

Authorization Status Report

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Factors affecting the substance and timetable for authorization

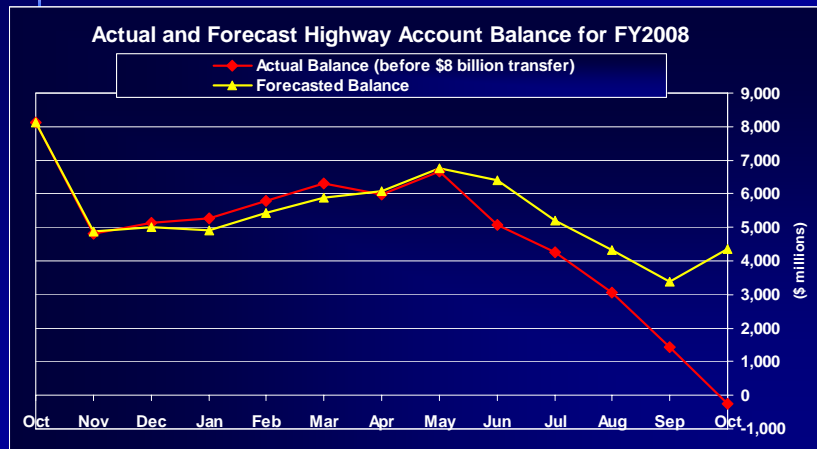
- Precarious status of the HTF
- Tough decisions about financing
- Need for major restructuring of the program
- Fall elections
 - Views of the "Big 4"
 - Committee jurisdictions

How large do you think our next authorization will be?

1. Less than \$300 billion?
2. \$300 - \$400 billion?
3. \$400 - \$450 billion?
4. \$450 - \$500 billion?
5. Over \$500 billion?

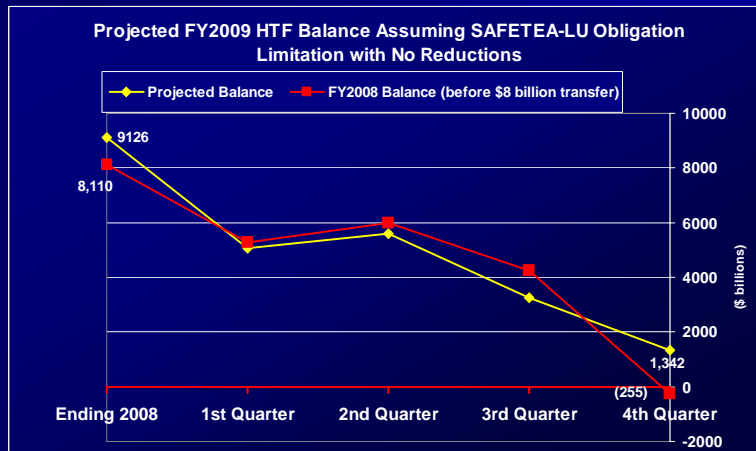


Actual and forecasted Highway Account balance FY 2008



Status of the Highway Trust Fund

Projected FY09 ending balance of \$1-\$2 billion, but. . .
we could again experience cash flow problems



“Transportation Infrastructure Reform Act” (TIRA)

Reform Proposal Guiding Principles

- Reform and restructuring, not reauthorization
- A more focused Federal role
- Consolidation/Streamlining of federal programs
- Highway and transit funds combined to address metropolitan mobility

“Transportation Infrastructure Reform Act” (TIRA)

Reform Proposal Guiding Principles

- Increased State flexibility
- Accompanied by increased accountability
 - Benefit-cost analysis
 - Performance measures
- Encouragement of Public-Private Partnerships
- Direct pricing of road use (Congestion and demand management)
- More effective environmental stewardship

“Transportation Infrastructure Reform Act” (TIRA)

- Federal Interest Highway (“FIH”) Program
- Metro Mobility (“MM”) Program
- Mobility Enhancement (“ME”) Program
- Public Private Partnership
- Pilot program for States to opt out of the Federal-aid Highway Program
- Tolls and direct pricing of road use

“Transportation Infrastructure Reform Act” (TIRA)

- Transition toward a sustainable user charge system (VMT tax)
- Performance-oriented pilot (“POP”) Program
- NEPA process reforms

Status of the Administration’s Reform Proposal

- Legislative language drafted and in circulation
- Additional inter-agency work proceeding on environmental provisions
- Goal to clear the entire proposal within the Department
- Clear portions of the proposal through OMB

Fundamental need for reform

- SAFETEA-LU funding levels cannot be sustained without a tax increase
 - Need to mainstream innovative financing
- Proliferation of programs
 - 102 highway and transit programs
- Excessive earmarking
 - 5,634 earmarks in SAFETEA-LU
 - Many more in appropriations bills
 - \$10 billion in unobligated earmarks at end of FY2007
- Process, not outcome-based program
 - Lack of accountability for federal funds

When do you think the next 6-year reauthorization bill will be completed?

1. By September 30, 2009
2. By September 30, 2010
3. By September 30, 2011
4. By September 30, 2012
5. Never



Questions?

- Note: The Steelers are playing the Redskins on Monday night football. Game time 8:30.

