

Committee on
Transportation & Infrastructure

108th Congress

Wednesday March 31, 2004

H.R. 3550

**Transportation Equity Act:
A Legacy For Users**



EXECUTIVE SUMMARY

TRANSPORTATION EQUITY ACT: A LEGACY FOR USERS (TEA LU)

- **TEA LU** reauthorizes the federal highway, public transportation, highway safety, and motor carrier safety programs for 6 years, from fiscal years 2004 through 2009.
- **TEA LU** provides a total of \$275 billion in new funding.
- **TEA LU** will continue and protect existing U.S. jobs in the transportation sector and related industries. 1.7 million new jobs will be created and sustained by the infrastructure funding increases in the House Transportation Committee bill.

COMPARISON OF OBLIGATION LIMITATION FUNDING TOTALS BY AGENCY *(IN MILLIONS)*

AGENCY	TEA 21	SAFETEA	TEA LU
FEDERAL HIGHWAY ADMINISTRATION	\$158,000	\$195,060	\$217,425
FEDERAL TRANSIT ADMINISTRATION	\$41,000	\$45,810	\$51,529
FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION	\$1,300	\$2,830	\$2,871
NATIONAL HIGHWAY TRAFFIC SAFETY ADMIN.	\$1,700	\$3,415	\$3,175
TOTAL	\$202,000	\$247,115	\$275,000

CONGESTION RELIEF

PROBLEMS:

- Annually, congestion costs American drivers:
 - \$67 billion in lost productivity and wasted motor fuel.
 - 3.6 billion hours of delay each year.
 - 5.7 billion gallons of wasted motor fuel.
- Congestion costs the averaged traveler who drives during peak periods \$1,160 a year.
- The average driver is losing more than a week and a half of work (62 hours a year) sitting in gridlock.
- Traffic congestion affects 33 percent of all travel on America's major roadways.

RESPONSE:

H.R. 3550 – TEA LU creates a Congestion Relief Program which requires states to focus resources on the congestion problems on their roadways.

- **TEA LU's** Congestion Relief Program implements new state spending requirements for projects that increase motor vehicle travel reliability, maximize roadway capacity and efficiency, and remove bottlenecks.
- **TEA LU** establishes a linkage between the existing Congestion Management Analysis and what projects get built.
- **TEA LU** establishes time periods for completion of Congestion Relief projects.
- **TEA LU** ensures that states utilize Congestion Relief technologies to make roadway travel safer and more reliable.
- **TEA LU** Congestion Relief provisions will help highway managers squeeze more capacity from our existing highway investments while empowering them to build projects and conduct analyses that will also recapture unused capacity.

SAFETY

PROBLEMS:

- More than 42,000 Americans are killed and 3.3 million are seriously injured each year on the Nation's highways.
- Nearly 1/3 of all fatal crashes each year are caused by substandard road conditions and roadside hazards.
- Motor vehicle crashes cost the United States \$231 billion annually, including \$21 billion from Federal and State tax revenue.

RESPONSE:

- **TEA LU** creates a new core program for highway safety infrastructure improvements with funding levels more than double the levels in TEA 21.
- **TEA LU** creates a new High Risk Rural Road Safety Improvement Program, which targets funding for safety improvements on rural two-lane roads. About 61 percent of all highway-related fatalities occur on rural roads.
- **TEA LU** provides a 28 percent increase in funding for NHTSA highway safety formula grants to support a full range of state safety programs including, impaired driving programs, occupant protection programs, motorcycle safety, police traffic services and roadway safety.
- **TEA LU** provides \$655 million in incentives to states to strengthen their occupant protection programs. TEA 21 provided \$68 million over the life of the bill for these activities.
- **TEA LU** creates a new Safe Routes to School program which provides \$1 billion over six years in formula funding to states to encourage communities to adopt strategies and fund projects designed to allow children to walk and bike to school safely.
- **TEA LU** provides \$618 million in incentive grants to help states combat impaired driving. In addition, \$60 million is provided for national high visibility enforcement campaigns such as "Click it or Ticket" and "You Drink, You Drive, You Lose".
- **TEA LU** provides \$1.433 billion in State motor carrier safety grants, including the Motor Carrier Safety Assistance Program (MCSAP), Border Enforcement grants, Commercial Driver's License grants, Performance and Registration Information System Management grants, and State Data Improvement Grants. These grants will promote State enforcement of and compliance with Federal Motor Carrier safety regulations.

FREIGHT MOBILITY

PROBLEMS:

- In 2002, 8.9 billion tons of freight – at a value of more than \$5 trillion – was transported by highway. From 1990 to 2000, U.S. truck travel increased by 38 percent. In the next 20 years, truck travel is expected to increase 90 percent due to an expanding economy and the increased reliance on just-in-time delivery.
- Freight intermodal connectors – the public roads leading to major intermodal facilities – represent a vital link in the national intermodal freight network. However, these connectors are twice as likely to have a deficient rating than other non-Interstate routes.

RESPONSE:

- **TEA LU** funds five programs that are specifically designed to improve the movement of freight.
- **TEA LU** provides close to \$1.1 billion in funding to border states for highway projects that will improve the safe and efficient movement of people and goods at or across the border between the United States and Mexico and the United States and Canada.
- **TEA LU** provides \$1.4 billion in additional funding over six years to states for improvements on freight intermodal connectors. This funding will facilitate and support improvements to public roads leading to and from major intermodal facilities.
- **TEA LU** creates a new program to fund projects of regional and national significance. This program is designed to fund projects that will have a significant impact on the movement of goods and people beyond the immediate local area of the project.
- **TEA LU** provides \$3.3 billion over six years to fund a National Corridor Infrastructure Improvement program. This program is designed to fund regional and multi-state corridor projects that will improve mobility and economic growth in areas underserved by existing highway infrastructure.
- **TEA LU** creates a new program at \$910 million to fund the construction of dedicated truck lanes. Projects funded from this program will improve the safe and efficient movement of freight by separating truck traffic from traffic in regular lanes.
- **TEA LU** provides \$110 million to complete the core deployment and to encourage the expanded deployment of the Commercial Vehicle Information Systems and Networks (CVISN) program. The CVISN program is designed to improve commercial motor vehicle efficiency by allowing motor carriers to by-pass safety inspections and weigh stations, based on their safety records, which allows for the vehicle to avoid downtime during roadside inspections.

PUBLIC TRANSPORTATION

PROBLEMS:

- In many U.S. cities, public transportation infrastructure is not keeping up with demand. From 1996 to 2001, public transit ridership grew 21 percent.
- Public transportation provides vital mobility to seniors, individuals with disabilities, and families with only one car or no car – but in 40 percent of U.S. counties, there is no public transportation system.
- The Mass Transit Account of the Highway Trust Fund, which provides 80% of the funding for public transportation programs, is drawing down its balance faster than actual spending would dictate because of an accounting problem. If this problem is not addressed, the MTA balance will go below zero by 2007.
- Highway congestion is a growing problem in nearly every part of the country. If public transportation was unavailable and people were forced to drive, congestion on our nation's highways would be worse than it is today.

RESPONSE:

- **TEA LU** increases funding to meet public transportation infrastructure needs. The DOT Conditions & Performance report shows that 36 percent of the nation's urban rail vehicles and maintenance facilities and 29 percent of the nation's bus fleet and maintenance facilities are in substandard or poor condition.
- **TEA LU** provides \$51.53 billion for transit programs, all guaranteed. This is a 43 percent increase in guaranteed funding. TEA 21 authorized \$41 billion for transit programs, of which \$36 billion was guaranteed funding.
- **TEA LU** increases the percentage of formula funding for public transportation in rural areas (towns of less than 50,000 population). Total 6-year funding for rural public transportation almost doubles, from \$1.25 billion in TEA 21 to \$2 billion in **TEA LU**.
- **TEA LU** strengthens public transportation services for individuals with disabilities by increasing the elderly and disabled formula program and authorizes President Bush's New Freedom Initiative, which provides funds for disabled transportation activities in areas where these services are not available, or which go beyond the requirements of the Americans with Disabilities Act.
- **TEA LU** addresses the drain of budgetary resources from the Mass Transit Account by fixing the accounting problem created by each Federal Transit Administration program being split-funded between the trust fund and the general fund.

NATIONAL INFRASTRUCTURE NEEDS

PROBLEMS:

- The Interstate System is almost 50 years old.
- 32 percent of our major roads are in poor or mediocre condition.
- 29 percent of our bridges are structurally deficient or functionally obsolete.
- 36 percent of the nation's urban rail vehicles and maintenance facilities are in substandard or poor condition.
- 29 percent of the nation's bus fleet and maintenance facilities are in substandard or poor condition.
- According to the U.S. Department of Transportation, the combined spending of all levels of government for the existing infrastructure should be \$106 billion annually for highways and \$20.6 billion for transit.
 - **Highways:** In order to reach that investment level by 2009, the federal share of highway investments over the next six years should be roughly \$40 billion in 2004 growing to \$60 billion in 2009.
 - **Transit:** In order to reach that investment level by 2009, capital public transportation grants should reach \$12.8 billion, with an additional \$1 billion for operating grants, research, planning and administrative costs.
- It is difficult for States and localities to dedicate adequate resources to large-scale infrastructure projects, especially those that have significant regional or national significance but are of more limited local benefit.

RESPONSE:

- **TEA LU** increases investment in transportation infrastructure to levels that will allow States and localities to not only maintain their roads, bridges, and transit systems, but to improve them.
- **TEA LU** grows highway funding from \$34.4 billion in 2004 to \$39.9 billion in 2009; public transportation funding grows from \$7.3 billion in 2004 to \$10 billion in 2009.
- **TEA LU** authorizes a new \$6.6 billion "Projects of National and Regional Significance" program to help States pay for high cost highway projects that have significant national or regional benefits.

ECONOMIC IMPACTS OF **INFRASTRUCTURE INVESTMENTS**

- For every \$1 billion invested in federal highway and transit spending, 47,500 jobs are created or sustained.
- **TEA LU** will create and sustain 1.25 million new jobs throughout the nation.
- Transportation and Transportation-related industries (e.g., auto and aircraft manufacturing) employed 11.7 million people in 2000, 8.9 percent of the total labor force.
- Highway and transit investments stimulate economic activity. They increase productivity by decreasing time spent on the road, encouraging new development, and increasing property values.
- Transportation infrastructure generates up to a 6-to-1 net return on investment.
- For every \$1 billion in highway and transit expenditures, Gross Domestic Product (GDP) will increase by \$1.75 billion, for a “multiplier effect” of 1.75.
- Increased transportation investment improves freight mobility -- More than 67 percent of the nation’s freight moves on highways, an annual value to the economy of more than \$5 trillion.
- For every \$1 billion in highway and transit expenditures, disposable income will rise by \$779 million and consumption will rise by \$592 million.
- Transportation generated \$126 billion in 2000 federal, state, and local tax revenues for transportation trust funds.

WHAT'S NEW IN TEA LU?

EQUITY

- All States are guaranteed a 90,5% minimum percentage return from highway formula programs.

SAFETY INFRASTRUCTURE

- A \$3.3 billion safety infrastructure construction program directed toward rail-highway crossings and the elimination of road hazards.

HIGH-RISK RURAL ROADS SAFETY IMPROVEMENT

- A \$675 million formula program for construction and operational improvements on rural roads selected to provide highest safety benefits.

FREIGHT INTERMODAL CONNECTORS

- A \$1.4 billion formula construction program targeted at improving road connections to and from freight facilities.

COORDINATED BORDER INFRASTRUCTURE

- A \$1.1 billion formula program aimed at border regions to improve infrastructure facilities, highways and operational improvements to facilitate motor vehicle and freight transportation.

CONGESTION RELIEF

- Targeted improvements within congested urban transportation management areas through existing Federal highway apportionment programs.

PROJECTS OF NATIONAL AND REGIONAL SIGNIFICANCE

- A \$6.6 billion merit-based discretionary grant program to address large and expensive infrastructure projects that have national or regional benefits.

SAFE ROUTES TO SCHOOL

- A \$1 billion formula program for states to encourage communities to adopt strategies and fund projects designed to allow children to walk and bike to school safely.

HIGHWAYS FOR LIFE

- A \$335 million pilot program designed to advance innovative approaches to producing longer lasting highways.

SMALL STARTS PROGRAM

- A \$1 billion discretionary capital transit grant program for new fixed guideway systems, including Bus Rapid Transit, streetcar, and commuter rail projects. (Federal grant cannot exceed \$75 million.)

NEW FREEDOM INITIATIVE

- A \$590 million formula program that reaches beyond existing transit programs to provide public transportation for people with disabilities, especially to get to work.

TRANSIT INTENSIVE PROGRAM

- A \$255 million formula program that recognizes public transit systems in small cities that are exceeding industry averages in providing transit service to their communities.

DEDICATED TRUCK LANES

- A \$910 million program to fund the construction of dedicated truck lanes to improve the safe and efficient movement of freight by separating truck traffic from traffic in regular lanes

UNIFORM PLANNING TITLE

- **TEA LU** will combine highway and transit planning and project delivery provisions into one uniform program under chapter 52 of title 49, United States Code.