

VIEWPOINTS | 2012

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Transportation bill focuses needed attention on infrastructure

We in the industry recognize the tremendous effort put forth by members of Congress to overcome political differences and find common ground to pass this important legislation.

While state departments of transportation and related industries are applauding Congressional adoption of a 27-month transportation authorization and funding program that moves the nation's transportation policy in the right direction, the real question that still remains unanswered is how will our nation pay for transportation in the future? After almost three years of wrangling and multiple extensions "Moving Ahead for Progress in the 21st Century Act," or MAP-21, uses 10 years of savings and new revenues to pay for essentially a two-year bill. Clearly, this is not sustainable.

MAP-21, given the poor outlook for gas tax collections, is a remarkable bi-partisan effort between the House and Senate that provides more than \$120 billion to fund the two-year transportation bill. This is a positive indication that Congress understands the importance of transportation to our economy and the daily lives of all Americans. A \$120 billion investment sounds huge, however, it is an actual decline from Fiscal Year 2009.

Beyond the funding levels, there are numerous positive elements to MAP-21. They are:

States get more flexibility in administering the program

The bill consolidates the existing interstate maintenance, National Highway System and highway bridge programs, while increasing the percentage of federal transportation funding apportioned to these programs. This gives states more flexibility to choose where to spend limited dollars, including projects that fall outside the NHS.

TIFIA funding is increased

The bill significantly increases funding for Transportation Infrastructure Finance and Innovation Act programs and allows TIFIA to fund up to 49 percent of a project. These changes will quickly convert dozens of state projects from "on-hold" to "full-steam-ahead" status. And, it makes many previously thwarted P3 and tolling projects financially viable—critical components of any longer-term solution.

A streamlined review process

The bill establishes a coordinated process for federal agency review of the planning process to deliver projects faster. It sets deadlines for approvals and lays out an efficient arbitration process for resolving disputes.

Renewed interest in freight movement

It recognizes that freight movements are critical to our economic competitiveness and requires freight routes be designated and calls for a national strategic plan for these corridors; the bill adds freight movement to the NHS, ensuring that freight movement is on the table when important funding decisions are made.

With all this good news, the big issue that still remains is where and how to find a sustainable revenue stream to fund a rapidly aging and increasingly congested transportation system. MAP-21 provides some breathing room, however, we must continue to work with our elected officials and the public to increase our investment into the Highway Trust Fund in preparation for the next deadline in 2014. America deserves a long-term, well-funded transportation plan that includes multiple modes of travel.

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