

2016-17 Policy and Legislative Agenda

The SASHTO Board of Directors met on August 30, 2016 and approved resolutions summarized in this Policy and Legislation Agenda. The full text of the resolutions is available at sashto.org

Transportation Funding Rescissions—SASHTO recommends that no rescission be enacted in 2017. States should be given full flexibility to apply any funding rescissions to their entire balance of unobligated contract authority or applying the rescission proportionally across every applicable program category.

Transportation Funding—the federal government must continue to seek stable and sustainable funding sources to ensure an integrated and multi-modal national surface transportation system. Funding levels in the FAST Act should be maintained at a minimum. Congress should ensure a seamless continuation of transportation authorizations that incorporates a fair, equitable, flexible and adequately funded distribution of federal funds.

Toll Interoperability--with growing interest among states to explore toll financing as a method to address current and future transportation improvement needs, SASHTO states should promote electronic toll collection interoperability among the toll agencies of their respective states and others. The development of enforceable reciprocity rules through state laws and/or regulations is also recommended.

National Highway System (NHS)—the FAST Act failed to address the failure of many NHS routes to meet the description of the NHS nor provide any significant regional, state or national role(s). Congress should further revise the present system modification process to allow States, in consultation with local officials, to selectively remove and add mileage from the NHS in line with system criteria.

Transportation and the Economy—SASHTO recommends an expanded federal, state and private sector collaboration to reinvest in transportation infrastructure at levels that would steadily reduce the backlog of needs, reduce the cost of congestion, and spur economic growth. Congress should advance legislation that promotes and incentivizes varied public-private partnerships and private investments to expand transportation revenue.

Accelerated Project Delivery—SASHTO urges the federal government to continue efforts to accelerate project delivery and environmental streamlining, and to continue to direct, influence, and manage initiatives and improvements to further expedite environmental evaluations and decision-making and reduce unproductive regulatory burdens.

Tax Exempt Transportation Financing-- the current financing of the federal surface transportation program is not sustainable and won't address current and future transportation needs. SASHTO supports providing access to tax-exempt transportation financing, by increasing the federal volume cap on Private Activity Bonds. This will bring much needed private investment in transportation infrastructure.



Transportation Infrastructure Financing and Innovation Act (TIFIA) -- TIFIA credit assistance for major transportation investments provides enhanced access to capital markets, flexible repayment terms, and favorable interest rates. (SASHTO) believes that the TIFIA program is an essential element in meeting the nation's transportation needs and urges that it be sustained at current levels.

National Performance Measures—SASHTO states are committed to performance management and performance measurement, but strongly oppose using performance measures to apportion federal funds among the states. States and MPOs should have maximum flexibility in setting performance targets.

Leading Transportation Change and Innovation—States are laboratories for innovation. SASHTO states will continue to be innovation leaders creating, implementing and sharing solutions to meet the transportation challenges of today and the future. SASHTO will partner with all levels of government and other stakeholders to foster an innovative and collaborative problem solving climate.

New Partnerships—SASHTO states commit to greater collaboration with the Southern Governors Association, the Southern Legislative Conference, the private sector and others to advocate common transportation policies, strategies, and solutions to meet our transportation needs.

MPO Coordination and Planning Area Reform—SASHTO fully supports the comments of the American Association of State Highway and Transportation Officials on the June 27, 2016 Notice of Proposed Rulemaking on Metropolitan Planning Organization Coordination and Planning Area Reform.

**Resolution of the
Southern Association of
State Highway and Transportation Officials (SASHTO)**

Transportation Funding Rescissions

WHEREAS, federal funding rescissions cancel budget authority previously provided by Congress; and

WHEREAS, Congress has often viewed rescissions of transportation funds as an easy way to obtain budgetary savings to offset other spending; and

WHEREAS, \$21.2 billion in unobligated contract authority has been rescinded nationally from State DOTs in 12 instances since 2002. In each case, State DOTs have had discretion in how to implement the rescission, allowing flexibility to best fit each State's federal program; and

WHEREAS, the \$8.9 billion rescission at the end of the "SAFETEA-LU" legislation in 2009 was repealed because Congress recognized the adverse impacts; and

WHEREAS, the "FAST Act" (Section 1438) contains a \$7.6 billion rescission of unobligated contract authority to take effect in July 2020. The FAST Act limits the ability of State DOTs to determine how to best apply the rescission by protecting certain program categories, including sub-allocated Surface Transportation Program Block Grant funds, safety funds, and allocated programs such as Federal Lands Highways, and TIFIA funds from the rescissions; and

WHEREAS, on May 19 the Senate passed its 2017 Transportation-Housing and Urban Development (T-HUD) appropriations bill (S 2844). The bill includes a rescission of \$2.2 billion in unobligated contract authority in 2017. The unobligated balances from which the Senate rescission would be drawn are largely the same as those defined by the FAST Act. The Senate's proposed 2017 rescission poses a stronger threat to State DOTs because of how quickly it would take effect and how narrowly it would apply to already funded projects from the specific federal program categories that would be subject to the rescission.

NOW, THEREFORE BE IT RESOLVED that the Southern Association of State Highway and Transportation Officials (SASHTO) recommends that the proposed 2017 rescission of \$2.2 billion not be enacted; and

BE IT FURTHER RESOLVED that states be given full flexibility to apply any funding rescissions to the entire balance of unobligated contract authority instead of exempting certain program categories or applying the rescission proportionally across every applicable program category regardless of each category's relative balance.

Approved by the SASHTO Board of Directors
on August 30, 2016 in White Sulphur Springs, West Virginia

**Resolution of the
Southern Association of
State Highway and Transportation Officials (SASHTO)**

Transportation Funding

WHEREAS, Article I, Section 8 of the United States Constitution states the duty of the federal government to provide support for a national transportation system; and

WHEREAS, the federal motor fuel taxes, which comprise about 90 percent of Highway Trust Fund receipts, are facing challenges to their long-term sustainability due to gradual loss of purchasing power resulting from inflation, improved average vehicle fuel economy, and introduction of alternative-fuel vehicle fleets; and

WHEREAS, the Fixing America's Surface Transportation Act (FAST Act) enacted on December 4, 2015 authorizes \$305 billion to support federal highway and transit programs between 2016 and 2020, requiring a General Fund transfer of \$70 billion; and

WHEREAS, the Highway Trust Fund is currently experiencing a deficit between receipts and outlays. The Congressional Budget Office official budget score of the FAST Act, released December 2, 2015, predicts that Congress will need to find more than \$100 billion in additional Highway Trust Fund revenues to fund the next five-year authorization bill from FY 2021 through FY 2025 – an average of at least \$20 billion per year;

NOW, THEREFORE BE IT RESOLVED, the federal government must continue to seek stable and sustainable funding sources to ensure an integrated and multi-modal national surface transportation system; and

BE IT FURTHER RESOLVED, Congress should, at a minimum, maintain the funding levels set in the FAST Act, recognizing that they are insufficient to meet transportation needs for the nation. Furthermore, Congress should begin efforts to ensure a seamless continuation of transportation authorization that incorporates a fair, equitable, flexible, and adequately funded distribution of federal funds upon the expiration of the FAST Act in 2020.

Approved by the SASHTO Board of Directors
on August 26, 2014 in New Orleans, Louisiana

Updated on August 4, 2015 to reflect minor changes

Updated on August 30, 2016 to reflect enactment of FAST Act

**Resolution of the
Southeastern Association of
State Highway and Transportation Officials (SASHTO)**

Toll Interoperability and Interstate Enforcement

WHEREAS, in a period of declining and unpredictable federal support for future surface transportation maintenance and improvement, there is a growing interest among all the states to explore toll financing as a potential method to address current and future needs; and

WHEREAS, many states of the SASHTO membership currently operate or have tolled facilities within their borders; and

WHEREAS, the Moving Ahead for Progress in the 21st Century Act ("MAP-21") (Public Law No: 112-141) enacted on July 6, 2012, calls for the existence of a nationally interoperable electronic toll collection system by October 2016; and

WHEREAS, many states of the SASHTO membership are working to achieve regional and, ultimately, national interoperability; and

WHEREAS, it is recognized that reciprocity across the states for processing and collection of tolls, and for enforcement of toll violations is needed to support a nationally interoperable electronic toll collection system and that each state must examine its laws and regulations to ensure that reciprocity is achievable.

NOW, THEREFORE BE IT RESOLVED that the SASHTO Board of Directors recommends that all member states promote the achievement of electronic toll collection interoperability as practical; and

BE IT FURTHER RESOLVED that the SASHTO Board of Directors recommends that all member states promote the development of enforceable reciprocity rules through examination, and modification if necessary, of existing state laws and/or regulations.

Approved by the SASHTO Board of Directors
on August 26, 2014 in New Orleans, Louisiana

**Resolution of the
Southern Association of
State Highway and Transportation Officials (SASHTO)**

National Highway System

WHEREAS, the Moving Ahead for Progress in the 21st Century Act ("MAP-21") was enacted (Public Law No: 112-141) on July 6, 2012; and

WHEREAS, MAP-21 amended Section 103 of Title 23, United States Code (23 U.S.C.103) to include all principal arterials, vastly expanding the National Highway System (NHS) from approximately 160,000 miles to approximately 220,000 miles; and

WHEREAS, the description as defined in 23 U.S.C 103(b)(1) states, "The National Highway System consists of the highway routes and connections to transportation facilities that shall—(A) serve major population centers, international border crossings, ports, airports, public transportation facilities, and other intermodal transportation facilities and other major travel destinations; (B) meet national defense requirements; and (C) serve interstate and interregional travel and commerce; and

WHEREAS, many of the NHS routes added as a result of MAP-21 do not meet the description of the NHS nor provide any significant regional, state or national role(s) and while classified as principal arterials, typically only serve urban commercial areas and business districts; and

WHEREAS, the system in place for making appropriate reclassifications to the expanded NHS is a time consuming, detailed process for each highway segment and prohibits the states from making timely progress; and

WHEREAS, by incorporating routes into the NHS which do not satisfy the description, MAP-21 places undue additional requirements on state transportation departments, requirements such as national performance measure data collection requirements, outdoor advertisement and junkyard control regulations and more stringent design standards; and

WHEREAS, these are unfunded mandates placed upon state transportation departments that are already operating under budgetary constraints; and

WHEREAS, the Fixing America's Surface Transportation (FAST) Act failed to address the issue but rather only called for a review of roads functionally classified as Principal Arterial in any state requesting such review.

NOW, THEREFORE BE IT RESOLVED that the SASHTO Board of Directors urges Congress to provide a process to give States an opportunity to re-define the National Highway System and to revise the modification process to allow States, in consultation with responsible local officials, to selectively remove and add any and all mileage from the NHS that does not meet the criteria as specified in 23 U.S.C. 103(b)(1); and

BE IT FURTHER RESOLVED that the SASHTO Board of Directors urges Congress to allow States a ten year period in which to phase in the additional enforcement requirements of the additions to the NHS by MAP-21.

Approved by the SASHTO Board of Directors
on August 26, 2014 in New Orleans, Louisiana

Updated on August 30, 2016

**Resolution of the
Southern Association of
State Highway and Transportation Officials (SASHTO)**

Transportation and the Economy

WHEREAS, the U.S. economy is now recovering from an extended recession; and

WHEREAS, the demands of a fierce global economy require ever-greater strategies for competitiveness; and

WHEREAS, under-investment in transportation infrastructure is having an adverse impact on economic performance; and

WHEREAS, McKinsey and Company has identified increased investment in infrastructure (with a new emphasis on productivity) as one of five game changing opportunities for U.S. Gross Domestic Product (GDP) growth and renewal; and

WHEREAS, an efficient freight transportation system is essential to our nation's shippers and carriers to effectively compete in global trade; and

WHEREAS, the Southern Legislative Conference has identified key transportation segments—Ports, Aviation/Aeronautics and the Auto Industry as among the “bright sparks in the regional economy” and specifically that nearly two-thirds of all U.S. exports and imports transits through a port in the South; and

WHEREAS, traffic congestion is estimated to cost Americans \$124 billion in direct and indirect losses in 2013 and rise to \$186 billion in 2030.

NOW, THEREFORE BE IT RESOLVED that the SASHTO states recommend that the federal and state governments, in collaboration with the private sector, expand our efforts to reinvest in transportation infrastructure at levels that will steadily reduce the backlog of infrastructure needs and spur economic growth; and

BE IT FURTHER RESOLVED that the SASHTO Board of Directors urges Congress to allow public-private partnerships and private investments in various ways to expand the overall transportation revenue base; and

BE IT FURTHER RESOLVED that the SASHTO Board of Directors recommends states commit to collaborating with business leaders in our respective states to promote a stronger partnership among all key sectors to promote a stronger economy and the infrastructure investments necessary to realize that goal.

Approved by the SASHTO Board of Directors
on August 4, 2015 in Nashville, Tennessee

**Resolution of the
Southern Association of
State Highway and Transportation Officials (SASHTO)**

Accelerated Project Delivery

WHEREAS, Congress in recent years has made accelerated project delivery and environmental streamlining a priority, as most recently evidenced by Subtitle C (Acceleration of Project Delivery) of the Moving Ahead for Progress in the 21st Century Act ("MAP-21"), which includes sections on efficient and accelerated environmental reviews for project decision making, limitations on claims, accelerating completion of complex projects within 4 years, and integration of planning and environmental review; and

WHEREAS, President Barack Obama has also demonstrated leadership related to expediting project delivery by signing, on March 22, 2012, Executive Order 13604 "Improving Performance of Federal Permitting and Review of Infrastructure Projects", which reinforces that Federal permitting and review processes be conducted with maximum efficiency and effectiveness, ensuring the health, safety, and security of communities and the environment while supporting vital economic growth; and

WHEREAS, the Federal Highway Administration has also supported the states in shortening the project delivery process while addressing the challenges of limited budgets through the Every Day Counts initiative and its focus on innovation and better business processes; and

WHEREAS, these efforts on the national level have proven helpful to the states as they try to deliver projects more efficiently and rapidly in an increasingly complex physical and regulatory environment with growing fiscal constraints; and

WHEREAS, states may assume the responsibilities of the Federal Highway Administration under the National Environmental Policy Act of 1969 which could accelerate environmental reviews and decisions, each SASHTO state is encouraged to consider applying for this delegation.

WHEREAS, the States acknowledge that there is still more for the Federal government to do to empower the states to reduce cost and shorten the time it takes to get projects on the ground.

NOW, THEREFORE BE IT RESOLVED that the SASHTO Board of Directors urges the President of the United States and Congress to continue their efforts related to accelerated project delivery and environmental streamlining, and to continue to direct, influence, and manage initiatives and improvements that will further expedite environmental evaluations and decision-making and reduce unproductive regulatory burdens.

Approved by the SASHTO Board of Directors
on August 4, 2015 in Nashville, Tennessee

Updated on August 30, 2016

**Resolution of the
Southern Association of
State Highway and Transportation Officials (SASHTO)**

Tax Exempt Transportation Financing

WHEREAS, the current method of financing the federal surface transportation program primarily through federal motor fuel taxes is not sustainable and will not address current and future transportation needs; and

WHEREAS, transformation of our transportation program should recast relationships among users and modes into a true transportation system and redefine the roles of the federal, state and local governments and the private sector; and

WHEREAS, states should be encouraged to employ business strategies, increase transportation funding through traditional measures and utilize and develop new innovative finance techniques that help meet national transportation goals. These include tolling, congestion pricing/managed lanes, and the full range of other public private partnerships mechanisms to bring additional resources to solving transportation issues; and

Whereas Section 142 of the Internal Revenue Code permits highway and freight transfer facilities that are privately developed and operated projects to be financed by Private Activity Bonds. Providing private developers and operators with access to tax-exempt interest rates lowers the cost of capital significantly, enhancing investment prospects. Increasing the involvement of private investors in highway and freight projects generates new sources of money, ideas, and efficiency; and

WHEREAS, the Private Activity Bond volume cap of \$15 billion is nearly 75 percent committed and should be increased in any transportation authorization enacted this year; and

WHEREAS, the Office of Management and Budget (OMB) has suggested an annual \$4 billion increase and a long-term bill should include an increase of a multiple of that amount.

NOW, THEREFORE BE IT RESOLVED that the Southern Association of State Highway and Transportation Officials (SASHTO) supports providing access to tax-exempt transportation financing, by increasing the federal volume cap on Private Activity Bonds, that creates a win-win environment for private investment in much needed transportation infrastructure improvements in the United States; and

Approved by the SASHTO Board of Directors
on August 4, 2015 in Nashville, Tennessee

**Resolution of the
Southern Association of
State Highway and Transportation Officials (SASHTO)**

Transportation Infrastructure Financing and Innovation Act (TIFIA)

WHEREAS, the Transportation Infrastructure Financing and Innovation Act (TIFIA) program, enacted in 1998 as part of the Transportation Equity Act for the 21st Century (TEA-21) and expanded in 2005, 2012 and 2015 provides credit assistance for major transportation investments in the form of direct loans, loan guarantees, and lines of credit and is designed to fill market gaps and leverage private co-investment by providing supplemental and subordinate capital to projects; and

WHEREAS, TIFIA credit assistance provides improved access to capital markets, flexible repayment terms, and potentially more favorable interest rates than can be found in private capital markets for similar instruments which can help advance qualified, large-scale projects that otherwise might be delayed or deferred because of size, complexity, or uncertainty over the timing of revenues; and

WHEREAS, TIFIA may cover up to 49 percent of eligible project costs and the program is targeted to large-scale transportation projects with specifically dedicated revenue streams; and

NOW, THEREFORE BE IT RESOLVED that the Southern Association of State Highway and Transportation Officials (SASHTO) believes that the TIFIA program is an essential element in meeting the nation's transportation needs and should be sustained at current levels to support and accelerate the efforts to improve the nation's surface transportation infrastructure and programs.

Approved by the SASHTO Board of Directors
on August 4, 2015 in Nashville, Tennessee

Updated on August 30, 2016

**Resolution of the
Southern Association of
State Highway and Transportation Officials (SASHTO)**

National Performance Measures

WHEREAS, the Moving Ahead for Progress in the 21st Century Act ("MAP-21") was enacted on July 6, 2012 and amended Section 150 of Title 23, United States Code to focus the Federal-Aid Highway program on seven national goals; and

WHEREAS, the Fixing America's Surface Transportation Act (FAST Act) was enacted on December 4, 2015 and amended Section 150 of Title 23, United States Code to further define the national performance management process and requirements; and

WHEREAS, Section 150, National Goals and Performance Management Measures, sets deadlines and requirements for the establishment of a limited number of performance measures by federal agencies, the establishment of performance targets by State DOTs and MPOs and reporting on performance targets; and

WHEREAS, state performance reports to the USDOT are required every two years following the initial performance report; and

WHEREAS, these initial state performance reports will provide very disparate data;

WHEREAS, FAST Act funding authorizations expire on September 30, 2020; and

WHEREAS, states vary widely in the extent and current condition of their highway systems, their dependency on federal funding and other factors that impact the performance of the highway system in each state; and

WHEREAS, all states are committed to improving their highway systems to meet the mobility and access needs of millions of individual and business users;

NOW, THEREFORE BE IT RESOLVED that the SASHTO states remain steadfast in their opposition to using performance measures as the basis for apportioning or allocating federal funds among the states; and

BE IT FURTHER RESOLVED that the SASHTO Board of Directors encourages the USDOT to allow maximum flexibility in target setting among the state DOTs and MPOs. In the interim, SASHTO states will continue to advance the application of performance management and performance measurement tools to further improve delivery of transportation facilities and services.

Approved by the SASHTO Board of Directors
on August 26, 2014 in New Orleans, Louisiana

Updated on August 4, 2015

Updated on August 30, 2016

**Resolution of the
Southeastern Association of
State Highway and Transportation Officials (SASHTO)**

Leading Transportation Change and Innovation

WHEREAS, it has been widely acknowledged that states are the *laboratories for innovation* because State DOTs are in a better position than the federal government to creatively solve problems, lead change, and seize opportunities. Examples of SASHTO state innovation are included in the SASHTO 2014 Annual Report; and

WHEREAS, SASHTO states have acted responsibly to preserve their transportation assets and modernize their infrastructure in the absence of adequate federal assistance or a coherent national transportation finance strategy.

NOW, THEREFORE BE IT RESOLVED that the SASHTO states will continue to be innovation leaders creating, implementing and sharing more solutions to meet the transportation challenges of today and the future; and

BE IT FURTHER RESOLVED that SASHTO will partner with all levels of government along with other stakeholder organizations fostering an innovative problem solving climate that focuses on results, performance and achieving new and needed funding mechanisms to address America's freight and passenger transportation needs.

Approved by the SASHTO Board of Directors
on August 26, 2014 in New Orleans, Louisiana

**Resolution of the
Southeastern Association of
State Highway and Transportation Officials (SASHTO)**

New Partnerships

WHEREAS, in recent years, the South has become the dominant economic region in the country — a region characterized by innovation, growth and opportunity; and

WHEREAS, founded in 1934, the Southern Governors' Association (SGA) is the oldest and historically the largest of the regional governors' associations. Since its inception, SGA has represented the common interests of Southern states' chief executives and provided a vehicle for promoting these interests; and

WHEREAS, founded in 1947, the Southern Legislative Conference (SLC) is the largest of four regional legislative groups operating under The Council of State Governments. The SLC's mission is to foster and encourage intergovernmental cooperation among its 15-member states; and

WHEREAS, founded in 1941, the purpose for which the Southeastern Association of State Highway and Transportation Officials (SASHTO) is organized and for which it shall be perpetuated includes encouraging a balanced transportation system within member states and supporting legislation for the purpose of protecting capital investments in current transportation systems and for improving transportation programs; and

WHEREAS, new partnerships are needed to find solutions to the impending transportation funding crisis.

NOW, THEREFORE BE IT RESOLVED that the SASHTO states will continue to partner with SGA and SLC as a coalition in developing and advocating common policies to achieve meaningful transportation infrastructure solutions at the national level; and

BE IT FURTHER RERESOLVED that this SASHTO commitment to expanded partnerships will also extend to the private sector, and other stakeholder organizations that have aligned interests.

Approved by the SASHTO Board of Directors
on August 26, 2014 in New Orleans, Louisiana

**Resolution of the
Southern Association of
State Highway and Transportation Officials (SASHTO¹)
MPO Coordination and Planning Area Reform**

WHEREAS, the Moving Ahead for Progress in the 21st Century Act (MAP–21) was signed into law on July 6, 2012 and established national performance goals for Safety, Infrastructure Condition, Congestion Reduction, System Reliability, Freight Movement and Economic Vitality, Environmental Sustainability, and Reduced Project Delivery Delays; and

WHEREAS, MAP-21 called for USDOT to establish performance measures for seven areas within 18 months of enactment, and prohibited USDOT from establishing additional performance measures; and

WHEREAS, federal rulemaking to establish National Performance Management Measures has now been underway for more than four years; and

WHEREAS, several Notices of Performance Rulemaking (NPRMs) have been issued to date to establish performance measures, target setting requirements, planning requirements and reporting schedules for implementing the federal performance requirements; and

WHEREAS, a related Notice of Proposed Rulemaking on Metropolitan Planning Organization Coordination and Planning Area Reform was issued in the Federal Register on June 27, 2016 containing further changes to the Final Rule on Statewide and Metropolitan Planning issued on May 27, 2016; and

WHEREAS, this most recent NPRM represents a significant change in planning requirements for many Metropolitan Planning Organizations that is likely to disrupt federal-state-local partnerships that have developed over recent decades; and

WHEREAS, the American Association of State Highway and Transportation Officials (AASHTO) has submitted detailed comments on the NPRM including four principal comments as follows:

- 1) Cooperative practices already exist
- 2) Reduced flexibility and increased legal and administrative requirements are burdensome and unnecessary
- 3) A one size fits all approach does not allow States and MPOs to efficiently carry out regional transportation planning
- 4) The full breadth of unintended consequences has not been explored

NOW, THEREFORE BE IT RESOLVED that SASHTO fully supports the AASHTO comments and recommends that they be given careful consideration; and

BE IT FURTHER RESOLVED that the SASHTO Board of Directors hereby directs the SASHTO Secretary to submit this Resolution to the rulemaking Docket.

Approved by the SASHTO Board of Directors
on August 25, 2016

¹ SASHTO is the Southern Association of State Highway and Transportation Officials. The departments of transportation from Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee, Texas, Virginia and West Virginia are the member states of SASHTO. The Association was organized to encourage a balanced transportation system across the southern United States.