

SUPPORT MATERIAL FOR AGENDA ITEM No. 29

Board of Directors

October 3, 2012
10:30 a.m.

Location:

San Bernardino Associated Governments
Santa Fe Depot – SANBAG Lobby 1st Floor
1170 W. 3rd Street, San Bernardino, CA

DISCUSSION CALENDAR

Council of Governments

29. Federal Legislative Presentation

Receive presentation by Steve Palmer, SANBAG's Federal Advocate.
Eric Haley

PowerPoint material that covers key points of the Moving Ahead for Progress in the 21st Century (MAP-21) transportation bill.



Federal Update

San Bernardino Associated Governments

October 3, 2012



Moving Ahead for Progress in the 21st Century Act (MAP-21)

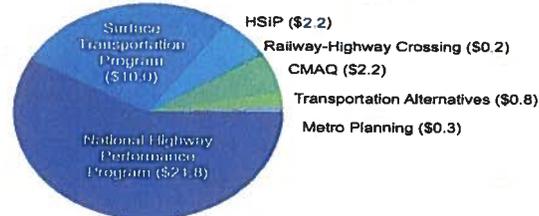


- Authorizes funding for highway/transit programs for FY 2013-14 at approximately current levels
- Focus on performance
 - States and MPOs will be held accountable for improving condition and performance of their transportation assets
- Ban on earmarks continued
- Accelerates project delivery and promotes innovation
- Existing gas tax continued
 - No consensus for long-term funding solutions



Federal-Aid Highway Programs

\$37.7 billion/year in formula funding



Note: Amounts in \$ billions; individual program amounts do not add exactly to total due to rounding

Source: FHWA



National Highway Performance Program

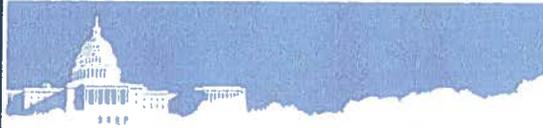


- Combines programs for greater local flexibility
 - Interstate Maintenance, National Highway System, Highway Bridge Program
- \$21.8 billion authorized
 - More than half of highway formula funding
- Congressional intent to focus on state of good repair, program consolidation
- States required to develop risk-based asset management systems for pavement and bridges



Congestion Mitigation and Air Quality

- \$4.4 billion annually to reduce emissions in maintenance and non-attainment areas
- In PM 2.5 nonattainment areas, states must prioritize projects proven to reduce PM 2.5, including diesel retrofits
 - States may also elect to fund retrofits for construction equipment, but this is not a requirement
- New performance measures
 - States must assess traffic congestion and on-road mobile source emissions
 - Large MPOs (1 million pop.) must develop/update plan to achieve air quality and congestion reduction targets



Goods Movement

- No funding for a freight grant or formula program
- DOT required to develop a National Freight Strategic Plan
- DOT to designate a new National Freight Network
 - 27,000 miles of highways critical to the movement of freight
- States encouraged to develop freight plans and advisory committees
- Increased federal share for freight projects included in a state plan
 - 95 percent for Interstate projects
 - 90 percent for other projects



Performance Measures

- New national performance goals established
 - **Safety:** Reduce traffic fatalities/injuries
 - **Infrastructure Condition:** Maintain state of good repair
 - **Congestion:** Significantly reduce congestion on NHS
 - **System Reliability:** Improve transportation efficiency
 - **Freight Movement and Economic Vitality:** Enhance access to markets and support economic development
 - **Environmental Sustainability:** Enhance system performance while protecting the natural environment
 - **Reduce Project Delivery Delays:** Reduce project costs, promote jobs, and expedite movement by speeding project completion



CEQA

Accelerating Project Delivery

- Makes permanent NEPA delegation to state
 - Extends it to all states
 - Authority expanded to transit, rail, multi-modal projects
- New exclusions from NEPA process for projects
 - Within the operational right-of-way
 - Impacted by emergencies and disasters
 - With less than \$5 million in federal funds
 - With total project costs of less than \$30 million with less than 15 percent federally funded
- Right-of-way acquisition allowed prior to completion of NEPA
 - Provided that it does not have an adverse impact



Innovative Finance/Tolling

TIFIA Credit Program Overview



- TIFIA - Provides loans and loan guarantees
 - Funding substantially expanded
 - \$750 million in FY 2013 (\$122 million in FY 2012)
 - Can finance up to 49 percent of project cost
 - New selection criteria
 - Creditworthiness
 - Ability to pay back loans
- Tolling
 - Expands ability of states to use federal funds to
 - Reconstruct and then toll Interstate highways
 - Construct and toll new non-Interstate highways



Federal Transit Programs



- Funding from Highway Trust Fund preserved
- Federal formula funding increased
- Discretionary bus grant program eliminated
 - Replaced with a smaller formula program
- New Starts/Small Starts program streamlined
- New requirements for transit agencies
 - Must develop transit asset management plan
 - Must develop system safety plan



What is the Fiscal Cliff?



- Budget sequestration
 - \$110 billion to be cut on Jan. 2, 2013
 - 9.4 percent from defense programs
 - 8.2 percent from non-defense programs
 - Minimal impact on Highways/Transit
 - Highway Trust Fund program are exempt
- Lame duck congressional options
 - Cut \$1.2 trillion in spending to avoid sequester
 - Pass short-term extension until next year
 - Do nothing. \$110 billion cut from federal spending
- Expiring tax cuts will be addressed next year
 - Comprehensive tax reform planned