

Federal Legislative Update

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Federal Transportation Policy at a Crossroads

- Needs outpacing current level of investment
- Financial backbone of surface transportation program is broken
- Unclear federal role in the future
- Lack of a comprehensive funding solution

Three Key Questions

- How to structure decision making about transportation infrastructure?
- How much money to spend?
- How to pay for that spending?

Surface Transportation

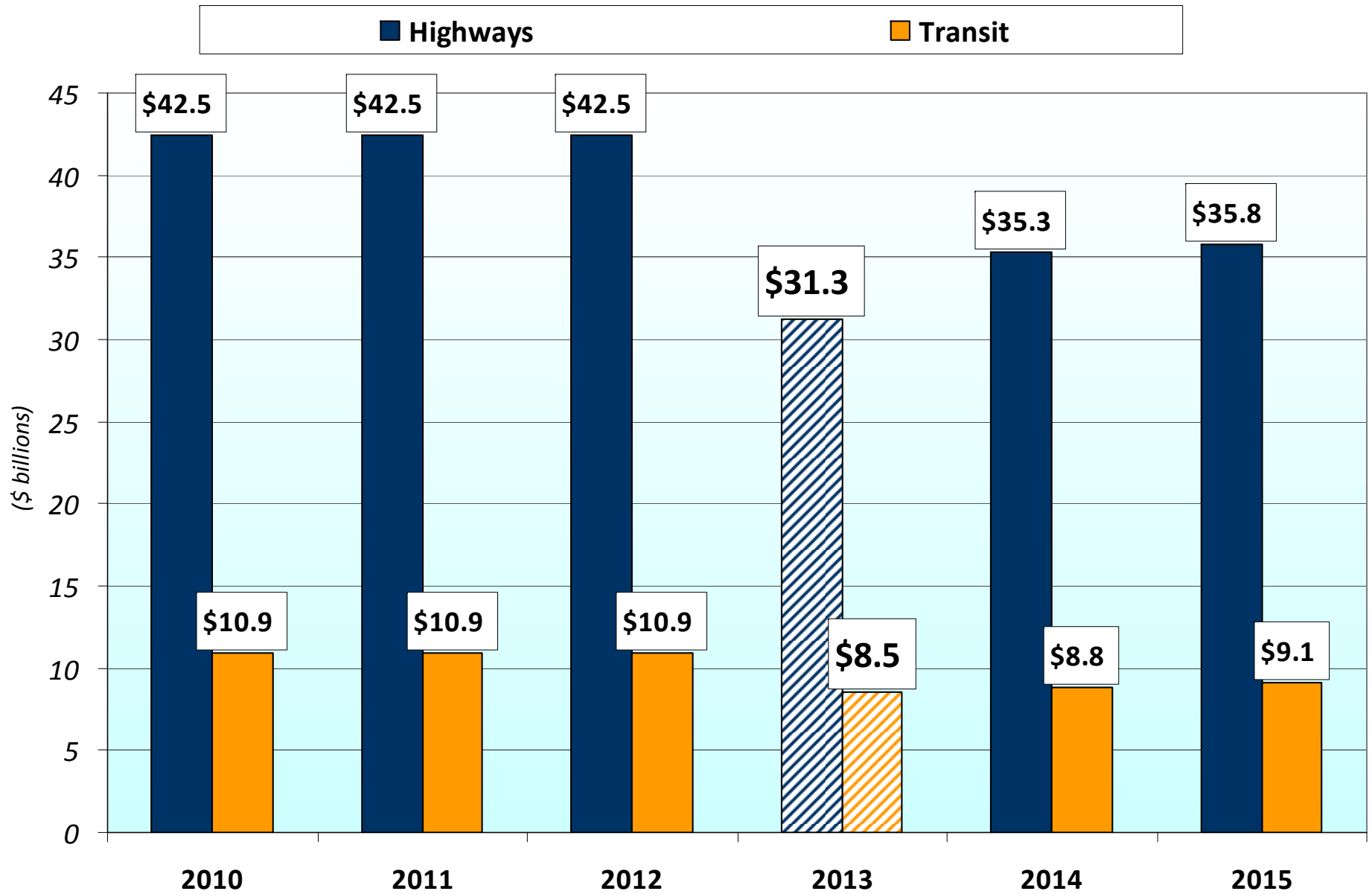
Reauthorization: Consensus Principles

- Reauthorizing the current program is not a solution
- System demands are outpacing current investments
- Need for new vision, reform
- Performance-based, outcome-driven program
- Fuel tax needs to be supplemented, and eventually replaced, with a more sustainable revenue source
- Support for a variety of funding mechanisms, most based on the user pay principle

NCDOT Reauthorization Priorities

- Maintain the solvency of the Highway and Transit Trust Funds
- Increase North Carolina's Rate of Return
- Reduce the number of federal-aid programs to simplify the process
- Streamline and expedite program and project approval

Estimation of Reduced Program Spending Beyond 2012



Surface Transportation Program Size

Estimated Revenues	SAFETEA-LU	Administration Proposal
\$232 billion over six years	\$286 billion over six years	\$556 billion over six years

Obama Administration's Reauthorization Proposal

- Introduced with FY 2012 budget request
- Includes upfront \$50 billion in spending
- Goals of six-year reauthorization:
 - Strengthening our infrastructure
 - Spurring innovation
 - Ensuring safety
 - Reforming government and exercising responsibility

Obama Administration's Reauthorization Proposal

- New Transportation Trust Fund: highways, transit, high-speed passenger rail, and a National Infrastructure Bank
- Consolidation of Programs
- No specific recommendations for funding new investments
- Priority on High Speed Rail at \$53 billion over six years

Obama Administration's Reauthorization Proposal

- Upfront \$450 million investment in TIFIA Program for FY 2012
- Focus on discretionary decision making within USDOT
- Fix-it-first emphasis for highway and transit grants
- Emphasis on performance-based highway program in areas of safety and state of good repair

Congressional Outlook

House Transportation and Infrastructure Committee

Goals:

- Stabilize the Highway Trust Fund
- Recapture unspent federal funds
- Increase innovative financing options
- Streamline programs to speed up project delivery

Move to “Do More with Less”

Congressional Outlook

- Senate moving at slower pace
- Current culture of budget cuts and deficit reduction
- Future of Earmarking?
- Action hampered by lack of funding options

Where Do We Go From Here?

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