new graduated driver licenses and distracted driving grants, into the new Section 405 National Priority Safety program. While NCSL supports a continued federal role in helping to set national performance safety goals, NCSL encourages the expansion of safety programs to incorporate emerging safety issues, and opposes the use of

federal sanctions or redirection penalties to enforce federal safety standards. There have been concerns from NCSL members that some of the qualifications for these grants are so high it may be difficult for states to participate. Specifically, it may be difficult for some states to qualify for the new incentive grants for graduated driver licenses and occupant protection. NCSL would be happy to work with the committee in the future to help identify those states that would require legislative changes in order to qualify for these grants.

NCSL appreciates the opportunity to submit testimony of this important issue before the Committee. We respectfully request it be submitted for the record.

Appendices:

NCSL Surface Transportation Federalism Policy Directive

¹ Congressional research Service. "Accelerating Highway and Transit Project Delivery: Issues and Options for Congress." August 3, 2011. Accessed from : <http://bit.ly/CRS080311>