2012 Southern Legislative Conference
**REMARKS**
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Good morning and welcome to Charleston! I would like to begin by thanking the organizers of the conference for the invitation to join you this morning. It is an honor and I thank you.

On July 6, 2012, President Obama signed into law the Moving Ahead for Progress in the 21st Century Act, commonly known as MAP-21.

Funding surface transportation programs at over $105 billion for fiscal years 2013 and 2014, MAP-21 is the first long-term highway authorization enacted since 2005.

MAP-21 represents a milestone for the U.S. economy.

It provides needed funds and, more importantly, it transforms the policy and programmatic framework for investments to guide the growth and development of the country's vital transportation infrastructure.

Under MAP-21, State's federal apportionment remains as it has been for the past few years.  For fiscal years 2012 and 2013, West Virginia's annual federal apportionment is $423.3 million dollars. In fiscal year 2014, there is a slight increase in apportionment, allocating approximately $427 million in federal highway funds to the Mountain State.

In addition to maintain recent funding levels, MAP-21 creates a streamlined, performance-based, and multimodal program to address the many challenges facing the U.S. transportation system.

These challenges include improving safety, maintaining infrastructure condition, reducing traffic congestion, improving efficiency of the system and freight movement, protecting the environment, and reducing delays in project delivery.

After working for years for a transportation bill, state transportation departments now have the opportunity to implement many of the provisions of new the legislation.
The passage MAP-21 allows state DOTs to begin implementing the provisions of the bill, a welcome change from operating on a series of short-term extensions offering little certainty for projects.

MAP-21 consolidates highway and transit programs. The highway program is restructured by eliminating or consolidating approximately 60 programs with much of the funding going to four core formula programs.
It establishes a new Transportation Alternatives Program to consolidate and replace the Transportation Enhancements, Safe Routes to School and Recreational Trails programs.
The Transportation Alternatives Program will be a two percent set aside of apportioned funds.

The new legislation expands the availability of innovative finance mechanisms and leverages financing mechanisms by expanding and enhancing the TIFIA Program that with a ten to one leverage, could finance projects totaling as much as $18 billion.

It makes available $750 million in fiscal years 2013 and 2014. And in fiscal year 2014 $1 billion will be available. That's quite a leap from the mere $122 million authorized by SAFETEA-LU.

It also increases the amount of a project's cost that can be funded with loans and guarantees a maximum of 49 percent - up from the current 33 percent.

Of the amounts available for the TIFIA program, not more than 10 percent must be set aside for rural infrastructure projects, defined as any surface transportation project located in any area other than a city with a population of more than 250,000 inhabitants within the city limits, and the eligible project cost floor is lowered from $50 million to $25 million for rural projects.

It requires projects to satisfy certain creditworthiness standards in order to be eligible for assistance, includes a project readiness eligibility standard requiring an applicant to demonstrate that they can begin the contracting process for construction within 90 days of when the Federal credit instrument is obligated.

The legislation requires firm deadlines for evaluating and processing applications for assistance, sets a rolling approval process and allows private funding as a part of the repayment system.

It also provides an allowance to reduce or “buy down” interest rates to reduce costs to borrowers and expands the repayment period from 35 years to the life of the asset.

A funding mechanism that many states have implemented and expanded in these tough financial times, MAP-21 expands and enhances the ability of states to use tolling as revenue generator to construct new capacity, reconstruct, restore or rehabilitate highways on the interstate system, provided that the number of toll-free non-HOV lanes does not decrease as a result of the construction.

It expands the ability of states to use federal funds to construct and toll new capacity of highways not on the interstate system, provided that the number of toll-free lanes does not decrease as a result of the construction; permits reconstruction of a toll-free bridge or tunnel and conversion of the bridge or tunnel to a toll facility; permits reconstruction of a toll-free federal-aid highway not on the interstate and conversion of the highway to a toll facility; and removes provisions that reduced highway formula funds for states that sell or lease toll facilities to private companies.

MAP-21 also requires performance measures and greater accountability of state DOTs. MAP-21 establishes national goals in seven areas – Safety, Infrastructure Condition, Congestion Reduction, System Reliability, Freight Movement and Economic Vitality, Environmental Sustainability, and Reduced Project Delivery Delays.

USDOT is responsible for establishing performance measures in consultation with state DOTs, MPOs, transit agencies, and stakeholders for:

- National Highway System bridge performance and condition
- Serious injuries and fatalities
- Traffic Congestion and on-road mobile source emissions
- Freight movement-related measures
- Transit safety and state of good repair

States are required to establish these performance targets in coordination with MPOs and transit operators for the measures within one year after the establishing them.

MPOs are required to establish performance targets in coordination with the State and transit operators within 180 days after the adoption of targets by the State or transit operator

Performance measures and targets must be incorporated into long-range and short-term programming processes. Long-range plans, TIPS and STIPs must show the progress that is expected to be achieved by planned decisions and investments.

USDOT will evaluate the appropriateness of state targets and the progress that the state is making in achieving performance targets. State and MPO long-range plans will include System Performance Reports that describe the progress made toward achieving performance targets.

USDOT will establish minimum condition levels for all highways on the interstate system and bridges on the National Highway System.

MAP-21 also modernizes the metropolitan and statewide planning process by moving to a performance-based approach. States are required to develop their long range plans in cooperation with, rather than in consultation with, transportation officials in non-metropolitan areas.

Consultation with non-metropolitan officials is retained for the STIP.

The new legislation provides further reforms to accelerate project delivery, including many reforms that the State DOTs have long advocated.

It expands flexibility to undertake activities prior to the completion of NEPA, design and the acquisition of real property.  Federal funds can be used for early right-of-way acquisition.

In addition, the statute of limitations for judicial challenges is reduced from 180 days to 150 days.

Highway safety Improvement Program funding is doubled, and most existing SHIP requirements are retained.  USDOT will establish HSIP performance measures for fatalities and serious injuries per vehicle miles travelled and in total.

States must update their Strategic Highway Safety Plans and the penalty for failing to update is ineligibility for receiving any August redistribution funds.

While this legislation is much more favorable than continuing federal extensions, for West Virginia and many states MAP-21 funding is not a magic bullet.

Many states across the nation are struggling to balance budgets and create new sources of revenue at a time when their citizens are themselves struggling financially.

In West Virginia, only 30 percent of our state roadway mileage of 36,000 is eligible for federal funds. While MAP-21 secures funding for that 30 percent of West Virginia's state highway system, how to generate increased revenue for the 70 percent that are not eligible is West Virginia's greatest transportation challenge.

Many options are currently being debated nationwide, from bonding, to tolling, to increases in existing taxes to the implementation of new ones to cover the funding gap.

West Virginia is not alone in and will not solve these issues alone.

It takes input and advocacy from groups just like this to increase awareness and build the highway system each state deserves.

I thank you for giving me the opportunity to give a voice to the issues discussed this morning.  I am happy to take any questions you may have.

Thank you, again.