

WHAT'S AHEAD FOR THE FEDERAL AID HIGHWAY PROGRAM?

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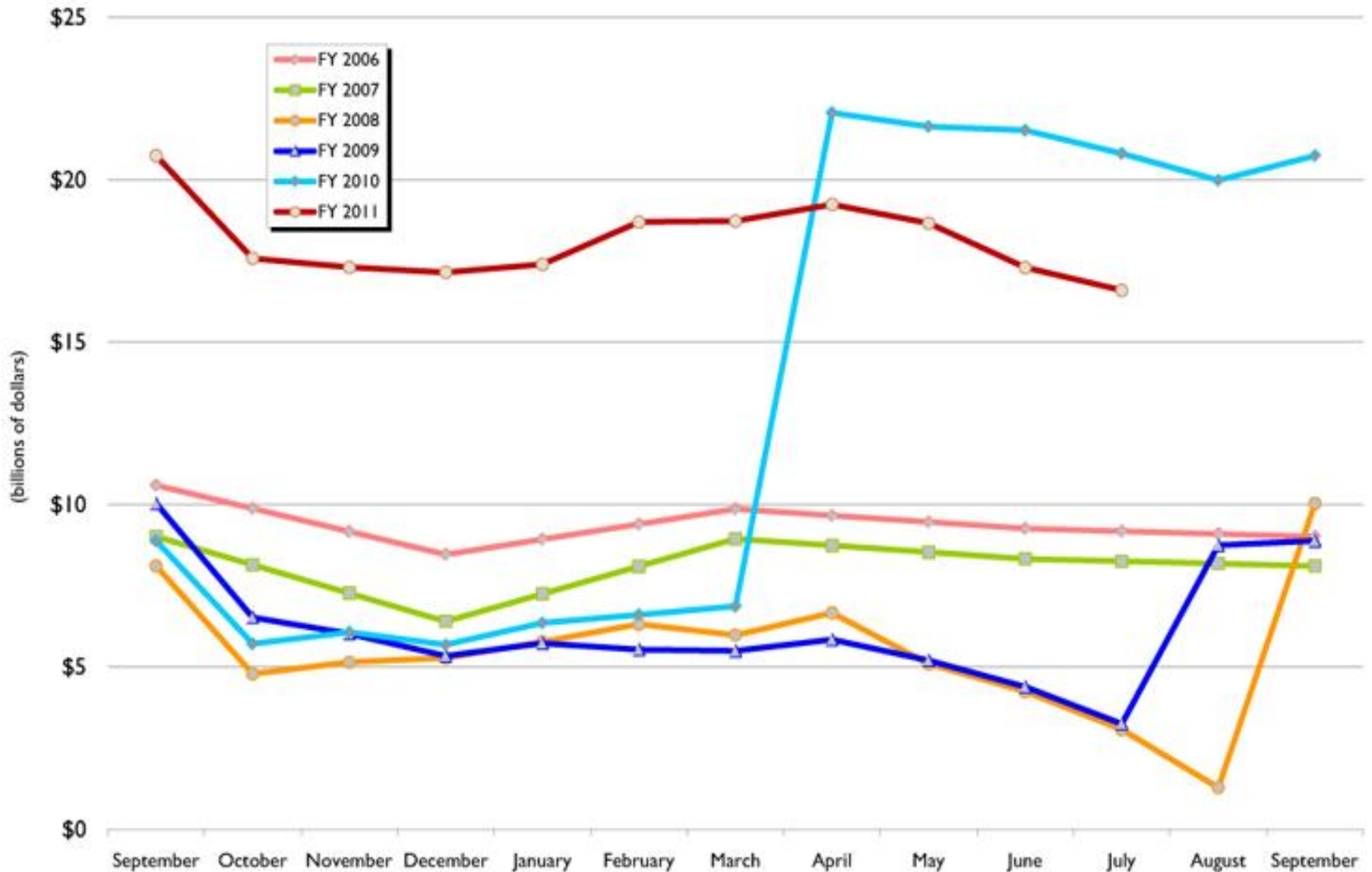
September 20, 2011

Current Law: SAFETEA - LU (expired 9/30/09)





Highway Account Balance

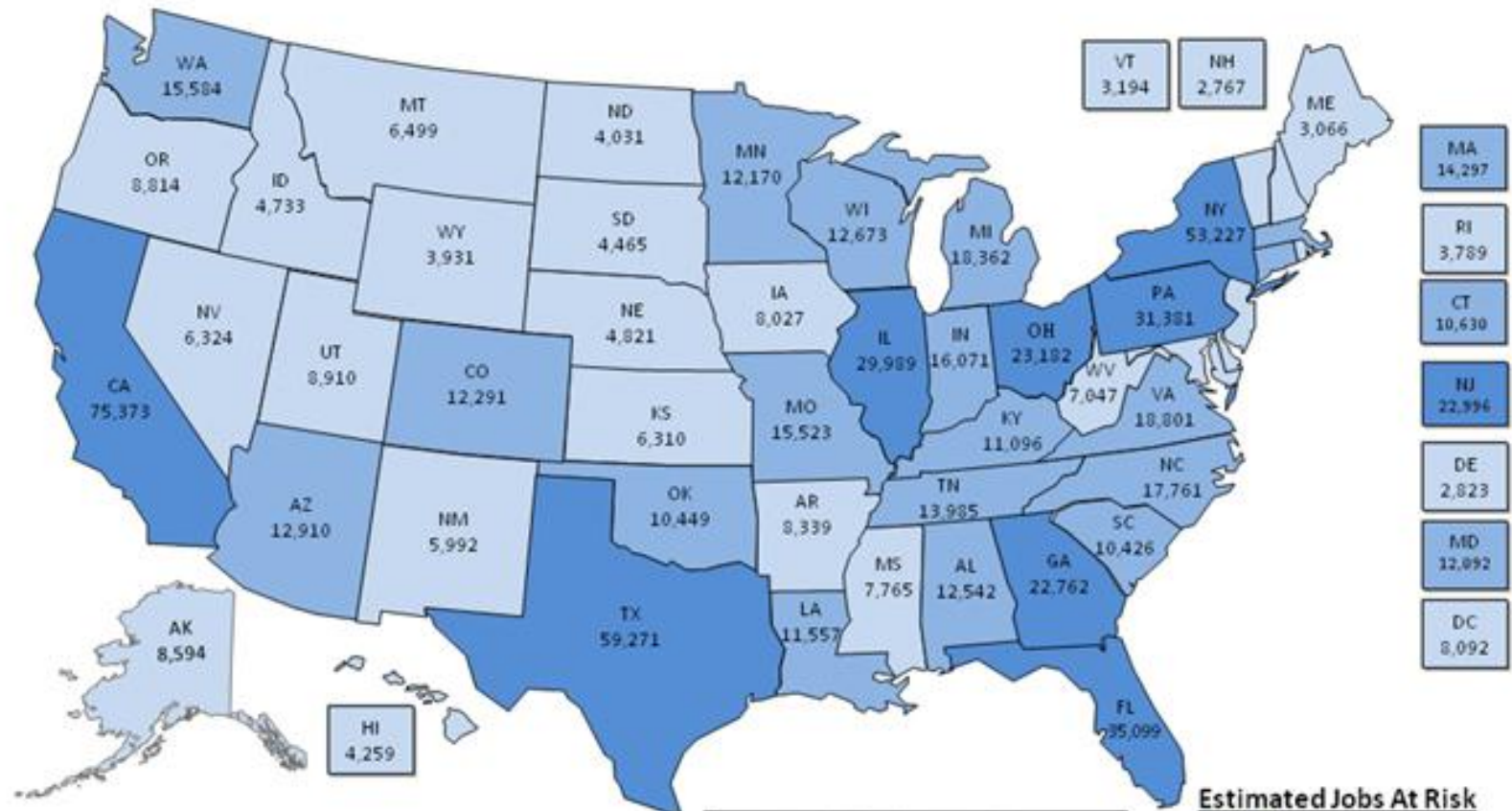


Ending balance for FY 2008 includes \$8.017 billion transferred from the General Fund in September pursuant to Public Law 110-318.

Ending balance for FY 2009 includes \$7 billion transferred from the General Fund in August pursuant to Public Law 111-46.

Ending balance for FY 2010 includes \$14.7 billion transferred from the General Fund in April pursuant to Public Law 111-147.

Impact of Surface Transportation Expiration



Note: An additional 102,000 jobs on highway and transit projects in US territories and high priority regional projects as well as administrative jobs are at risk

Estimated Jobs At Risk

- > 20,000; 9 States
- 10,000-20,000; 19 States
- < 10,000; 23 States

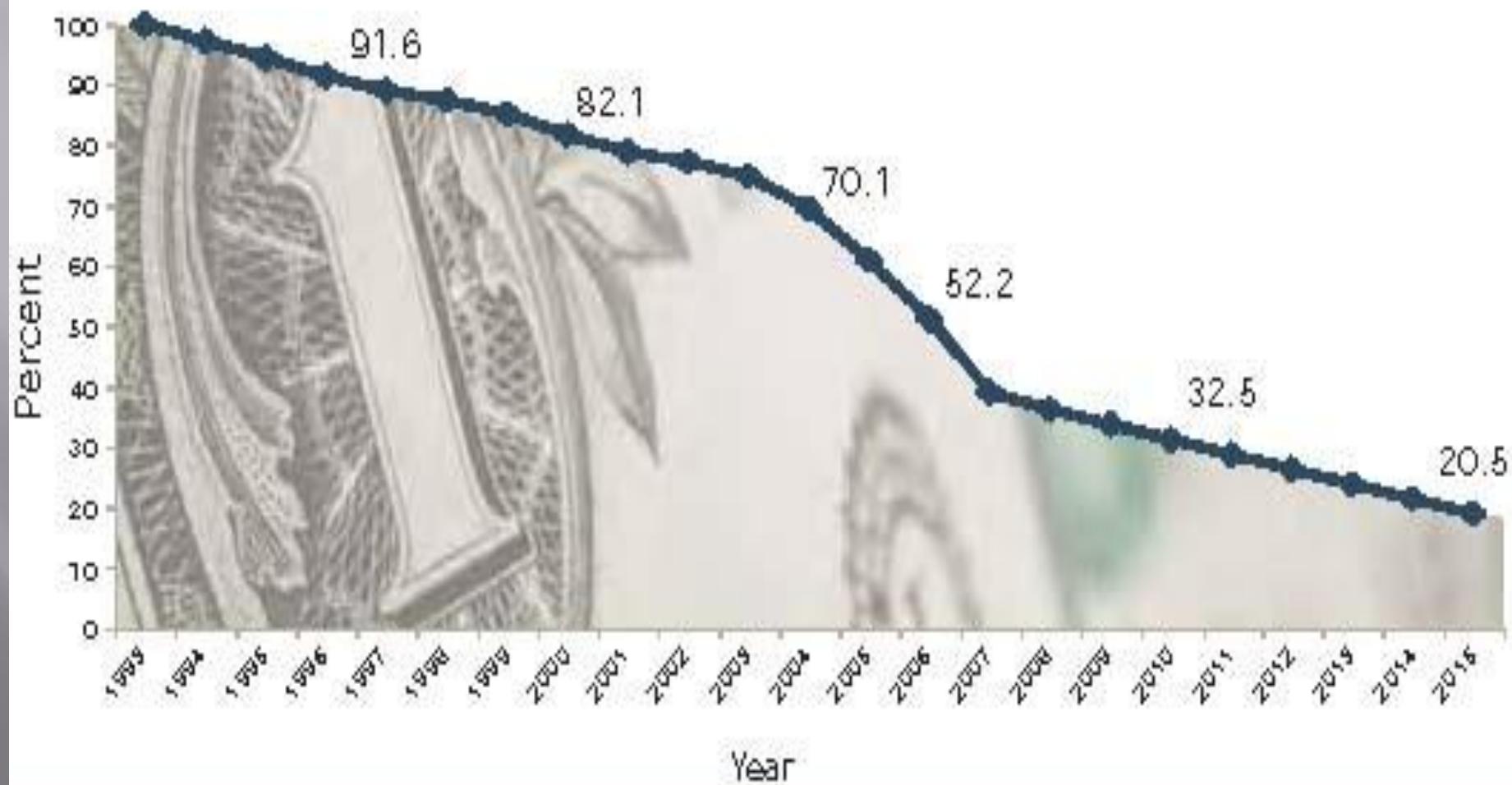
Issues

- ▣ HTF Revenues – Yearly Extensions
- ▣ Areas of Agreement
 - Federal Role & Big Needs
 - Simplification & Streamlining
 - Performance Based Programs
 - Good Investment Decisions
 - Focus on Safety and Congestion
 - Rural and Urban Balance
 - Transition to a Sustainable User Charge System

Challenges

- Size of the Program, Size of the Slices
- Funding Mechanism
- Scope of the Federal Interest
- Setting Performance Objectives
- How to Apply B/C (Benefit-Costing) Consistently
- Appropriate Role of Tolling and P3's

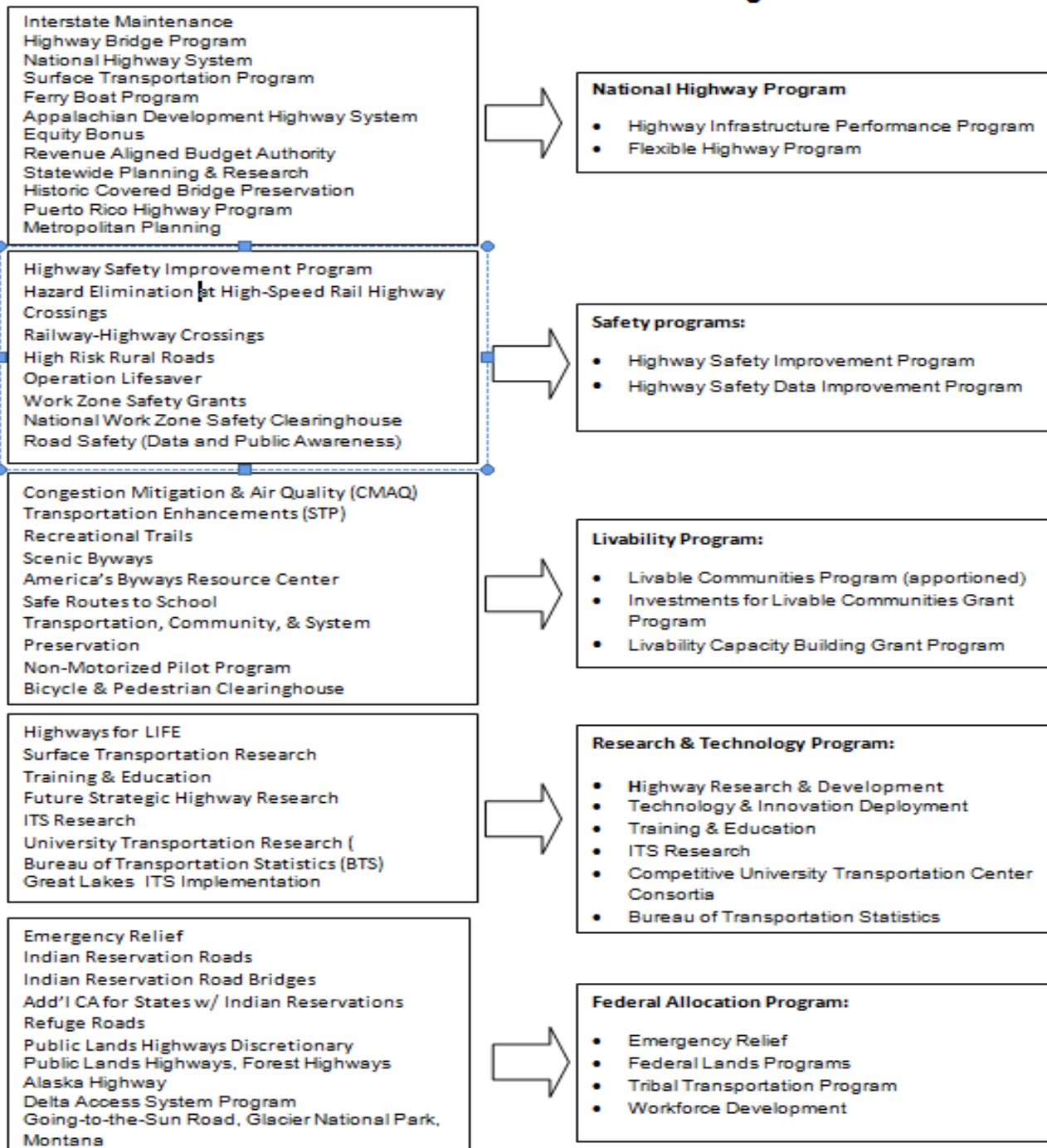
Shrinking Transportation Dollar 1993-2015



Highlights of Budget Proposal

- Proposal provides funding to:
 - Modernize our highway system and create jobs.
 - Focus investment on safety, state of good repair, and livability.
 - Establish a performance-based highway program.
 - Encourage innovations that will shorten project delivery and accelerate the deployment of new technologies.
 - Simplify the highway program structure by consolidating over 55 programs to 5 core programs.

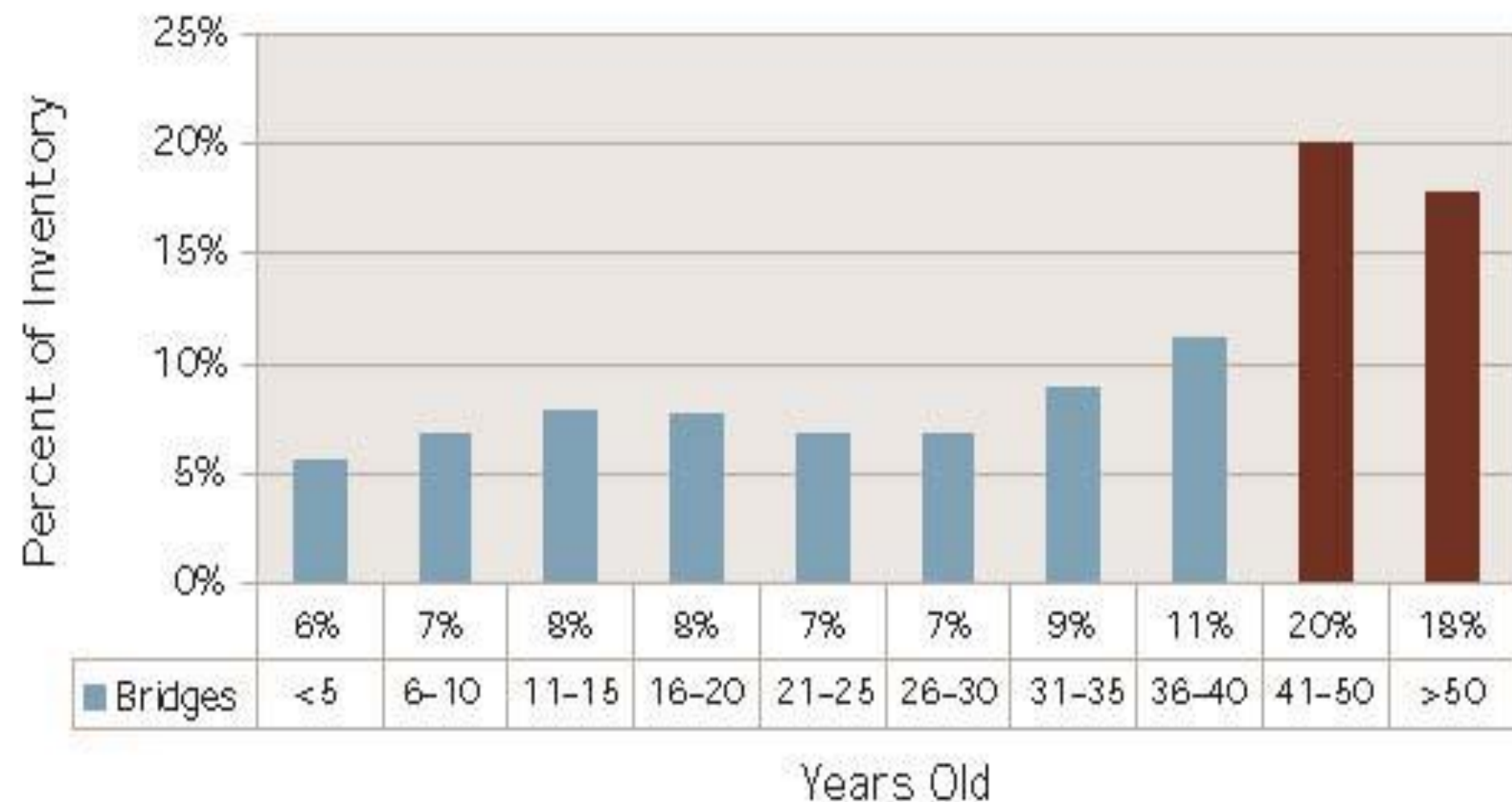
FHWA Crosswalk to Consolidated Programs



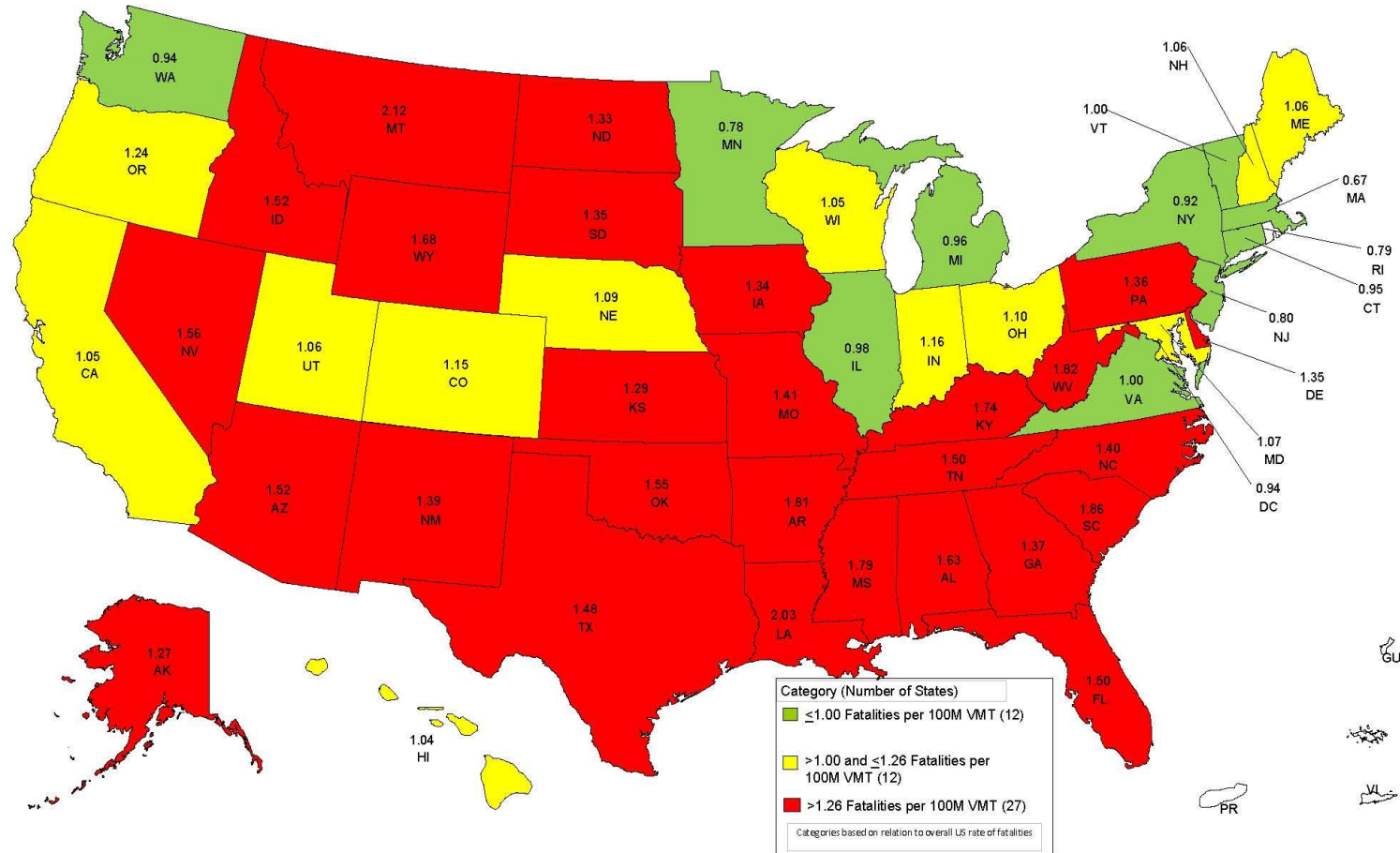
National Highway Program

- Targets investment to maintain state of good repair and operational performance on roads critical to national interest.
- Provides flexibility to the States for making transportation investment decisions on the larger system of Federal-aid eligible highways.
- Streamlines and consolidates portions of several existing programs including Interstate Maintenance, National Highway System, Highway Bridge, Surface Transportation Program

Age of U.S. Bridges



2008 Fatality Rate per 100 Million VMT



Pavement Smoothness

Year	2007	2008	2009	2010	2011	2011 Target
Percent of VMT on the NHS with good to very good ride quality	57%	56%	57%	58%	**	>59%



Enhanced National Highway System

- Redefines the NHS as 220,000-mile network that includes:
 - Interstate System
 - All principal arterials,
 - Intermodal connectors
 - Other roads important to strategic defense policy
- Expands network that would carry 55% of all traffic and 97% of all truck-borne freight.
- Consistently defined network of national interest that would operate as a cohesive highway system to support interstate commerce and economic competitiveness.

Role of Freight and Intermodalism



Making Tracks

Rail corridors that are being built up in the current expansions, which started in 2000, and the cost

Company, corridor name	Cost
Burlington Northern Santa Fe 'Transcon'	\$2 billion
CSX 'Southeast Corridor'	\$250 million
Kansas City Southern 'Mexico Corridor'	unavailable
'Meridian Speedway'	\$300 million
Norfolk Southern 'Crescent Corridor'	\$2 billion
Norfolk Southern 'Heartland Corridor'	\$260 million
Union Pacific 'Sunset Corridor'	\$2 billion



*Meridian Speedway is co-owned by Kansas City Southern and Norfolk Southern

Sources: the companies (improvement costs); GeoNova (rail lines)

Reauthorization Priorities of the Obama Administration

- ▣ Safety
- ▣ Livable Communities
- ▣ State of Good Repair
- ▣ Economic Competitiveness
- ▣ Environmental Sustainability

What's Going
On Today!?

SAFETEA – LU

- ▣ Extended to March 2012
- ▣ “Clean” Extension
- ▣ House or Senate?

AMERICAN JOBS ACT

\$50Billion

FHWA "Every Day Counts"

☐ Technologies



- Warm Mix Asphalt



- Safety Edge



- Adaptive Signal Control



- Prefabricated Bridge Elements and Systems

- Geosynthetic Reinforced Soil

FHWA "Every Day Counts"

▣ Accelerating Schedule



- Design-Build
- Construction Manager/General Contractor
- Enhanced Assistance for Stalled EIS's
- In-Lieu Fee and Mitigation Banking
- Clarifying Scope of Preliminary Design
- Planning and Environmental Linkages
- Flexibility in Right of Way
- Expanding Use of Programmatic Agreements
- Legal Sufficiency Enhancements
- Flexibility in Utility Relocation/Accommodation



Transportation: At a “Cross Roads”

- ▣ Can't avoid hard choices
- ▣ Bumps in the Road



