FHWA FY 2015 BUDGET

TABLE OF CONTENTS

FEDERAL HIGHWAY ADMINISTRATION (FHWA)
FISCAL YEAR 2015 BUDGET

BUDGET SUMMARY OVERVIEW

The Moving Ahead for Progress in the 21st Century Act (MAP-21), which provided two years of stable funding and a more streamlined program structure, has helped create jobs, strengthen our transportation system, and grow our economy. However, MAP-21 will expire September 30, 2014, and more work needs to be done to improve the operation, safety, connectivity and condition of our Nation's highway system.

Building on the successes of MAP-21, the 2015 Budget proposes a four-year reauthorization to spur further economic growth and allow States to initiate sound multi-year investments. As we move beyond MAP-21, we believe that the next reauthorization for FHWA programs should continue the focus on safety, streamlined project delivery, and enhanced performance management, while increasing our investment in projects that facilitate the movement of freight, repair structurally deficient bridges, improve safety on rural roads and connect communities to centers of employment, education and service.

FHWA requests $48.6 billion for FY 2015 to maintain and improve the safety, condition, and performance of our national highway system, and enable FHWA to provide effective stewardship and oversight of highway programs and funding. The budget request maintains the performance-based investment approach, as well as the structure of the highway grant programs, which provides funding flexibility to States and other recipients of FHWA funding. Furthermore, it continues the focus on accelerating project delivery through expedited environmental review and elimination of duplicate processes. Through FHWA's Every Day Counts (EDC) initiative, FHWA will continue to accelerate the deployment and implementation of market-ready strategies and technologies in partnership with state and local transportation agencies. Also, it will continue FHWA's commitment to innovation through programs such as expanded tolling authority, as provided in MAP-21. This request will improve the condition and performance of Federal-aid highways and support the Administration goals of job creation and efficient use of taxpayer dollars.

FHWA's budget request also includes several new initiatives essential to the nation's transportation infrastructure network. We include a new Freight Program, which will advance critically-needed, yet complex, multi-modal or multi-jurisdictional projects to improve goods movement, economic competitiveness and sustainability. The new Critical Immediate Investment Program (CIIP) will dedicate necessary resources to high-priority initiatives such as bridge repair and rehabilitation, safety on rural roads, and state of good repair on the National Highway System (NHS). The budget proposal also builds on the Administration's focus to strengthen the middle class, create jobs and grow the economy through the Ladders of Opportunity program. FHWA proposes to bolster workforce development efforts to assist workers in developing long-term skills and strengthen the transportation workforce, as well as promote connectivity to underserved communities.

Through a reauthorized Federal-aid Highway Program (FAHP), we will provide national leadership to connect America's communities and economies. FHWA programs not only help create jobs today that build and maintain our infrastructure, but also enable the movement of people and goods, tying communities together and supporting our economy. The following is a summary of the programs included in the FY 2015 budget request.

Safety remains our number one priority. The **Highway Safety Improvement Program ($2.5 billion)** continues to aim to significantly reduce traffic fatalities and serious injuries on all public roads. This program will continue to emphasize a data-driven, strategic approach to improving highway safety that focuses on performance. The foundation of this approach is a safety data system, which identifies key safety problems, establishes their relative severity, and then adopts strategic and performance-based goals to maximize safety. Each State will continue to develop and regularly update a State Strategic Highway Safety Plan that lays out strategies to address key safety problems, including bike and pedestrian safety.

Safety performance will continue to be monitored via State-specific safety targets for the number of fatalities and serious injuries and the number of such events per vehicle mile of travel. Additionally, States will monitor safety performance in regards to older drivers and high risk rural roads.

The **National Highway Performance Program ($22.3 billion)** will continue to target investment to preserve, modernize, and ultimately save lives on the expanded National Highway System (NHS). This network is composed of 220,000 miles of rural and urban roads serving major population centers, international border crossings, intermodal transportation facilities, and major travel destinations. It includes the Interstate System, all principal arterials, intermodal connectors, and other roads important to mobility, commerce, national defense, and intermodal connectivity. Through a performance-based approach, this program will continue to maintain or improve the condition and performance of the NHS, construct new facilities on the NHS, and ensure that investments of Federal-aid funds are directed to support progress toward the achievement of specified performance targets.

The performance basis of this program is defined by individual State asset management plans. These plans aim to improve or preserve asset condition and system performance. States will periodically review and update the asset management plans to ensure that minimum performance standards are met.

The **Surface Transportation Program ($10.3 billion)** will continue to provide flexible funding that States and localities may use for projects to improve or preserve conditions and performance on any Federal-aid highway, bridge and safety projects on any public road, facilities for non-motorized transportation, transit capital projects, and public bus terminals and facilities. The flexible nature of this program focuses direct funding to priority areas and areas of greatest need.

The Surface Transportation Program will continue to provide funding for a wide range of eligible projects. Eligible projects range from traditional activities, such as construction and rehabilitation of highways and bridges, to more innovative projects, such as electric and natural gas vehicle charging infrastructure and electronic toll collection facilities. The broad range of

eligibility allows States to improve and maintain their critical infrastructure while also fostering transportation innovation.

The **Congestion Mitigation and Air Quality Improvement Program ($2.3 billion)** will continue to provide a flexible funding source to State and local governments for transportation projects and programs designed to help States meet the requirements of the Clean Air Act. Funding is available to reduce congestion and improve air quality for areas that do not meet the National Ambient Air Quality Standards for ozone, carbon monoxide, or particulate matter (nonattainment areas) as well as former nonattainment areas that are now in compliance (maintenance areas).

This program will continue to incorporate performance measures that will assess traffic congestion and on-road motor vehicle emissions. To date, each Metropolitan Planning Organization with a transportation management area serving more than one million in population that represents a nonattainment, or maintenance area has developed and will continue to update biennially a performance plan to achieve air quality and congestion reduction targets.

Funding for **Metropolitan Transportation Planning ($320 million)** will continue to provide resources for the improvement of metropolitan and statewide transportation planning processes. FHWA will continue to use a performance-based approach to transportation decision-making to support national goals and critical outcomes for the region of the metropolitan planning organization. The planning process will continue to provide consideration for projects that increase safety (including bike and pedestrian safety), support economic vitality, increase accessibility, mobility, and connectivity, protect and enhance the environment, emphasize the preservation of existing infrastructure, and increase security of the transportation system.

Funding for the **Transportation Alternatives Program ($836 million)** will continue to provide resources to expand transportation choices and enhance the transportation experience. Eligible projects continue to include pedestrian and bicycle infrastructure and safety programs, scenic overlooks and turnouts, vegetation management, historic preservation, and environmental mitigation.

The **Critical Immediate Investments Program (CIIP) ($4.9 billion)** will make critical and immediate improvements to infrastructure condition and highway safety. CIIP will achieve this through three initiatives—the Interstate Bridge Revitalization Initiative (IBRI), which will address structurally deficient bridges on the Interstate System; the Systematic Safety Initiative (SSI), which will focus on safety improvement on non-State and rural roads; and the State of Good Repair Initiative, which will address bridge and pavement improvements or preservation on the NHS.

The **Multimodal Freight Investment Program ($1.0 billion)** is a proposed new program that will improve goods movement and advance export and economic development opportunities across the Nation. The program includes a discretionary program grant and an incentive grant program based on distributions to States that account for state freight infrastructure and activity. Funding will advance critically-needed multi-modal or multi-jurisdictional projects to improve goods movement, economic competitiveness and sustainability.

The **Federal Lands and Tribal Transportation Programs ($1.3 billion)** will continue to fund projects that provide access to and within Federal and Tribal lands. The program will continue to treat these lands with uniform policies similar to the policies that apply to Federal-aid highways and other public transportation facilities.

- **Federal Lands Transportation Program**: $370 million for projects that improve access within the Federal estate, such as national forests and national recreation areas, on infrastructure owned by the Federal government.

- **Federal Lands Access Program**: $250 million for projects that improve access to the Federal estate on infrastructure owned by States and local governments.

- **Tribal Transportation Program**: $507 million for projects that improve access to and within Tribal Lands.

- **Nationally Significant Federal Lands and Tribal Projects:** a new $150 million program to focus on large-scale, nationally significant projects, which cannot be funded through the existing program structure.

The **Transportation Infrastructure Finance and Innovation Act Program (TIFIA) ($1.0 billion)** will continue to leverage Federal dollars in a time of scarce budgetary resources, facilitating private participation in transportation projects and encouraging innovative financing mechanisms that help advance projects sooner than otherwise possible. TIFIA provides Federal credit assistance for highway, transit, rail, and intermodal freight projects. A $1 billion TIFIA investment will support about $10 billion in actual lending capacity.

The **Research, Technology, and Education Program ($451 million)** will continue to be a flexible, nationally-coordinated research and technology program that addresses fundamental, long-term highway research needs, significant research gaps, emerging issues with national implications, and research related to policy and planning. All research activities will continue to include components of performance measurement and evaluation, will be outcome-based, and will be consistent with the research and technology development strategic plan.

- **Highway Research and Development Program**: $130 million for research activities associated with highway safety, infrastructure integrity, planning and the environment, highway operations, exploratory advanced research, and the Turner-Fairbank Research Center.

- **Technology and Innovation Deployment Program**: $70 million to accelerate implementation and delivery of new innovations and technologies that result from highway research and development to benefit all aspects of highway transportation.

- **Training and Education**: $27 million to train the current and future transportation workforce, transferring knowledge quickly and effectively.

These FHWA-administered programs will continue to apply innovative technologies to construct and maintain the nation's roads, bridges, and tunnels, keeping the highway system in a state of

good repair. In addition, these programs will continue to generate economic growth by helping deliver transportation projects more quickly and encouraging innovation.

The Research, Technology, and Education Program request also includes $224 million for several programs administered by the Office of the Assistant Secretary for Research and Technology:

- Intelligent Transportation Systems ($113 million)
- University Transportation Centers ($82 million)
- Bureau of Transportation Statistics ($29 million)

Federal Allocation Programs ($502 million) is comprised of seven components continued from MAP-21, and two new programs:

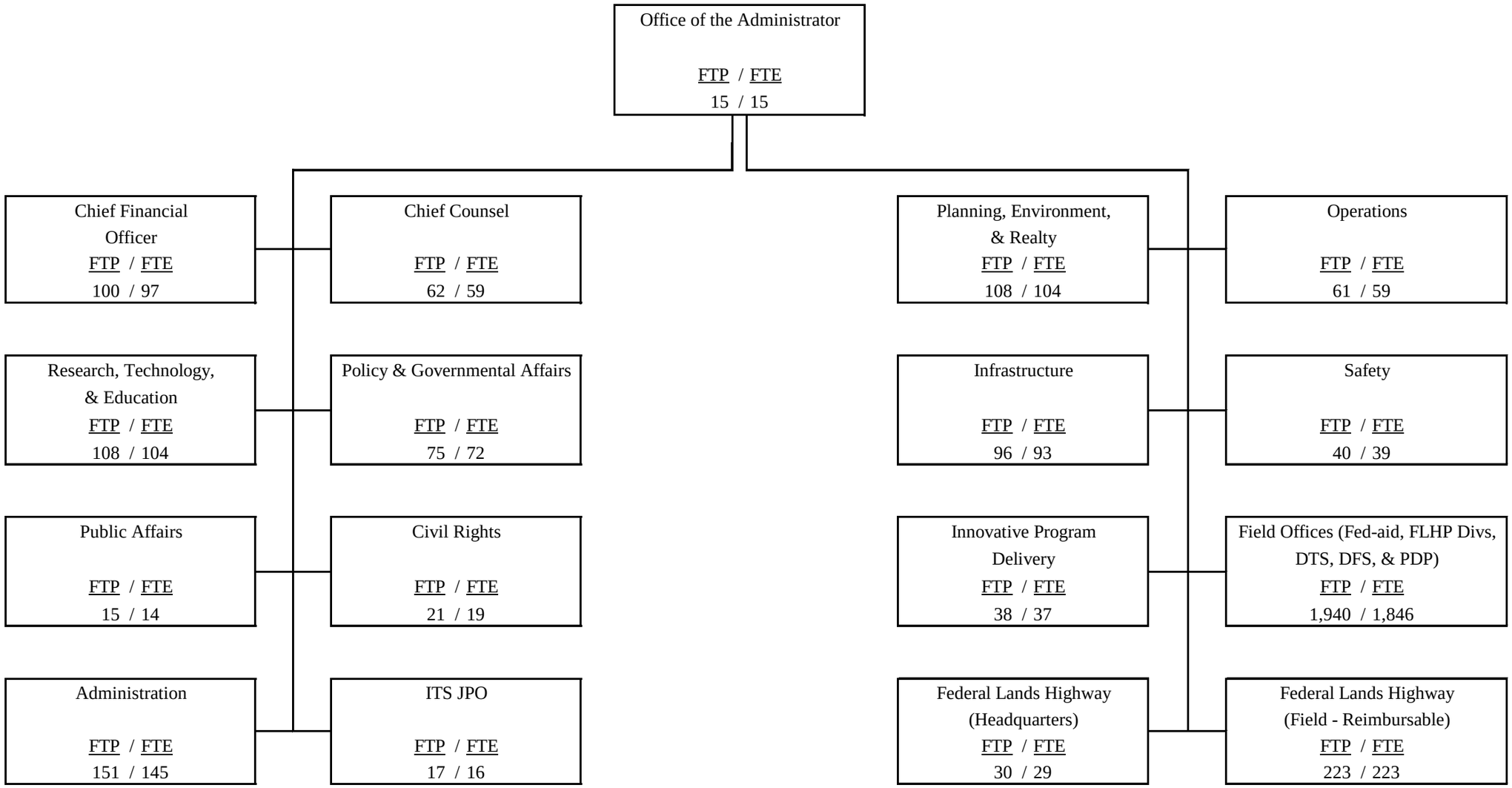
- **Emergency Relief**: $100 million to assist Federal, State, tribal, and local governments with the expense of repairing serious damage to Federal-aid, tribal, and Federal Lands highways resulting from natural disasters, or catastrophic failures.
- **Territorial and Puerto Rico Highway Program**: $190 million to fund highway programs in United States territories and Puerto Rico.
- **Construction of Ferry Boats and Ferry Terminal Facilities**: $67 million to construct ferry boats and ferry boat terminal facilities, which will improve connectivity, provide travel mode options, and reduce congestion.
- **Ladders of Opportunity**: $100 million to provide workforce development and improve connections between people and economic opportunities, primarily for underserved communities.
- **On-the-Job Training:** $11 million to enhance the development of our nation's highway construction industry workforce.
- **Disadvantaged Business Enterprise:** $11 million to enable FHWA to assist certified DBE firms in becoming competitive when seeking to obtain highway and bridge construction contracts.
- **Highway Use Tax Evasion Projects:** $10 million to provide funding to the Internal Revenue Service (IRS), other Federal agencies, and the States to carry out intergovernmental enforcement efforts along with training and research to reduce evasion of payment of motor fuel and other highway use taxes.
- **Other Safety-related Programs:** $3 million to fund safety outreach, training and education.
- **Performance Management Data Support Program:** $10 million to develop a program to provide enhanced data and analytical tools to MPOs, States and the Department, to assist in meeting expanded performance management goals under MAP-21.

The **Fixing and Accelerating Surface Transportation (FAST) ($500 million)** program is a newly proposed competitive initiative designed to promote best practices and spur innovation in transportation infrastructure. Through competitive grant awards, the program will provide incentives to States, MPOs, Tribal governments and other Federal agencies to improve strategic transportation investment decision-making, further incorporate performance management into project selection, and encourage other reforms to improve strategic transportation outcomes.

The total Administrative Expenses request of **$442 million** includes funding for FHWA General Operating Expenses (GOE) and Appalachian Regional Commission (ARC) administrative expenses related to the Appalachian Development Highway System. To effectively oversee the program activities described above, FHWA will require **$439 million for GOE funding** for staff and other support services, and an additional **$3.2 million for ARC** administrative expenses. These resources are essential for FHWA and ARC to perform critical oversight functions and successfully implement the programs proposed in the budget.

EXHIBIT I-A

FEDERAL HIGHWAY ADMINISTRATION ORGANIZATION CHART
FY 2014 AUTHORIZED FTP POSITIONS AND FTE ESTIMATES



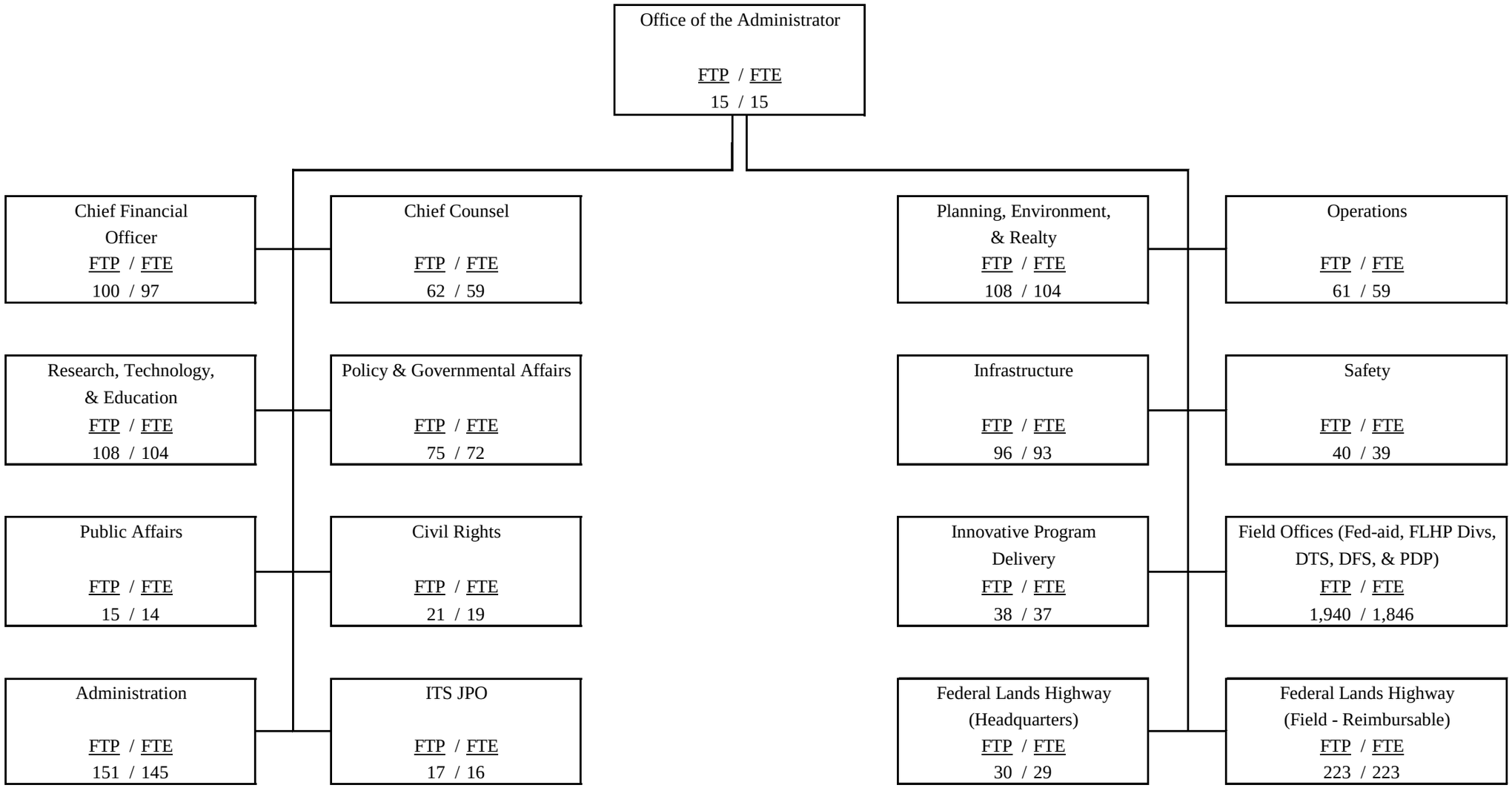
FTP - POSITIONS	
Direct funded	2,877
Indirect funded	226
Total	3,103

FTE	
Direct funded	2,748
Indirect funded	226
Total	2,974

FTP & FTE shown by office are estimates only. FHWA has periodic needs that change due to proper management of the organization. Direct funded FTE presented by office reflect a pro-ration of total FTE. Indirect funded FTP & FTE include Federal Lands Highway reimbursable FTE and allocation FTE from OST.

EXHIBIT I-B

FEDERAL HIGHWAY ADMINISTRATION ORGANIZATION CHART
FY 2015 AUTHORIZED FTP POSITIONS AND FTE ESTIMATES



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FTP & FTE shown by office are estimates only. FHWA has periodic needs that change due to proper management of the organization. Direct funded FTE presented by office reflect a pro-ration of total FTE. Indirect funded FTP & FTE include Federal Lands Highway reimbursable FTE and allocation FTE from OST.

EXHIBIT II-1
FY 2015 COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY
FEDERAL HIGHWAY ADMINISTRATION
($000)

ACCOUNT	FY 2013 ACTUAL		FY 2014 ENACTED		FY 2015 REQUEST
Administrative Expenses (FHWA GOE, CA subject to limitation)	[416,126]	2/	[416,100]	4/	[439,000]
Federal-aid Highways					
Contract Authority (subject to limitation)	39,699,000		40,256,000		47,323,248
Exempt Contract Authority	739,000		739,000		739,000
Subtotal, Federal-aid Highways 1/	40,438,000		40,995,000		48,062,248
Rescission of Contract Authority (subject to limitation)	- 79,398	2/	-----		-----
Flex Transfers to/from FTA	- 1,405,782		- 1,300,000		- 1,300,000
Transfer to NHTSA	- 138,964		-----		-----
Sequestered Exempt Contract Authority	- 37,689	3/	- 53,208	5/	-----
Total, Federal-aid Highways 1/	38,776,167		39,641,792		46,762,248
Miscellaneous Trust Funds (TF)	28,671		28,671		28,671
Right of Way Revolving Fund (TF)	- 18,080		-----		-----
Fixing and Accelerating Surface Transportation (FAST) (TF)	-----		-----		500,000
Miscellaneous Appropriations (GF)	63,369		388,000		-----
Emergency Relief (GF)	1,920,900	3/	-----		-----
Payment to the Transportation Trust Fund (GF) 6/	5,883,800	3/	11,692,800	5/	37,500,000
TOTALS	**46,654,827**		**51,751,263**		**84,790,919**

[ ] Non-add

1/ This table includes updated figures, when compared to the Budget Appendix, as the reclassification of prior year spending in the database did not accurately capture net transfers between accounts.
2/ Reflects PL 113-6 across-the-board rescission of 0.2 percent of contract authority subject to limitation and obligation limitation.
3/ Reflects PL 112-125 sequestration of 5.1 percent of contract authority exempt from obligation limitation, 5.0 percent of Emergency Relief (GF), and 5.1 percent of the Payment to the Highway Trust Fund - percentages determined by OMB in accordance with law.
4/ Reflects additional prior year contract authority to be obligated in order to utilize obligation limitation provided by PL 113-141.
5/ Reflects PL 112-125 sequestration of 7.2 percent of contract authority exempt from obligation limitation and 7.2 percent of the Payment to the Highway Trust Fund - percentages determined by OMB in accordance with law.
6/ FY 2013 and FY 2014 payments to the Highway Trust Fund. FY 2015 payment to the proposed Transportation Trust Fund. FY 2015 payment to the Transportation Trust Fund comprised of $25 billion to the Highway Account, $9 billion to the Mass Transit Account, $3 billion to the Rail Account, and $500 million to the Multimodal Account.

EXHIBIT II-2
FY 2015 TOTAL BUDGETARY RESOURCES BY APPROPRIATION ACCOUNT
FEDERAL HIGHWAY ADMINISTRATION
Appropriations, Obligation Limitations, and Exempt Obligations
($000)

ACCOUNT NAME	FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
[Limitation on administrative expenses (FHWA Admin only - GOE] [1/]	[416,126] [2/]	[416,100]	[439,000]
Federal-aid Highways			
(Liquidation of contract authorization)	(39,699,000)	(40,995,000)	(48,062,248)
(Limitation on obligations)	(39,699,000)	(40,256,000)	(47,323,248)
Exempt Contract Authority	739,000	739,000	739,000
Subtotal, Federal-aid Obligation Limitation & Exempt CA	40,438,000	40,995,000	48,062,248
Rescission of Obligation Limitation	-79,398 [2/]	-----	-----
Flex Transfers to/from FTA	-1,405,782	-1,300,000	-1,300,000
Transfer to NHTSA	-138,964	-----	-----
Sequestered Exempt Contract Authority	-37,689 [3/]	-53,208 [4/]	-----
Total, Federal-aid Obligation Limitation & Exempt CA	38,776,167	39,641,792	46,762,248
Fixing and Accelerating Surface Transportation (FAST) (TF)	-----	-----	500,000
Emergency Relief (GF)	1,920,900 [3/]	-----	-----
Total, Federal Highway Administration			
(Limitation on obligations)	(38,074,856)	(38,956,000)	(46,523,248)
Exempt Contract Authority	701,311	685,792	739,000
Disaster Relief Funds (GF)	1,920,900	-----	-----
Total Budgetary Resources, FHWA	**40,697,067**	**39,641,792**	**47,262,248**

[ ] Non-add

1/ Reflects obligation limitation for FHWA general operating expenses (GOE) only, not including amounts appropriated for the Appalachian Regional Commission in FY 2013 ($3,220 million), FY 2014 ($3,248 million), and FY 2015 ($3,248 million). Does not include amounts for other programs authorized under MAP-21 Administrative Expenses during FY 2013 or FY 2014.

2/ Reflects PL 113-6 across-the-board rescission of 0.2 percent contract authority subject to limitation and obligation limitation.

3/ Reflects PL 112-125 sequestration of 5.1 percent of contract authority exempt from obligation limitation and 5.0 percent of Emergency Relief (GF) - percentages determined by OMB in accordance with law.

4/ Reflects PL 112-125 sequestration of 7.2 percent of contract authority exempt from obligation limitation - percentage determined by OMB in accordance with law.

EXHIBIT II-3
FY 2015 BUDGET REQUEST BY STRATEGIC GOAL AND OBJECTIVE
FEDERAL HIGHWAYS ADMINISTRATION
Appropriations, Obligation Limitations, & Exempt Obligations
($000)

STRATEGIC GOALS & OBJECTIVES *	FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
1. SAFETY			
a. Improve Safety of System	N/A	N/A	8,895,254
b. Reduce Impact of Accidents	N/A	N/A	-----
Total – Safety Strategic Goal	**8,095,142**	**7,885,235**	**8,895,254**
2. STATE OF GOOD REPAIR			
a. Maintain Operating Conditions	N/A	N/A	8,724,324
b. Improve Equipment and Facilities	N/A	N/A	9,163,639
c. Sustain Assets	N/A	N/A	4,865,507
Total – State of Good Repair	**18,906,345**	**18,416,104**	**22,753,470**
3. ECONOMIC COMPETITIVENESS			
a. Enhance Productivity and Growth	N/A	N/A	4,706,066
b. Increase Foreign Markets	N/A	N/A	1,572,041
c. Improve System Efficiency	N/A	N/A	376,719
d. Create Dynamic Workforce	N/A	N/A	117,781
Total – Economic Competitiveness	**5,670,589**	**5,523,551**	**6,772,607**
4. QUALITY OF LIFE IN COMMUNITIES			
a. Enhance Quality of Life	N/A	N/A	1,804,037
b. Expand Access and Choice	N/A	N/A	1,833,444
Total – Quality of Life in Communities	**3,497,580**	**3,406,888**	**3,637,481**
5. ENVIRONMENTAL SUSTAINABILITY			
a. Promote Energy Efficiency	N/A	N/A	1,173,105
b. Mitigate Environmental Impacts	N/A	N/A	2,192,442
c. Adapt to Climate Change	N/A	N/A	1,485,923
Total – Environmental Sustainability	**4,527,410**	**4,410,014**	**4,851,469**
5. ORGANIZATIONAL EXCELLENCE			
a. Develop Human Capital	N/A	N/A	216,944
b. Improve Information Systems and Financial Management	N/A	N/A	73,506
Total – Organizational Excellence	**0**	**0**	**290,450**
5. OTHER (NON-ALIGNED)			
a. Ensure Effective Response	N/A	N/A	-----
b. Meet National Security Needs	N/A	N/A	-----
c. Expand Small Business Opportunities	N/A	N/A	61,516
Total – Other (Non-Aligned)	**0**	**0**	**61,516**
GRAND TOTAL	**40,697,067**	**39,641,792**	**47,262,248**

* The Strategic Plan used for FY 2015 was not implemented in FY 2013. Therefore, FY 2013 uses amounts per goal that have been estimated based on FY 2014 percentages used for the FY 2014 Enacted Budget, which is based on the MAP-21 program structure. FY 2013 amounts reflect rescission, sequestration, and transfers to the Federal Transit Administration (FTA) and the National Highway Traffic Safety Administration (NHTSA). FY 2014 amounts reflect sequestration and transfers to FTA. FY 2015 amounts include the Fixing and Accelerating Surface Transportation Program and transfers to FTA. All amounts reflects levels provided in Exhibit II-2.

EXHIBIT II-4
FY 2015 BUDGET AUTHORITY
FEDERAL HIGHWAY ADMINISTRATION
($000)

ACCOUNT NAME	M / D	FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
Federal-aid Highways				
Contract Authority (subject to limitation)	Mand.	39,699,000	40,256,000	47,323,248
Exempt Contract Authority	Mand.	739,000	739,000	739,000
Subtotal for Federal-aid Highways (TF) [1/]		40,438,000	40,995,000	48,062,248
Rescission of Contract Authority (subject to limitation)	Mand.	- 79,398 [2/]	-----	-----
Flex Transfers to/from FTA	Mand.	- 1,405,782	- 1,300,000	- 1,300,000
Transfer to NHTSA	Mand.	- 138,964	-----	-----
Sequestered Exempt Contract Authority	Mand.	- 37,689 [3/]	- 53,208 [4/]	-----
Total, Federal-aid Highways [1/]		38,776,167	39,641,792	46,762,248
Miscellaneous Trust Funds (TF)	Mand.	28,671	28,671	28,671
Right of Way Revolving Fund (TF)	Mand.	-18,080	-----	-----
Fixing and Accelerating Surface Transportation (FAST) (TF)	Mand.	-----	-----	500,000
Miscellaneous Appropriations (GF)	Mand.	63,369	388,000	-----
Emergency Relief (GF)	Discr.	1,920,900 [3/]	-----	-----
Payment to the Transportation Trust Fund (GF) [5/]	Mand.	5,883,800 [3/]	11,692,800 [4/]	37,500,000
TOTALS		**46,654,827**	**51,751,263**	**84,790,919**
[Discretionary]		1,920,900	-----	-----
[Mandatory]		44,733,927	51,751,263	84,790,919
PROPRIETARY AND OTHER GOVERNMENTAL RECEIPTS				
Adv. from State Coop, Other Fed. Agencies, and Foreign Gov.	Mand.	17,189	17,189	17,189
Cooperative work, forest highways	Mand.	4,834	4,834	4,834
Adv for Hwy Research Prog, Misc Trust	Mand.	397	397	397
Deposits for Coop. Work, International Highway Trans Outreach	Mand.	5,170	5,170	5,170
US Funding Advanced From Foreign Gov for Tech Asst	Mand.	230	230	230
Transportation Infrastructure Fin. & Innovation Program In	Mand.	134,996	276,000	-----
Payment from the General Fund, Transportation Trust Fund (Highways) [5/]	Mand.	5,883,800 [3/]	9,651,200 [4/]	25,000,000
Payment from the General Fund, Transportation Trust Fund (Mass transit) [5/]	Mand.	-----	2,041,600 [4/]	9,000,000
Payment from the General Fund, Transportation Trust Fund (Rail) [5/]	Mand.	-----	-----	3,000,000
Payment from the General Fund, Transportation Trust Fund (Multimodal) [5/]				500,000
Advances from Other Federal Agencies	Mand.	851	851	851
TOTAL		**6,047,467**	**11,997,471**	**37,528,671**

[ ] Non-add

1/ This table includes updated figures, when compared to the Budget Appendix, as the reclassification of prior year spending in the database did not accurately capture net transfers between accounts.
2/ Reflects PL 113-6 across-the-board rescission of 0.2 percent of contract authority subject to limitation and obligation limitation.
3/ Reflects PL 112-125 sequestration of 5.1 percent of contract authority exempt from obligation limitation, 5.0 percent of Emergency Relief (GF), and 5.1 percent of the Payment to the Highway Trust Fund - percentages determined by OMB in accordance with law.
4/ Reflects PL 112-125 sequestration of 7.2 percent of contract authority exempt from obligation limitation and 7.2 percent of the Payment to the Highway Trust Fund - percentages determined by OMB in accordance with law.
5/ FY 2013 and FY 2014 payments to the Highway Trust Fund. FY 2015 payments to the proposed Transportation Trust Fund.

EXHIBIT II-5
FY 2015 OUTLAYS
FEDERAL HIGHWAY ADMINISTRATION
($000)

ACCOUNTS	FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
Federal-aid Highways (TF)	41,742,174	42,552,606	44,281,882
Subject to Obligation Limitation	41,071,650	41,770,935	43,486,790
Exempt Contract Authority	622,632	703,372	721,598
Emergency Relief Supplementals	47,892	78,299	73,494
Appalachian Development Highway System (TF)	2,326	116	85
Miscellaneous Highway Trust Funds (TF)	16,373	35,661	31,581
Miscellaneous Trust Funds (TF)	37,798	51,039	51,731
Right of Way Revolving Fund (TF)	-16,380	4,000	-----
Fixing and Accelerating Surface Transp. (FAST) (TF)	-----	-----	135,000
Emergency Relief Program (GF)	765,784	1,047,554	919,294
Appalachian Development Highway System (GF)	3,571	9,567	4,915
Miscellaneous Appropriations (GF)	123,716	457,000	65,000
Payment to Transportation Trust Fund (GF) 1/	5,883,800	11,692,800	37,500,000
Highway Infrastructure Program (GF)	132,945	74,071	23,950
Highway Infrastructure Investment, ARRA 2009 (GF)	1,115,547	275,642	107,000
TIFIA Program Accounts (GF)	8,119	30,000	10,000
TOTALS	**49,815,774**	**56,230,056**	**83,130,438**
[Mandatory]	6,527,850	12,451,211	81,895,119 2/
[Discretionary]	43,287,923	43,778,845	1,235,319 2/

Note: Totals may not add due to rounding.

1/ FY 2013 and FY 2014 payments to the Highway Trust Fund. FY 2015 payment to the proposed Transportation Trust Fund. FY 2015 payment to the Transportation Trust Fund comprised of $25 billion to the Highway Account, $9 billion to the Mass Transit Account, $3 billion to the Rail Account, and $500 million to the Multimodal Account.

2/ Reflects reauthorization proposal to classify all surface transportation outlays as mandatory in FY 2015 and after.

EXHIBIT II-6
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
FEDERAL HIGHWAY ADMINISTRATION
Appropriations, Obligation Limitations, and Exempt Obligations

ADMINISTRATIVE EXPENSES
($000)

		Baseline Changes								
	FY 2014 Enacted	Annualization of 2014 Pay Raises	Annualization of 2014 FTE	2015 Pay Raises	GSA Rent	WCF Increase/ Decrease	Inflation/ Deflation	FY 2015 Baseline Estimate	Program Increases/ Decreases	FY 2015 Request
PERSONNEL RESOURCES (FTE)										
Direct FTE	2,345							2,345		2,345
FINANCIAL RESOURCES										
Salaries and Benefits	$301,800	$3,018		$ 2,286				$307,104		$307,104
Travel	$9,304						$47	$9,351		$9,351
Transportation	$1,746						$9	$1,755		$1,755
GSA Rent	$28,749				$751			$29,500		$29,500
Rent, Communications & Utilities	$5,862						$29	$5,891		$5,891
Printing	$822						$4	$826		$826
Other Services:										
-WCF	$26,694					$250		$26,944		$26,944
-Other	$35,177						$176	$35,353	$16,300	$51,653
Supplies	$1,727						$9	$1,736		$1,736
Equipment	$4,219						$21	$4,240		$4,240
Subtotal, General Operating Expenses (GOE)	**$416,100**	**$ 3,018**	**$ --**	**$ 2,286**	**$751**	**$250**	**$ 295**	**$422,700**	**$ 16,300**	**$439,000**
Appalachian Regional Commission (ARC)	$3,248							$3,248		$3,248
Subtotal, Limitation on Administrative Expenses (LAE)	**$419,348**	**$ 3,018**	**$ --**	**$ 2,286**	**$751**	**$250**	**$ 295**	**$425,948**	**$ 16,300**	**$442,248**
OJT Support Services [1/]	$10,000							$10,000	$ (10,000)	$0
Disadvantaged Bus. Enterprise [1/]	$10,000							$10,000	$ (10,000)	$0
Highway Use Tax Evasion [1/]	$10,000							$10,000	$ (10,000)	$0
Other Programs from Admin. Expenses [1/]	$3,000							$3,000	$ (3,000)	$0
GRAND TOTAL, Obligation Limitation	**$452,348**	**$ 3,018**	**$ --**	**$ 2,286**	**$751**	**$250**	**$ 295**	**$458,948**	**$ (16,700)**	**$442,248**

1/ Programs relocated to Federal Allocation Programs; program decreases reflect the relocation of these programs from Administrative Expenses. FY15 funding requests for these programs are presented with the Federal Allocation Programs justification.

EXHIBIT II-7
WORKING CAPITAL FUND
FEDERAL HIGHWAY ADMINISTRATION
($000)

	FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST	FY14 to FY15 CHANGE
DIRECT:				
Federal-aid Highways (Transportation Trust Fund)				
Limitation on Administrative Expenses	25,810	26,694	26,944	250
Federal Lands Highways (Direct Construction)	1,480	1,400	1,400	-----
SUBTOTAL	27,290	28,094	28,344	250
REIMBURSABLE:				
Federal-aid Highways (Transportation Trust Fund)				
Limitation on Administrative Expenses	-----	-----	-----	-----
SUBTOTAL	-----	-----	-----	-----
TOTAL	**27,290**	**28,094**	**28,344**	**250**

EXHIBIT II-8
FEDERAL HIGHWAY ADMINISTRATION
RESOURCE SUMMARY -- PERSONNEL
TOTAL FULL-TIME EQUIVALENTS

	FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
DIRECT FUND, BY APPROPRIATION			
Federal-aid Highways -- General Operating Expenses and Direct Construction -- FLH, ARC, & TIFIA	2,612	2,727	2,727
Miscellaneous Trust Funds	21	21	21
SUBTOTAL, DIRECT FUNDED	2,633	2,748	2,748
REIMBURSEMENT/ ALLOCATIONS/OTHERS			
Reimbursable Authority -- Federal-aid Highways	223	223	223
Allocation From OST, TIGER grants	2	3	3
SUBTOTAL, REIMBURSEMENTS/ALLOCATIONS/OTHER	225	226	226
TOTAL FTEs	2,858	2,974	2,974

EXHIBIT II-9
FEDERAL HIGHWAY ADMINISTRATION
RESOURCE SUMMARY - STAFFING
FULL-TIME PERMANENT POSITIONS

	FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
DIRECT FUND, BY APPROPRIATION			
Federal-aid Highways -- General Operating Expenses and Direct Construction -- FLH, ARC, & TIFIA	2,856	2,856	2,856
Miscellaneous Trust Funds	21	21	21
SUBTOTAL, DIRECT FUNDED	2,877	2,877	2,877
REIMBURSEMENT/ ALLOCATIONS/OTHERS			
Reimbursable Authority -- Federal-aid Highways	223	223	223
Allocation From OST, TIGER grants	2	3	3
SUBTOTAL, REIMBURSEMENT/ALLOCATION/OTHERS	225	226	226
TOTAL POSITIONS	3,102	3,103	3,103

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FEDERAL HIGHWAY ADMINISTRATION
HISTORICAL FUNDING LEVELS (2004-2014)
($000)

	FY 2005 [2/]	FY 2006 [3/]	FY 2007	FY 2008 [4/]	FY 2009 [5/]	FY 2010 [7/]	FY 2011 [8/]	FY 2012 [9/]	FY 2013 [10/]	FY 2014 [11/]
Federal-Aid Highways										
Obligation Limitation [1/]	$34,422,400	$36,032,344	$39,086,465	$41,216,051	$40,700,000	$41,107,000	$41,107,000	$39,143,583	$39,699,000	$40,256,000
Liquidation of Contract Authority (C.A.)	$35,000,000	$36,032,344	$36,032,344	$41,955,051	$41,439,000	$41,846,000	$41,846,000	$39,882,583	$39,699,000	$40,995,000
Emergency Relief Funds (C.A.)	$100,000	$100,000	$101,737	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000
LGOE/LAE - (Non Add within Federal-Aid)	$2,369,500	$3,837,001	$1,251,814	$9,455,236	$7,399,500	$15,113,533	$413,533	$412,000	$450,960	$436,752
Admin Expenses - LGOE	346,500	364,638	360,992	377,556	390,000	413,533	413,533	412,000	416,960	403,752
Authorized Programs - Not Admin Expenses - LGOE									34,000	33,000
Payment to the Highway Trust Fund				$8,017,000	$7,000,000	$14,700,000			$6,200,000	$12,600,000
Supplemental Emergency Relief Funds (GF)	$1,943,000	$3,452,363	$871,022	$1,045,000				$1,662,000	$2,022,000	
Appalachian Development Highway System (GF)	$80,000	$20,000	$19,800	$15,680	$9,500					
Appalachian Development Highway System (TF)										
Miscellaneous Appropriations		$153	$1,328	$15,148	$167,563	$346,515	$18,603	$4,655	$63,369	$388,000
Highway Infrastructure Programs (GF)						$650,000				
Highway Infrastructure Investment, Recovery Act (GF)					$27,500,000 [6/]					
Miscellaneous Highway Trust Fund	$34,000									

Note: This table reflects actual enacted amounts as appropriated.

1/ Does not reflect transfers to and from Federal Transit Administration and National Highway Traffic Safety Administration (FY13 only) of $1.067 billion in FY 2003, $1.022 billion in FY 2004, $1.005 billion in FY 2005, $1.383 billion in FY 2006, $975 million in FY 2007, $1,001 million in FY 2008, $985.4 million in FY 2009, $1.411 billion in FY 2010, $1.211 billion in FY 2011, $1.529 billion in FY 2012, and $1.545 billion in FY 2013.

2/ Does not reflect the following rescissions in FY 2005: LAE $2.8 million, Appalachian Dev. Hwy. Sys. $0.640 million, Misc. Hwy Trust Funds $0.272 million.

3/ Does not reflect the following rescissions in FY 2006: Federal-aid $360 million, LAE $3.6 million, Appalachian Dev. Hwy. Sys. $0.200 million.

4/ Does not reflect the following rescissions of new authority in FY 2008: Federal-aid $486.2 million, LAE $43.4 million. Payments to the HTF are cash transfers which do not provide additional resources to FHWA.

5/ Does not reflect the following rescissions of new authority in FY 2009: $1.162 billion from the $3.15 billion FY 2009 appropriated rescission and $5.3 billion from the $8.7 billion FY 2009 SAFETEA-LU rescission. Payments to the HTF are cash transfers which do not provide additional resources to FHWA.

6/ Does not reflect $288.4 million transferred to Federal Transit Administration in FY 2009.

7/ Reflects Appropriations for obligation limitation in FY 2010. Extension bill provided through February 28, 2010. Payments to the HTF are cash transfers which do not provide additional resources to FHWA.

8/ Reflects annualized appropriations from FY 2010. Extension bill provided beyond FY 2011 through March 31, 2012.

9/ Reflects enacted appropriations for FY 2012 and P.L. 112-141 authorized levels.

10/ Reflects enacted appropriations for FY 2013 and P.L. 112-141 authorized levels. Does not reflect P.L. 113-6 rescission of 0.2 percent of contract authority subject to limitation and obligation limitation or P.L. 112-125 sequestration of 5.1 percent of contract authority exempt from obligation limitation and Payment to the Highway Trust Fund, or 5.0 percent sequestration of Emergency Relief appropriations (GF).

11/ Reflects enacted appropriations for FY 2014 and P.L. 112-141 authorized levels. Does not reflect P.L. 112-125 sequestration of 7.2 percent of contract authority exempt from obligation limitation and Payment to the Highway Trust Fund.

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FEDERAL HIGHWAY ADMINISTRATION
CROSSWALK BETWEEN FY 2014 ENACTED AND FY 2015 to FY 2018 REAUTHORIZATION PROPOSAL - TOTAL BUDGET AUTHORITY

Program	FY 2014 ENACTED	FY 2015	FY 2016	FY 2017	FY 2018	Total 2015-2018
Apportioned Programs	**37,798,000,000**	**43,390,000,000**	**43,163,000,000**	**42,952,000,000**	**42,754,000,000**	**172,259,000,000**
Highway Safety Improvement Program	2,412,406,423	2,460,000,000	2,509,000,000	2,560,000,000	2,611,000,000	10,140,000,000
National Highway Performance Program	21,908,178,122	22,335,000,000	22,783,000,000	23,240,000,000	23,705,000,000	92,063,000,000
Surface Transportation Program	10,077,074,081	10,272,000,000	10,478,000,000	10,688,000,000	10,902,000,000	42,340,000,000
Congestion Mitigation & Air Quality Improvement Program	2,266,889,602	2,317,000,000	2,363,000,000	2,411,000,000	2,459,000,000	9,550,000,000
Metropolitan Transportation Planning	313,551,772	320,000,000	327,000,000	333,000,000	340,000,000	1,320,000,000
Transportation Alternatives Program	819,900,000	836,000,000	853,000,000	870,000,000	887,000,000	3,446,000,000
Critical Immediate Investments Program	-	4,850,000,000	3,850,000,000	2,850,000,000	1,850,000,000	13,400,000,000
Federal Lands and Tribal Transportation Programs	**1,000,000,000**	**1,277,000,000**	**1,299,000,000**	**1,322,000,000**	**1,346,000,000**	**5,244,000,000**
Federal Lands Transportation Program	300,000,000	370,000,000	377,000,000	385,000,000	393,000,000	1,525,000,000
Federal Lands Access Program	250,000,000	250,000,000	255,000,000	260,000,000	265,000,000	1,030,000,000
Tribal Transportation Program	450,000,000	507,000,000	517,000,000	527,000,000	538,000,000	2,089,000,000
Nationally Significant Federal Lands and Tribal Projects	-	150,000,000	150,000,000	150,000,000	150,000,000	600,000,000
Research, Technology, and Education Program	**400,000,000**	**451,000,000**	**460,000,000**	**469,000,000**	**479,000,000**	**1,859,000,000**
Highway Research and Development Program	115,000,000	130,000,000	132,594,234	135,188,470	138,070,953	535,853,657
Technology and Innovation Deployment Program	62,500,000	70,000,000	71,396,896	72,793,792	74,345,898	288,536,586
Training and Education	24,000,000	27,000,000	27,538,803	28,077,605	28,676,275	111,292,683
Intelligent Transportation Systems Program	100,000,000	113,000,000	115,254,989	117,509,978	120,015,521	465,780,488
University Transportation Centers	72,500,000	82,000,000	83,636,364	85,272,727	87,090,909	338,000,000
Bureau of Transportation Statistics	26,000,000	29,000,000	29,578,714	30,157,428	30,800,444	119,536,586
Federal Allocation Programs	**357,000,000**	**502,000,000**	**507,000,000**	**513,000,000**	**520,000,000**	**2,042,000,000**
Emergency Relief (Exempt)	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	400,000,000
Territorial and Puerto Rico Highway Program	190,000,000	190,000,000	194,000,000	198,000,000	202,000,000	784,000,000
Construction of Ferry Boats and Ferry Terminal Facilities	67,000,000	67,000,000	68,000,000	70,000,000	71,000,000	276,000,000
On-the-Job Training	-	11,000,000	11,000,000	11,000,000	12,000,000	45,000,000
Disadvantaged Business Enterprise	-	11,000,000	11,000,000	11,000,000	12,000,000	45,000,000
Highway Use Tax Evasion Projects	-	10,000,000	10,000,000	10,000,000	10,000,000	40,000,000
Other Safety-related Programs [1/]	-	3,000,000	3,000,000	3,000,000	3,000,000	12,000,000
Ladders of Opportunity	-	100,000,000	100,000,000	100,000,000	100,000,000	400,000,000
Performance Management Data Support Program	-	10,000,000	10,000,000	10,000,000	10,000,000	40,000,000
TIFIA Program	**1,000,000,000**	**1,000,000,000**	**1,000,000,000**	**1,000,000,000**	**1,000,000,000**	**4,000,000,000**
Freight Program	**0**	**1,000,000,000**	**2,000,000,000**	**3,000,000,000**	**4,000,000,000**	**10,000,000,000**
Administrative Expenses	**440,000,000**	**442,248,000**	**451,248,000**	**460,248,000**	**469,248,000**	**1,822,992,000**
FHWA General Operating Expenses (GOE)	403,752,000	439,000,000	448,000,000	457,000,000	466,000,000	1,810,000,000
Appalachian Regional Commission	3,248,000	3,248,000	3,248,000	3,248,000	3,248,000	12,992,000
On-the-Job Training	10,000,000	-	-	-	-	-
Disadvantaged Business Enterprise	10,000,000	-	-	-	-	-
Highway Use Tax Evasion Projects	10,000,000	-	-	-	-	-
Other Programs from Administrative Expenses [1/]	3,000,000	-	-	-	-	-
SUBTOTAL, FEDERAL-AID HIGHWAYS	**40,995,000,000**	**48,062,248,000**	**48,880,248,000**	**49,716,248,000**	**50,568,248,000**	**197,226,992,000**
CA Subject to Obligation Limitation	**40,256,000,000**	**47,323,248,000**	**48,141,248,000**	**48,977,248,000**	**49,829,248,000**	**194,270,992,000**
CA Exempt from Obligation Limitation [2/]	**739,000,000**	**739,000,000**	**739,000,000**	**739,000,000**	**739,000,000**	**2,956,000,000**
Fixing and Accelerating Surface Transportation	**0**	**500,000,000**	**500,000,000**	**500,000,000**	**500,000,000**	**2,000,000,000**
TOTAL, FHWA	**40,995,000,000**	**48,562,248,000**	**49,380,248,000**	**50,216,248,000**	**51,068,248,000**	**199,226,992,000**
CA Subject to Obligation Limitation	**40,256,000,000**	**47,823,248,000**	**48,641,248,000**	**49,477,248,000**	**50,329,248,000**	**196,270,992,000**
CA Exempt from Obligation Limitation [2/]	**739,000,000**	**739,000,000**	**739,000,000**	**739,000,000**	**739,000,000**	**2,956,000,000**

1/ Program renamed when relocated from Administrative Expenses.
2/ Amounts exempt from Obligation Limitation include $100,000,000 for Emergency Relief and $639,000,000 of the National Highway Performance Program apportionments. In FY 2014, contract authority exempt from obligation limitation was sequestered at 7.2% per Presidential Sequestration Order dated April 10, 2013 (sequestration not reflected in table).

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FEDERAL-AID HIGHWAYS

LIMITATION ON ADMINISTRATIVE EXPENSES

(TRANSPORTATION TRUST FUND)
(INCLUDING TRANSFER OF FUNDS)

Contingent upon enactment of multi-year surface transportation authorization legislation, not to exceed $439,000,000, together with advances and reimbursements received by the Federal Highway Administration, shall be obligated for necessary expenses for administration and operation of the Federal Highway Administration. In addition, not to exceed $3,248,000 shall be transferred to the Appalachian Regional Commission in accordance with section 104 of title 23, United States Code.

(LIMITATION ON OBLIGATIONS)

(TRANSPORTATION TRUST FUND)

Contingent upon enactment of multi-year surface transportation authorization legislation, funds available for the implementation or execution of programs of Federal-aid Highways and highway safety construction programs authorized under titles 23 and 49, United States Code, and the provisions of such authorization legislation shall not exceed total obligations of $47,323,248,000 for fiscal year 2015: Provided, That the Secretary may collect and spend fees, as authorized by title 23, United States Code, to cover the costs of services of expert firms, including counsel, in the field of municipal and project finance to assist in the underwriting and servicing of Federal credit instruments and all or a portion of the costs to the Federal Government of servicing such credit instruments: Provided further, That such fees are available until expended to pay for such costs: Provided further, That such amounts are in addition to administrative expenses that are also available for such purpose, and are not subject to any obligation limitation or the limitation on administrative expenses under section 608 of title 23, United States Code.

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(TRANSPORTATION TRUST FUND)

Contingent upon enactment of multi-year surface transportation authorization legislation, for the payment of obligations incurred in carrying out Federal-aid Highways and highway safety construction programs authorized under title 23, United States Code, $48,062,248,000 derived from the Transportation Trust Fund (other than the Mass Transit Account), to remain available until expended.

(ADMINISTRATIVE PROVISIONS - FEDERAL HIGHWAY ADMINISTRATION)

Sec. 120. Contingent upon enactment of multi-year surface transportation authorization legislation:

(a) For fiscal year 2015, the Secretary of Transportation shall--

(1) not distribute from the obligation limitation for Federal-aid Highways--

(A) amounts authorized for administrative expenses and programs by section 104(a) of title 23, United States Code; and

(B) amounts authorized for the Bureau of Transportation Statistics;

(2) not distribute an amount from the obligation limitation for Federal-aid Highways that is equal to the unobligated balance of amounts--

(A) made available from the Highway Trust Fund (other than the Mass Transit Account) for Federal-aid Highways and highway safety construction programs for previous fiscal years the funds for which are allocated by the Secretary (or apportioned by the Secretary under sections 202 or 204 of title 23, United States Code); and

(B) for which obligation limitation was provided in a previous fiscal year;

(3) determine the proportion that--

(A) the obligation limitation for Federal-aid Highways, less the aggregate of amounts not distributed under paragraphs (1) and (2) of this subsection; bears to

(B) the total of the sums authorized to be appropriated for the Federal-aid Highway and highway safety construction programs (other than sums authorized to be appropriated for provisions of law described in paragraphs (1) through (12) of subsection (b) and sums authorized to be appropriated for section 119 of title 23, United States Code, equal to the amount referred to in subsection (b)(13) for such fiscal year), less the aggregate of the amounts not distributed under paragraphs (1) and (2) of this subsection;

(4) distribute the obligation limitation for Federal-aid Highways, less the aggregate amounts not distributed under paragraphs (1) and (2), for each of the programs (other than programs to which paragraph (1) applies) that are

allocated by the Secretary under such authorization legislation and title 23, United States Code, or apportioned by the Secretary under sections 202 or 204 of that title, by multiplying--

(A) the proportion determined under paragraph (3); by

(B) the amounts authorized to be appropriated for each such program for such fiscal year; and

(5) distribute the obligation limitation for Federal-aid Highways, less the aggregate amounts not distributed under paragraphs (1) and (2) and the amounts distributed under paragraph (4), for Federal-aid Highways and highway safety construction programs that are apportioned by the Secretary under such authorization legislation or title 23, United States Code (other than the amounts apportioned for the National Highway Performance Program in section 119 of title 23, United States Code, that are exempt from the limitation under subsection (b)(13) and the amounts apportioned under sections 202 and 204 of that title) in the proportion that--

(A) amounts authorized to be appropriated for the programs that are apportioned under title 23, United States Code, or such authorization legislation to each State for such fiscal year; bears to

(B) the total of the amounts authorized to be appropriated for the programs that are apportioned under title 23, United States Code, or such authorization legislation to all States for such fiscal year.

(b) EXCEPTIONS FROM OBLIGATION LIMITATION- The obligation limitation for Federal-aid Highways shall not apply to obligations under or for--

(1) section 125 of title 23, United States Code;

(2) section 147 of the Surface Transportation Assistance Act of 1978 (23 U.S.C. 144 note; 92 Stat. 2714);

(3) section 9 of the Federal-Aid Highway Act of 1981 (95 Stat. 1701);

(4) subsections (b) and (j) of section 131 of the Surface Transportation Assistance Act of 1982 (96 Stat. 2119);

(5) subsections (b) and (c) of section 149 of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (101 Stat. 198);

(6) sections 1103 through 1108 of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 2027);

(7) section 157 of title 23, United States Code (as in effect on June 8, 1998);

(8) section 105 of title 23, United States Code (as in effect for fiscal years 1998 through 2004, but only in an amount equal to $639,000,000 for each of those fiscal years);

(9) Federal-aid Highways programs for which obligation authority was made available under the Transportation Equity Act for the 21st Century (112 Stat. 107) or subsequent Acts for multiple years or to remain available until expended, but only to the extent that the obligation authority has not lapsed or been used;

(10) section 105 of title 23, United States Code (as in effect for fiscal years 2005 through 2012, but only in an amount equal to $639,000,000 for each of those fiscal years);

(11) section 1603 of SAFETEA-LU (23 U.S.C. 118 note; 119 Stat. 1248), to the extent that funds obligated in accordance with that section were not subject to a limitation on obligations at the time at which the funds were initially made available for obligation;

(12) section 119 of title 23, United States Code (as in effect for fiscal years 2013 through 2014, but only in an amount equal to $639,000,000 for each of those fiscal years); and

(13) section 119 of title 23, United States Code (but, for fiscal year 2015, only in an amount equal to $639,000,000).

(c) Redistribution of Unused Obligation Authority- Notwithstanding subsection (a), the Secretary shall, after August 1 of such fiscal year--

(1) revise a distribution of the obligation limitation made available under subsection (a) if an amount distributed cannot be obligated during that fiscal year; and

(2) redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during that fiscal year, giving priority to those States having large unobligated balances of funds apportioned under sections 144 (as in effect on the day before the date of enactment of Public Law 112-141) and 104 of title 23, United States Code.

(d) Applicability of Obligation Limitations to Transportation Research Programs-

(1) IN GENERAL- Except as provided in paragraph (2), the obligation limitation for Federal-aid Highways shall apply to contract authority for transportation research programs carried out under--

(A) chapter 5 of title 23, United States Code; and

(B) the transportation research programs sections of such authorization legislation.

(2) EXCEPTION- Obligation authority made available under paragraph (1) shall--

(A) remain available for a period of 4 fiscal years; and

(B) be in addition to the amount of any limitation imposed on obligations for Federal-aid Highways and highway safety construction programs for future fiscal years.

(e) Redistribution of Certain Authorized Funds-

(1) IN GENERAL- Not later than 30 days after the date of distribution of obligation limitation under subsection (a), the Secretary shall distribute to the States any funds (excluding funds authorized for the program under section 202 of title 23, United States Code) that--

(A) are authorized to be appropriated for such fiscal year for Federal-aid Highways programs; and

(B) the Secretary determines will not be allocated to the States (or will not be apportioned to the States under section 204 of title 23, United States Code), and will not be available for obligation, for

such fiscal year because of the imposition of any obligation limitation for such fiscal year.

(2) RATIO- Funds shall be distributed under paragraph (1) in the same proportion as the distribution of obligation authority under subsection (a)(5).

(3) AVAILABILITY- Funds distributed to each State under paragraph (1) shall be available for any purpose described in section 133(b) of title 23, United States Code.

Sec. 121. Notwithstanding 31 U.S.C. 3302, funds received by the Bureau of Transportation Statistics from the sale of data products, for necessary expenses incurred pursuant to chapter 63 of title 49, United States Code, may be credited to the Federal-aid Highways account for the purpose of reimbursing the Bureau for such expenses: Provided, That such funds shall be subject to the obligation limitation for Federal-aid Highways and highway safety construction programs.

Sec. 122. Not less than 15 days prior to waiving, under his statutory authority, any Buy America requirement for Federal-aid Highways projects, the Secretary of Transportation shall make an informal public notice and comment opportunity on the intent to issue such waiver and the reasons therefor.

Sec. 123. None of the funds in this Act to the Department of Transportation may be used to provide credit assistance unless not less than 3 days before any application approval to provide credit assistance under sections 603 and 604 to title 23, United States Code, the Secretary of Transportation provides notification in writing to the following committees: the House and Senate Committees on Appropriations; the Committee on Environment and Public Works and the Committee on Banking, Housing and Urban Affairs of the Senate; and the Committee on Transportation and Infrastructure of the House of Representatives: Provided, That such notification shall include, but not be limited to, the name of the project sponsor; a description of the project; whether credit assistance will be provided as a direct loan, loan guarantee, or line of credit; and the amount of credit assistance.

FIXING AND ACCELERATING SURFACE TRANSPORTATION

(LIMITATION ON OBLIGATIONS)

(LIQUIDATION OF CONTRACT AUTHORIZATION)
(TRANSPORTATION TRUST FUND)

Contingent upon enactment of multi-year surface transportation authorization legislation, for the payment of obligations incurred in carrying out the Fixing and Accelerating Surface Transportation program under title 49, United States Code, $500,000,000 to be derived from the Highway Account of the Transportation Trust Fund and to remain available until expended: Provided, that funds available for the implementation or execution of such program shall not exceed total obligations of $500,000,000.

EXHIBIT III-1
FEDERAL-AID HIGHWAYS
Summary by Program Activity
Appropriations, Obligation Limitations, and Exempt Obligations
($000)

	FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST	CHANGE FY 2014-2015
Federal-aid Highways				
[Limitation on administrative expenses (FHWA Admin only - GOE] [1/]	[416,126] [2/]	[416,100]	[439,000]	22,900
(Obligation Limitation)	(39,619,602) [2/]	(40,256,000)	(47,323,248)	7,067,248
Exempt Programs	701,311 [3/]	685,792 [4/]	739,000	53,208
Flex Transfers to/from FTA	-1,405,782	-1,300,000	-1,300,000	-----
Transfer to NHTSA	-138,964	-----	-----	-----
Total, Obligation Limitation & Authority	**$38,776,167**	**$39,641,792**	**$46,762,248**	**$7,120,456**
FTEs				
Direct Funded	2,633	2,748	2,748	-----
Reimbursements/Allocations/Other	225	223	223	-----
Total, FTE	**2,858**	**2,971**	**2,971**	-----

Program and Performance Statement

This account provides necessary resources to the Federal-aid Highways Program. These funds aid in the development, operations, and management of an intermodal transportation system that is economically efficient, environmentally sound, provides the foundation for the Nation to compete in the global economy, and moves people and goods safely. It also provides the necessary resources to support and maintain the FHWA administrative infrastructure.

[ ] Non-add

1/ Reflects obligation limitation for FHWA general operating expenses (GOE) only, not including amounts appropriated for the Appalachian Regional Commission in FY 2013 ($3,220 million), FY 2014 ($3,248), and FY 2015 ($3,248). Does not include amounts for other programs authorized under MAP-21 Administrative Expenses during FY 2013 or FY 2014.
2/ Reflects PL 113-6 across-the-board rescission of 0.2 percent of contract authority subject to limitation and obligation limitation.
3/ Reflects PL 112-125 sequestration of 5.1 percent of contract authority exempt from obligation limitation - percentage determined by OMB in accordance
4/ Reflects PL 112-125 sequestration of 7.2 percent of contract authority exempt from obligation limitation - percentage determined by OMB in accordance

EXHIBIT III-1a

FEDERAL-AID HIGHWAYS
SUMMARY ANALYSIS OF CHANGE FROM FY 2014 TO FY 2015
Appropriations, Obligation Limitations, and Exempt Obligations
($000)

Item	Change from FY 2014 to FY 2015 ($000)	Change from FY 2014 to FY 2015 FTE
FY 2014 Base (Obligation Limitation + Exempt CA)	**$40,995,000**	**2,748**
Federal-aid Highways		
Adjustments to Base		
FY 2014 Annualization of President's Raise (1.0%)	$3,018	
FY 2015 President's Raise (1.0%)	$2,286	
GSA Rent	$751	
Working Capital Fund (WCF)	$250	
Inflation	$295	
Subtotal, Adjustments to Base	**$6,600**	**0**
New or Expanded Programs		
IT Support Services	$6,500	
Training	$1,500	
Financial Management and Reporting System	$1,500	
Enhanced IT Security	$1,500	
Cloud Computing Pilot	$1,000	
Expanded IT Communication Capabilities	$500	
Data and Reporting Systems Integration	$1,900	
Enterprise Architecture	$600	
Workforce Mobility - Mobile Device Optimization	$1,300	
Federal-aid Highway Program	$7,044,348	
Subtotal, New or Expanded Programs	**$7,060,648**	**0**
FY 2015 Total Request [Ob. Lim. + Exempt CA]	**$48,062,248**	**2,748**

EXHIBIT III-2

ANNUAL PERFORMANCE RESULTS AND TARGETS

FEDERAL HIGHWAY ADMINISTRATION

The Federal Highway Administration (FHWA) integrates performance results into its budget request to demonstrate alignment with the Department of Transportation's *FY 2014-2018 Strategic Plan*. The FHWA tracks the following DOT-level performance goals and indicators to demonstrate program results.

Goal: Safety

Strategic Objective: Improve the safety of the transportation system by addressing behavioral, vehicular, and infrastructure safety issues through prevention, minimization, mitigation, and response using innovative and effective partnerships, programs, and resources.

Performance Goal: Reduce the rate of roadway fatalities to 1.02 per hundred million VMT by FY 2016 (APG).

Indicator: Highway Fatality Rate per 100 million VMT.						
	2010	2011	2012	2013	2014	2015
Target	1.30	1.10	1.05	1.03	1.02	1.02
Actual	1.11	1.09	1.14 (r)	1.06 (*)	Available June 2015	Available June 2016
(r) – revised; (*) – preliminary as of October 2013						

Goal: State of Good Repair

Strategic Objective: Maintain or improve the availability, reliability, and performance of the Nation's transportation infrastructure, equipment, and facilities by ensuring that they are functioning as designed within their useful lives.

Performance Goal: Increase percentage of travel on the National Highway System (NHS) and Interstate meeting pavement performance standards for good ride quality to 64.3 percent or higher by 2018.

Indicator: Percentage of travel on the NHS and Interstate meeting pavement performance standards for good ride quality.						
	2010	2011	2012	2013	2014	2015
Target	54.0%	55.8%	56.0% (r)	57.0% (r)	59.5% (r)	60.7%
Actual	55.0% (r)	54.3%	57.1%	58.3% (*)	Available January 2015	Available January 2016
(r) – revised; (*) – preliminary as of January 2014						

Performance Goal: Decrease the percentage of deck area of structurally deficient bridges on the NHS to less than 6.0 percent by 2018.

Indicator: Percent of deck area (i.e., roadway surface of a bridge) on NHS structurally deficient bridges.						
	2010	2011	2012	2013	2014	2015
Target	8.0%	7.9%	7.8%	7.7%	6.6% (r)	6.4% (r)
Actual	8.3%	7.8%	7.1%	6.8%	Available January 2015	Available January 2016
(r) – revised						

Goal: Economic Competitiveness

Strategic Objective: Improve the contribution of the transportation system to the Nation's productivity and economic growth by supporting strategic, multi-modal investment decisions and policies that reduce costs, increase reliability and competition, satisfy consumer preferences more efficiently, and advance U.S. transportation interests worldwide.

Performance Goal: Maintain Travel Time Reliability in urban areas as measured by a reduction in the Travel Time Index to No More Than 1.20 in 2018.

Travel Time Index (TTI). (Note: This is the ratio of the average peak period travel time compared to a free-flow travel time, which is reported for 19 urban areas in the U.S. A ratio above 1.0 is an indication that traffic congestion exists; the higher the number, the more extensive the congestion.)						
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	1.17	1.20	1.20	1.20	1.20	1.20
Actual	1.21	1.21	1.20	1.21	Available December 2014	Available December 2015

Performance Goal: Maintain Travel Time Reliability in Top 25 Domestic Trade Corridors at or below 17.0 through 2018. (Note: This goal was revised in FY 2013. The previous goal was to maintain Travel Time Reliability in key freight significant corridors at 15.0 or below).

Freight Buffer Index - The Buffer Index (BI) represents the extra time, or time cushion, that would have to be added to the average travel time to ensure on-time arrival 95 percent of the time.			
	FY 2013	FY 2014	FY 2015
Target	n/t	17.0	17.0
Actual	16.3	17.7 (*)	Available December 2015
(*) – preliminary as of January 2014; n/t – no target established			

Goal: Quality of Life in Communities

Strategic Objective: Expand convenient, safe, and affordable transportation choices for all users by directing federal investments in infrastructure towards projects that more efficiently meet transportation, land use, goods movement, and economic development goals developed through integrated planning approaches.

Performance Goal: Increase the number of created and/or significantly improved pedestrian and bicycle transportation networks in communities (i.e., local, regional, and state) that provide functional connections and enhance transportation choice to 65 by FY 2018. (Note: This performance goal was revised in FY 2013. The previous goal was to increase the number of States with policies that improve transportation choices for walking and bicycling).

Number of created and/or significantly improved pedestrian and bicycle transportation networks.		
	FY 2014	FY 2015
Target	25	35
Actual	Available January 2015	Available January 2016

Strategic Objective: Ensure federal transportation investments benefit all users by emphasizing greater public engagement, fairness, equity, and accessibility in transportation investment plans, policy guidance, and programs.

Performance Goal: Improve accessibility on Public Rights of Way by increasing the number of State DOTs with ADA transition plans that include the Public Rights of Way to 48 by FY 2018.

Number of State DOTs with ADA transition plans that include the Public Rights of Way.					
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	9	12	17	25	31
Actual	13	15	23	24 (*)	n/a
(*) – preliminary as of January 2014; n/a – not available					

Goal: Environmental Sustainability

Strategic Objective: Reduce foreign oil-dependence and carbon emissions through research and deployment of new technologies including alternative fuels, and by promoting more energy-efficient modes of transportation (i.e. Promote Energy Efficiency).

Performance Goal: Lead FHWA implementation of MAP-21 and future reauthorization environmental provisions through FY 2018 (Note: This is a new performance goal in FY 2014).

Submit three reports to Congress annually on MAP-21 Section 1306 regarding the status of environmental impact statement and environmental assessment processes.		
	FY 2014	FY 2015
Target	3	3
Actual	Available October 2014	Available October 2015

Strategic Objective: Avoid and mitigate transportation-related impacts to climate, ecosystems, and communities by helping partners make informed project planning decisions through an analysis of acceptable alternatives, balancing the need to obtain sound environmental outcomes with demands to accelerate project delivery.

Performance Goal: Encourage at least 69 State DOTs, MPOs serving a Transportation Management Area (TMA), and Federal land management agencies to undertake an assessment of vulnerabilities of the highway system by FY 2018. (Note: This is a new performance goal in FY 2014).

Number of State DOTs, MPOs serving a TMA, and Federal land management agencies that have conducted vulnerability assessments of the highway system to climate change and/or extreme weather events.		
	FY 2014	FY 2015
Target	47	54
Actual	51(*)	Available October 2015
(*) – preliminary as of January 2014		

Goal: Organizational Excellence

Strategic Objective: Build a capable, diverse, and collaborative workforce of highly-skilled, innovative, and motivated employees by making DOT a workplace of choice through employee empowerment and engagement, learning and development, succession planning, workplace flexibilities, and a healthy and safe workforce.

Performance Goal: Increase DOT's employee engagement index score on the Office of Personnel Management's (OPM) Federal Employee Viewpoint Survey (EVS) to 70.5% positive responses by 2018. (Note: This is a new performance goal in FY 2014).

Employee engagement index score.			
	FY 2013	FY 2014	FY 2015
Target (Department-wide)	n/t	65.1%	66.4%
Target (FHWA)	n/t	80.0%	80.0%
Actual (FHWA)	77.0%	Available January 2015	Available January 2016
n/t – no target established			

Performance Goal: Increase hiring of persons with targeted disabilities for eligible positions to 2 percent by 2018 (Note: This is a new performance goal in FY 2014).

Percentage of employees with targeted disabilities.			
	FY 2013	FY 2014	FY 2015
Target (Department-wide)	n/t	1.80%	2.10%
Target (FHWA)	n/t	1.55%	1.65%
Actual	1.47	Available January 2015	Available January 2016
n/t – no target established			

Strategic Objective: Advance secure and innovative information systems and technology platforms that protect against cyber threats and support the efficient use of information and data for financial management.

Performance Goal: Strengthen the cyber security posture of the Department through holistic situational awareness and risk management capabilities (Note: This is a new performance goal in FY 2014).

Percent of systems governed by Automated Continuous Monitoring capabilities within each component.			
	FY 2013	FY 2014	FY 2015
Target (Department-wide)	n/t	60%	70%
Actual	TBD	Available January 2015	Available January 2016
n/t – no target established			

Percent of systems converted to an ongoing authorization process.			
	FY 2013	FY 2014	FY 2015
Target (Department-wide)	n/t	20%	50%
Actual	TBD	Available January 2015	Available January 2016
n/t – no target established			

Performance Goal: Maintain the percentage of improper payments to one percent or less of all payments through FY 2018 (Note: This is a new performance goal in FY 2014).

Percentage of improper payments.			
	FY 2013	FY 2014	FY 2015
Target (Department-wide)	n/t	1% or less	1% or less
Actual (FHWA only)	0.2%	Available January 2015	Available January 2016
n/t – no target established			

Performance Goal: Keep improper payments below the level of significant improper payments (i.e., $100 million, regardless of error rate) for all major programs through FY 2018. (Note: This is a new performance goal in FY 2014).

Total dollar amount, in million dollars, of improper payments.			
	FY 2013	FY 2014	FY 2015
Target (Department-wide)	$100m or less	$100m or less	$100m or less
Actual (FHWA only)	$91.4m	Available January 2015	Available January 2016

Goal: Other Supporting Objectives

Strategic Objective: Expand opportunities for small and disadvantaged businesses in the transportation sector.

Performance Goal: Maintain the percent of total dollar value of DOT direct contracts awarded to women-owned businesses at 5 percent through FY 2018.

Indicator: Percent of total dollar value of DOT direct contracts awarded to women-owned businesses.					
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target Department-wide)	5%	5%	5%	5%	5%
Actual (FHWA only)	7%	6%	8%	Available January 2015	Available January 2016

Performance Goal: Maintain the percent of total dollar value of DOT direct contracts awarded to small disadvantaged businesses at 5 percent through FY 2018.

Indicator: Percent of total dollar value of DOT direct contracts awarded to small disadvantaged businesses.					
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target (Department-wide)	5%	5%	5%	5%	5%
Actual (FHWA only)	19%	18%	27%	Available January 2015	Available January 2016

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DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
FEDERAL-AID HIGHWAYS

PROGRAM AND FINANCING SCHEDULE
in millions of dollars

Identification code: 69-8083-0-7-401		FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
Obligations by program activity:				
	Obligations by program activity:			
0010	Surface transportation program	11,261	11,792	10,119
0014	National highway performance program	16,719	17,507	17,600
0015	Congestion mitigation and air quality improvement program	1,265	1,325	2,139
0016	Highway safety improvement program	1,952	2,044	2,315
0017	Metroploitan transportation planning	220	230	301
0018	Transportation alternatives	111	116	787
0024	Federal lands and tribal programs	559	585	960
0029	Research, technology and education program	326	341	384
0032	Administration - LAE	409	416	433
0033	Administration - ARC	2	2	33
0058	Other programs	7,290	6,235	5,855
0061	Critical immmediate investments	……	……	4,850
0062	Ladders of opportunity	……	……	100
0063	Freight	……	……	1,000
0091	Programs subject to obligation limitation	40,114	40,593	46,876
0211	Exempt programs	749	548	597
0500	Total direct program	40,863	41,141	47,473
	Credit program obligations:			
0701	Direct loan subsidy	145	925	925
0709	Administrative expenses	4	5	5
0791	Direct program activities, subtotal	149	930	930
0799	Total direct obligations	41,012	42,071	48,403
0801	Reimbursable program	324	454	454
0900	Total new obligations	41,336	42,525	48,857

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
FEDERAL-AID HIGHWAYS

PROGRAM AND FINANCING SCHEDULE
in millions of dollars

Identification code: 69-8083-0-7-401		FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
Budgetary resources:				
	Unobligated balance:			
1000	Unobligated balance brought forward, Oct 1	30,017	27,858	25,429
1001	Discretionary unobligated balance brought fwd, Oct 1	472	522	……
1013	Unobligated balance of contract authority transferred to or from other accounts [69-8350]	21	……	……
1050	Unobligated balance (total)	30,038	27,858	25,429
	Budget authority:			
	Appropriations, discretionary:			
1101	Appropriation (trust fund)	39,699	40,995	48,040
1120	Appropriations transferred to other accounts [69-8350]	-796	-1,145	-1,167
1121	Appropriations transferred from other accounts [69-8350]	49	……	……
1137	Appropriations applied to liquidate contract authority	-38,952	-39,850	-46,873
1160	Appropriations, discretionary (total)	……	……	……
	Contract authority, mandatory:			
1600	Contract authority [1/]	40,438	40,995	48,062
1610	Transfer to other accounts [69-8350]	-1,434	-1,300	-1,300
1610	Transfer to other accounts [69-8020]	-139	……	……
1611	Transfer from other accounts [69-8350]	28	……	……
1620	Contract authority and/or unobligated balance of contract authority permanently reduced	-79	……	……
1621	Contract authority temporarily reduced	-38	-53	……
1640	Contract authority, mandatory (total) [1/]	38,776	39,642	46,762
	Spending authority from offsetting collections, discretionary:			
1700	Collected	124	454	454
1701	Change in uncollected payments, Federal sources	256	……	……
1750	Spending authority from offsetting collections, discretionary (total)	380	454	454
1900	Budget authority (total)	39,156	40,096	47,216
1930	Total budgetary resources available	69,194	67,954	72,645
	Memorandum (non-add) entires:			
1941	Unexpired unobligated balance, end of year [1/]	27,858	25,429	23,788
Change in obligated balance				
	Unpaid obligations:			
3000	Unpaid obligations, brought forward, Oct 1	67,461	66,931	66,450
3010	Obligations incurred, unexpired accounts	41,336	42,525	48,857
3020	Outlays (gross)	-41,866	-43,006	-44,734
3050	Unpaid obligations, end of year	66,931	66,450	70,573
	Uncollected payments:			
3060	Uncollected payments, Federal sources, brought forward, Oct 1	-521	-777	-777
3070	Change in uncollected payments, Federal sources, unexpired	-256	……	……
3090	Uncollected payments, federal sources, end of year	-777	-777	-777
	Memorandum (non-add) entries			
3100	Obligated balance, start of year	66,940	66,154	65,673
3200	Obligated balance, end of year	66,154	65,673	69,796

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
FEDERAL-AID HIGHWAYS

PROGRAM AND FINANCING SCHEDULE
in millions of dollars

Identification code: 69-8083-0-7-401		FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
Budget authority and outlays, net				
	Discretionary:			
4000	Budget authority, gross	380	454	454
	Outlays, gross:			
4010	Outlays from new discretionary authority	124	454	454
4011	Outlays from discretionary balances	48	78	73
4020	Outlays, gross (total)	172	532	527
	Offsets against gross budget authority and outlays:			
	Offsetting collections (collected) from:			
4030	Federal sources	-119	-454	-454
4033	Non-Federal sources	-5	……	……
4040	Offsets against gross budget authority and outlays	-124	-454	-454
	Additional offsets against gross budget authority only:			
4050	Change in uncollected payments, Federal sources, unexpired	-256	……	……
4070	Budget authority, net (discretionary)	……	……	……
4080	Outlays, net (discretionary)	48	78	73
	Mandatory:			
4090	Budget authority, gross	38,776	39,642	46,762
	Outlays, gross:			
4100	Outlays from new mandatory authority	11,208	10,703	12,626
4101	Outlays from mandatory balances	30,486	31,771	31,581
4110	Outlays, gross (total)	41,694	42,474	44,207
4160	Budget authority, net (mandatory)	38,776	39,642	46,762
4170	Outlays, net (mandatory)	41,694	42,474	44,207
4180	Budget authority, net (total)	38,776	39,642	46,762
4190	Outlays, net (total)	41,742	42,552	44,280

1/ This table includes updated figures, when compared to the Budget Appendix, as the reclassification of prior year spending in the database did not accurately capture net transfers between accounts.

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DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
FEDERAL-AID HIGHWAYS

OBJECT CLASSIFICATION
in millions of dollars

Identification code: 69-8083-0-7-401		FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
Direct obligations:				
	Personnel compensation:			
11.1	Full-time permanent	279	293	296
11.3	Other than full-time permanent	2	2	2
11.5	Other personnel compensation	1	4	4
11.9	Total personnel compensation	282	299	302
12.1	Civilian personnel benefits	77	81	82
21.0	Travel and transportation of persons	19	18	18
22.0	Transportation of things	1	1	1
23.1	Rental payments to GSA	28	29	29
23.2	Rental payments to others	1	1	1
23.3	Communications, utilities, and misc. charges	4	4	4
24.0	Printing and reproduction	1	1	1
25.1	Advisory and assistance services	55	55	55
25.2	Other services from non-federal sources	366	377	388
25.3	Other goods and services from federal sources	389	389	389
25.7	Operation and maintenance of equipment	44	45	46
26.0	Supplies and materials	4	4	4
31.0	Equipment	3	3	3
33.0	Investments and loans	145	925	846
41.0	Grants, subsidies, and contributions	38,989	39,236	45,631
99.0	Direct obligations	40,408	41,468	47,800
99.0	Reimbursable obligations	324	454	454

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
FEDERAL-AID HIGHWAYS

OBJECT CLASSIFICATION
in millions of dollars

Identification code: 69-8083-0-7-401		FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
Allocation account - direct:				
	Personnel compensation:			
11.1	Full-time permanent	9	9	9
11.5	Other personnel compensation	23	23	23
11.9	Total personnel compensation	32	32	32
12.1	Civilian personnel benefits	10	10	10
21.0	Travel and transportation of persons	2	2	2
23.1	Rental payments to GSA	2	2	2
23.3	Communications, utilities, and misc. charges	5	5	5
25.1	Advisory and assistance services	7	7	7
25.2	Other services from non-federal sources	241	241	241
25.3	Other goods and services from federal sources	19	19	19
25.4	Operation and maintenance of facilities	22	22	22
25.5	Research and development contracts	7	7	7
25.7	Operation and maintenance of equipment	1	1	1
26.0	Supplies and materials	3	3	3
32.0	Land and structures	40	40	40
41.0	Grants, subsidies, and contributions	212	212	212
99.0	Allocation account obligations - direct	603	603	603
99.5	Below reporting threshold	1	……	……
99.9	Total new obligations	41,336	42,525	48,857

FEDERAL-AID HIGHWAYS

EMPLOYMENT SUMMARY

Identification code: 69-8083-0-7-401		FY 2013 ACTUAL	FY 2014 ENACTED	FY 2014 REQUEST
	Direct:			
10.01	Civilian full-time equivalent employment	2,612	2,727	2,727
	Reimbursable:			
20.01	Civilian full-time equivalent employment	223	223	223
	Allocation account:			
30.01	Civilian full-time equivalent employment	2	3	3

Executive Summary
Highway Safety Improvement Program (HSIP)

What Is The Request And What Will We Get For The Funds?
The budget proposes a $2.5 billion Federal-aid infrastructure safety program to significantly reduce traffic fatalities and serious injuries on all public roads, including non-State-owned public roads and roads on tribal land, directly tied to the Department's safety goal and Roadway Safety Plan principles. Improving roadway safety is a top priority of the Department, and is one of DOT's Agency Priority Goals. FHWA, through National leadership and innovation, focuses on improving the safety of roadway infrastructure on all public roads.

What Is The Program?
- A data-and performance-driven, evidence-based strategic approach that will reduce fatalities and serious injuries for all road users.
- Strengthens coordination among all highway safety modes, including coordination with National Highway Traffic Safety Administration (NHTSA) and Federal Motor Carrier Safety Administration (FMCSA) safety programs.
- Continues the requirement that each State utilize a Strategic Highway Safety Plan. This statewide, coordinated safety plan in each State will provide a comprehensive framework for establishing statewide goals, objectives, and performance targets.
- Provides flexibility for the effective use of safety-focused funding.

Why Is This Particular Program Necessary?
This program will continue to save lives and prevent serious injuries for all road users including pedestrians and bicyclists. Preliminary 2012 data indicates that 34,080 people died on the nation's highways and the Department must continue to take action to address this serious public safety problem. The financial burden of highway crashes is at least $230 billion per year – a sign of the economic magnitude of highway crashes.

How Do You Know The Program Works?
FHWA estimates show that infrastructure-related safety investments provide an overall benefit-cost ratio of 21:1. The number of highway-related fatalities decreased almost 23 percent between 2005 and 2012. The 26 percent decrease in highway fatalities coincides with the establishment of the HSIP as a core Federal-Aid program and its integration with other safety programs across the Department. An extrapolation of the data indicates that the full benefits of a $2.5 billion annual program are 5,400 lives saved and 18,000 serious injuries prevented.

Why Do We Want/Need To Fund The Program At The Requested Level?
This funding request addresses safety needs on the nation's highways. Safety is important for all road users, including pedestrians and bicyclists, and is the Department's top priority, as emphasized in the Department's Roadway Safety Plan and the Department's Policy Statement on Safety. The data-driven, integrated, and performance based approach in MAP-21 was instrumental in reducing traffic fatalities and serious injuries. Capitalizing on this approach, which has significantly contributed to a 23 percent reduction in highway fatalities over 7 years, is well worth pursuing and increasing. A single death on our highways is a tragedy; almost 100 deaths a day is unacceptable when we possess the tools and capabilities to help prevent them.

Detailed Justification
Highway Safety Improvement Program

What Do I Need To Know Before Reading This Justification?

- The primary features of the MAP-21 HSIP will continue in this FY 2015 reauthorization budget request. The program has been in existence with relatively small changes since 2005.
- The program requires strategic safety planning, devotes additional resources to safety improvements, and supports innovative approaches for all road users including pedestrians and bicyclists on all public roads.
- This justification relates to continuing the program, with features including: 1) a performance-based framework; 2) greater flexibility; 3) making optimal safety infrastructure investment decisions; and 4) coordination with other DOT safety investments.

What Is The Request And What Will We Get For The Funds?

FY 2015 – Highway Safety Improvement Program ($2.5 billion)
($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways			
Highway Safety Improvement Program			
Highway Safety Improvement Program	2,412,406	2,460,000	47,594
Total	**2,412,406**	**2,460,000**	**47,594**

- **Key actions or anticipated milestones in the budget year**
  - Establishment of safety performance measures for the following: number of fatalities and serious injuries and rate of fatalities and serious injuries per vehicle miles travelled. These measures are coordinated with the NHTSA and FMCSA safety programs and performance measures and incorporated into FHWA's overall performance management system.
  - Improved targeting and an increase in the number of proven countermeasures States implement in the Highway Safety Improvement Program (HSIP).
  - Improved coordination of departmental programs in the implementation of state Strategic Highway Safety Plans (SHSP).
- **Key outputs expected in budget year –** The number of HSIP projects implemented and HSIP obligation rates. HSIP obligation rates are an indicator of the amount of funds States are spending on safety strategies, activities and projects and therefore represent a quantifiable surrogate for the amount of safety improvements implemented each year.

Using States' annual reports, FHWA will obtain more complete data on HSIP projects to conduct a comprehensive evaluation of the overall program.

- **Key outcomes expected in the budget year** – A program of projects and strategies to address safety challenges and achieve reductions in fatalities and serious injuries for all road users including pedestrians and bicyclists. The safety benefits of HSIP projects are long-term and sustainable, which means that their full life-saving value continues over multiple years. Previous HSIP investments continue to provide safety benefits long after the funds are expended. The benefits expected in FY 2015 include a reduction in fatalities and serious injuries from safety improvements that were implemented during the last 10 years; just as the projects completed in FY 2015 will continue to generate benefits in the future.

What Is This Program?

The HSIP authorizes a Federal-aid safety-focused funding program to achieve a significant reduction in fatalities and serious injuries on all public roads for all road users including pedestrians and bicyclists. It is directly tied to the Department's safety strategic goal and the Roadway Safety Plan. The HSIP includes a data-driven, evidence-based strategic approach to improving highway safety and encourages the States to establish or improve their roadway safety data program. Another major program feature is a statewide, coordinated strategic highway safety plan in each State that provides a comprehensive framework for establishing statewide goals, objectives, and performance targets for all road users including pedestrians and bicyclists; and that integrates the four "E's" - engineering, education, enforcement, and emergency medical services. The plan is developed by each State through a cooperative process involving local (including county transportation officials), State (including representatives of pedestrian and bicyclist users), federal, Tribal, and private-sector stakeholders to address the safety needs for all public roads. The States will be guided by the plan and their data systems in using the HSIP and other funds to produce a program of projects and strategies to solve relevant safety challenges.

Program Features:

- **A performance-based framework –**HSIP is incorporated into FHWA's overall transportation performance management framework. The features of the framework include:
    - A coordinated set of performance measures for number of fatalities and serious injuries and rate of fatalities and serious injuries per vehicle miles travelled.
    - Performance measures (number and rate of fatalities and number of serious injuries) that are synchronized with the performance measures States already report to NHTSAPerformance management based evaluation of program results.
    - More focused investments in safety for those States that do not meet or make significant progress towards meeting their targets.
    - Technical assistance that is aimed towards the achievement of State performance targets.
- **A Statewide Strategic Highway Safety Plan** – Each State's Strategic Highway Safety Plan (SHSP) is a statewide coordinated plan developed in cooperation with a broad range of multidisciplinary stakeholders. The comprehensive, data-driven, State SHSP defines

State safety goals and identifies performance targets. The SHSP provides the overarching strategic framework within which the annual, more tactically oriented, NHTSA and FMCSA plans can be developed.

- **Data and Analysis –** States are required to develop and maintain a safety data system or advance their capabilities to collect, maintain, and share a record of safety data on all public roads for all road users including pedestrians and bicyclists; create or enhance a highway basemap of all public roads; develop analytical processes for safety data elements; acquire and implement roadway safety analysis tools; identify roadway features that constitute a danger to road users and perform safety problem identification and countermeasure analysis.

- **HSIP Implementation –** As part of each State highway safety improvement program, the State collects and analyzes safety data to prioritize their safety needs. Based on the analysis of safety data, States then establish and implement a schedule of highway safety improvement projects, activities or strategies to address the identified safety problems. The State reports annually on the extent to which these activities lead to achieving performance targets.
- **Flexibility of HSIP–** Eligible activities for the use of HSIP funds are broad and FHWA provides information to clarify eligibilities that some States may not be aware of. For example:
    - Specific emphasis will be placed on the eligibility of systemic safety improvements that are based on not only high crash frequency, but where there are high-risk roadway features that are correlated with particular crash types. Such systemic improvements may include installation of rumble strips, placement of guardrail, or upgrading existing signs and pavement markings.
    - Professional development programs, training and activities to increase the knowledge base of safety practitioners will be eligible.
    - States can use HSIP funds for safety program evaluations.
    - Linkage between behavioral (NHTSA-funded) State safety programs and the SHSP.
- **HSIP Evaluation -** Each State prepares a report on their highway safety improvement program that describes the projects implemented under the program, assesses the effectiveness of those projects for all road users including pedestrians and bicyclists and describes the extent to which the funded improvements contribute to reducing the number and rate of fatalities and serious injuries on all public roads in the State. The results feed the next iteration of the SHSP.
- **Focused obligation authority to improve performance** – HSIP funds should be used for safety projects to achieve the State's safety performance targets. For those States that do not meet or make significant progress towards meeting their performance targets over a two-year period, a portion of their subsequent obligation authority (in the amount of that year's HSIP apportionment) may only be used for HSIP projects.

- **High-risk rural roads (HRRR)** –The nation has a tremendous challenge in improving safety on rural roads. Based on the information in the Report to Congress on HRRR, the Department will assist Federal, State and local efforts to implement best practices to reduce fatalities and serious bodily injury crashes on high-risk rural roads through the use of cost-effective roadway safety infrastructure improvements. In addition, if the fatality rate on rural roads in a State increases over the most recent 2- year period for which data are available, that State will be required to obligate an amount equal to at least 200 percent of the amount of funds the State received for FY 2009 for high-risk rural roads under subsection (f) of 23 USC 148 in the following year.

- **Flexibility for Railway-Highway Crossing Funds –**flexibility in the use of these funds to better enable States to meet their performance targets. Funding flexibility, coupled with project eligibility, is key to a performance based program and the States being able to utilize the funds in the most productive way to help them meet the targets they set for the metrics Congress established.

Why Is This Particular Program Necessary?

The Department of Transportation (DOT) has set a vision for significantly reducing highway fatalities and serious injuries for all road users including pedestrians and bicyclists by undertaking various strategies in the focus areas of safer vehicles, safer driver behavior, and safer highway infrastructure. FHWA contributes a large portion towards the achievement of this vision through the close working relationship with other safety modes, State, Tribal, and local governments, and other partners. While NHTSA and FMCSA focus their resources on improved vehicle and user safety, FHWA concentrates on ensuring the safety of the highway infrastructure upon which vehicles and users operate. This balance of coordinated efforts enables the DOT modes to concentrate on their areas of expertise while working towards a single goal. This coordination encourages and enables greater unity of effort. Coupled with a comprehensive focus on shared reliable safety data, the efforts of all modes will ensure that the federal efforts are implemented to their greatest potential. The HSIP is the main instrument for highway infrastructure safety for achieving the goal of reduced fatalities and serious injuries.

There is a backlog of highway safety needs. A gross estimate of highway safety needs indicates that more than $15 billion is needed just to address the top 5 percent most hazardous locations. For example, New Jersey identified their top 5 percent most hazardous roadway locations and indicated they would need approximately $702 million to address these locations. New Jersey was apportioned a total of $318 million in HSIP funds over the past 9 years.

Many State and local agencies currently address safety by identifying high crash locations. Louisiana conducted an analysis on intersection safety improvement needs and determined that, at a minimum, their short term (5-year) intersection needs amount to approximately $63 million, which is almost 25 percent of the State's HSIP apportionment from 2006-2014 of approximately $272 million.

FHWA is encouraging a systemic approach to safety planning – identifying locations for deployment of lower cost safety measures over many miles of roadway segments. Locations for implementing safety improvements are based on an analysis of what roadways share elements

that are common to particular crash types. For example, Minnesota has 29,000 rural curves, which represent 10 percent of their roadway mileage, but 40 percent of the crashes. Half of these curve locations had zero crashes in a five-year period. However, analysis shows that curves with a 1,500-foot radius or less have a significantly higher crash rate than wider radius curves. A systemic approach seeks to prevent crashes from happening by implementing low-cost signing and marking improvements at 1,500-foot radius or less curves. Minnesota's cost to improve the safety of its most dangerous curves would be approximately $22 million. This $22 million would address only the highest potential hazardous curves in only one State.

This program will continue to save lives and prevent serious injuries on the nation's highways. The program supports the Department's Policy Statement on Safety and the department's Roadway Safety Plan and contributes to the achievement of the Department's Safety goal; specifically to the Department's outcome to reduce transportation related fatalities and injuries. Preliminary 2012 data indicates that 34,080 people died on the nation's highways and the financial burden of highway crashes is at least $230 billion per year. FHWA must continue to take action to address this serious public safety and economic problem.

How Do You Know The Program Works?

MAP-21 doubled the funds for FHWA safety programs, provided a concentrated effort to maintain a data-driven decision making process to target available resources on the most pressing concerns, and improved collaboration and integration on multiple fronts – engineering, education, enforcement, and emergency medical services – to reduce highway fatalities and serious injuries. Those efforts will continue in FY 2015. Within FHWA, the HSIP program requires strategic highway safety plans which are cross-modal in nature. Since the creation of the HSIP in 2005, traffic fatalities in the U.S. decreased about 23 percent. The HSIP and other coordinated/integrated US DOT safety programs contributed to this success for the American public.

The SHSP process has fostered an unprecedented level of partnership among a variety of safety stakeholders. As life-saving initiatives are identified the demand for dedicated safety resources grows. Furthermore, with an additional emphasis on safety and roadway design characteristics data, States will be able to more effectively use existing and future analysis tools for problem identification, trend analysis, safety projects and systemic improvement planning.

Safety infrastructure investments are effective and cost-beneficial. FHWA identifies and promotes proven safety countermeasures that have a demonstrated ability to reduce crashes. FHWA supports the Crash Modification Clearinghouse (http://www.cmfclearinghouse.org), a Web-based database of crash modification factors along with supporting documentation to help transportation engineers identify the most appropriate countermeasure for their safety needs. A crash modification factor (CMF) is a multiplicative factor used to compute the expected number of crashes after implementing a given countermeasure at a specific site. Using the Clearinghouse site, transportation professionals can search to find CMFs or submit their own CMFs to be included in the clearinghouse. For example, the installation of centerline rumble strips on a 2-lane roadway can lead to a 14 percent reduction in all crashes and a 55 percent reduction in head-on crashes. Cable median barriers on multi-lane divided roadways can reduce injury crashes by 29 percent.

FHWA also supports implementation of the Highway Safety Manual. This manual, published by the American Association of State Highway Transportation Officials (AASHTO), provides factual information and tools in a useful form to facilitate roadway planning, design, operations, and maintenance decisions based on precise consideration of their safety consequences. The manual advances State and local highway agencies' ability to incorporate explicit, quantitative consideration of safety into their planning and project development decision making.

The manual and CMF Clearinghouse are complementary tools. The manual includes CMFs and how to use them; the Clearinghouse expands and updates the information on CMFs available in the manual. States use the CMFs in many phases of project development and implementation. For example, the Virginia DOT uses CMFs to justify and prioritize project selections for their Strategically Targeted Affordable Roadway Solutions program. Michigan DOT used CMFs to identify expected benefits for particular countermeasures identified in a Road Safety Audit. Colorado and Arizona DOTs have used CMFs in the development and analysis of alternatives for, respectively, an interchange and a shoulder widening project.

FHWA, as summarized at http://safety.fhwa.dot.gov/hsm, invests more than $1 million per year to provide outreach, guidance, technical support, training, and case studies on the use of the manual, the CMF Clearinghouse and other related analysis tools to support more scientifically rigorous safety investment decision making. FHWA also works with State and local agencies to improve the safety data systems that are the foundation for data-driven, evidence-based decision making.

Several methods are available for determining benefit-cost ratio for HSIP. Many assumptions are necessary for such analyses, and therefore the numbers presented are rounded, minimized, and/or averaged. In the approach presented here, FHWA analyzed a sample of data from 10 states, representing a cross section of size and geographic location. Based on the 10-State sample, 1,250 HSIP projects were analyzed. This figure, which includes $605 million worth of improvements, does not include all implemented projects, only those where detailed cost information was available.

In the three-year period before the improvements were put in place, the locations for these 1,250 projects averaged 1.5 fatal crashes and 5 serious injuries. Depending on a variety of factors, safety infrastructure countermeasures reduce crashes by 5 to 30 percent, so a 20 percent reduction is used. Further, a standard factor of 1.1 fatalities per fatal crash (or serious injuries per serious injury crash) is used.

With these assumptions, the $605 million investment eliminates 412 fatalities over three years (1,250 projects x 1.5 fatal crashes per project location x 0.20 reduction factor x 1.1 fatalities per fatal crash = 412) **saving 137 lives annually**. The $605 million investment also eliminates 1,375 serious injuries over three years (1,250 x 5 injury crashes per project location x 0.20 reduction factor x 1.1 injuries per injury crash = 1,375), **eliminating 458 serious injuries annually**.

Extrapolating the fatality and serious injuries reduction with $605 million to a fully funded program, a $2.5 billion HSIP could save over 540 lives per year and eliminate 1,800 serious injuries. In the aggregate, safety infrastructure countermeasures need to be replaced, on average, every 10 years, so the full benefits of a $2.5 billion annual program are 5,400 lives saved and 18,000 serious injuries prevented. Using the DOT economic value for a statistical life ($9.1 million), a factor for the comprehensive cost of a serious injury, and a 4 percent discount rate over 10 years, the $2.5 billion HSIP provides an economic benefit of over $47.5 billion, a benefit-cost ratio of 21 to 1.

Why Do We Want/Need To Fund The Program At The Requested Level?

The $2.5 billion reauthorization request for HSIP could reduce fatalities by at least 540 per year and serious injuries by at least 1,800 per year and is estimated to save more than 5,400 lives and 18,000 serious injuries over the 10-year lifecycle of the countermeasures. Funding the program at a lower level would reduce the States' ability to make the most effective safety investment decisions and result in fewer safety investments. Therefore, less funding will result in fewer lives saved and fewer serious injuries prevented.

Since safety is the Department's top priority, it is critical that sufficient resources are provided to achieve a better safety record on U.S. highways. A single death on our roadways, sidewalks and bicycles paths is a tragedy; almost 100 deaths a day is unacceptable when we possess the tools and capability to help prevent them. This program will significantly reduce deaths and serious injuries for all road users.

The data-driven, evidence-based decision making approach provided through the States' SHSPs, the integration of modal efforts across safer cars, safer behaviors and safer roadways, and the addition of common performance metrics for reducing fatalities and serious injuries provide a strong foundation to leverage additional funds to further reduce highway fatalities and serious injuries for all road users including pedestrians and bicyclists. This data-driven, coordinated approach coupled with the funding in SAFETEA-LU has played a significant role in achieving a 23 percent reduction in highway fatalities and serious injuries in 2012 when compared to 2005, the year that the HSIP was enacted.

Executive Summary
National Highway Performance Program

What Is The Request And What Will We Get For The Funds?
The $22.3 billion National Highway Performance Program (NHPP) will focus significant federal resources to support the condition and performance of the National Highway System (NHS), to support the construction of new facilities on the NHS, and to ensure that investments of Federal-aid funds in highway construction support progress toward the achievement of performance targets for the NHS. The NHPP includes performance management features. It holds States accountable for achieving performance targets and provides flexibility to States for making transportation investment decisions.

What Is The Program?
The NHPP is a formula-based program that provides funding to maintain and improve the NHS.

Why Is This Particular Program Necessary?
With the population and economic growth expected over the next 40 years, freight and passenger transportation demand are projected to increase by 250 percent by 2050. Maintaining and preserving an efficient transportation system in this environment is critical to maintaining the competitiveness of our economy.

The condition of our Nation's roads and bridges has improved in recent years. However, in 2012 only 57 percent of NHS vehicle miles travelled occurred on pavements with good ride quality. The condition of pavement and bridges across the country varies considerably as many States struggle to maintain current conditions.

How Do You Know The Program Works?
The NHPP has provisions to ensure that States invest their NHPP funds in NHS infrastructure and operations to achieve targeted results leading to improved NHS condition and performance. States will be required to develop risk based asset management plans to manage and evaluate NHS condition and performance.

Why Do We Want/Need To Fund The Program At The Requested Level?
In FY 2015, the NHPP will need to be funded at $22.3 billion in order to continue progress in achieving a state of good repair and improved operations on the NHS, consistent with the analyses presented in the biennial *Status of the Nation's Highways, Bridges, and Transit: Conditions and Performance* report to Congress (2013 C&P report).

Detailed Justification
National Highway Performance Program

What Do I Need To Know Before Reading This Justification?

This is a request to fund the National Highway Performance Program (NHPP). It is a formula-based program that provides funding to maintain and improve the NHS. MAP-21 streamlined and consolidated portions of several former SAFETEA-LU programs. This justification requests that the NHPP be funded at $22.3 billion in order to continue progress towards achieving a state of good repair on the NHS and mirrors the construct identified by MAP-21.

Key features of the program include:

- focus on improving and maintaining the NHS;
- a performance-based framework;
- increased flexibility to the States for making transportation investment decisions; and
- requirements for risk-based asset management plans.

The National Highway System (NHS)

The Federal Government has periodically defined and focused resources on the roads that were critical to national interests and that enhanced mobility, security, economic growth and quality of life. Each time, the decision was made to emphasize a limited network of roads of critical national priority – the Federal-aid system (1921), the Interstate System (1956), and the National Highway System (1991).

MAP-21 redefined the NHS as a network composed of the Interstate System, all principal arterials, intermodal connectors, and roads important to national defense. The NHS now totals approximately 220,000 miles. The NHS provides mobility to the vast majority of the Nation's population and almost all of its commerce. It supports national defense and promotes intermodal connectivity. While NHS mileage accounts for a small portion of the nation's public road mileage, it carries 55 percent of all vehicular traffic and 97 percent of truck-borne freight. While it comprises 53 percent of U.S. highway border crossings, it handles 98 percent of the value of total truck trade with Canada and Mexico.

The key elements of NHS include:

- **Principal Arterials** (including the Interstate System) serving regional and national needs as conduits for major traffic flow and freight movement. In urban areas, all high volume corridors are included in the NHS. In rural areas, the NHS carries over 47 percent of all vehicle miles traveled and provides critical access for jobs, health care, and commerce.
- **Intermodal Connectors** providing access between major intermodal facilities and the principal arterial system. These roads are often the important "last mile" connecting critical intermodal facilities, such as rail, bus, ports, etc.
- **Strategic Highway Network Roadways** (STRAHNET) providing defense access, network continuity and emergency capabilities for defense purposes. It contains all of the routes, including connectors to major military installations, designated by the Department of Defense as essential for national defense.

- **Border Crossings on Principal Arterials** providing vital links with our largest trading partners. Maintaining efficient and effective transportation system connections to U.S. ports of entry is essential for global competitiveness and economic growth.

What Is The Request And What Will We Get For The Funds?

FY 2015 – National Highway Performance Program ($22.3 billion)

($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways			
National Highway Performance Program			
National Highway Performance Program [1/]	21,908,178	22,335,000	426,822
Total	**21,908,178**	**22,335,000**	**426,822**

1/ $639 million in each fiscal year is exempt from obligation limitation of which $46 million was sequestered in FY14 (sequestration not reflected in table).

This NHPP request provides a formula-based program to maintain and improve the NHS.

Key features of the program include:

- focus on improving and maintaining the NHS;
- a performance-based framework;
- increased flexibility to the States for making transportation investment decisions; and
- requirements for risk-based asset management plans.

What Is This Program?

The NHPP is a formula-based program that supports the Department's state of good repair outcome to increase the proportion of highways and bridges in good physical and operating condition, thus improving competitiveness and maximizing the economic returns on transportation policy and investments.

Maintaining and improving the NHS is essential to ensuring U.S. economic competiveness in world trade. The NHPP emphasizes preservation of the NHS while giving States flexibility to make additional investments to enhance NHS condition and operational performance and to build new capacity. The NHPP addresses mobility and access in rural areas.

Why Is This Particular Program Necessary?

The NHPP provides a requirement for a risk-based asset management approach to ensure that States have a strategic and systematic process for operating, maintaining, and improving physical assets. It focuses on engineering and economic analysis using quality information to identify a structured sequence of maintenance, repair, rehabilitation, and replacement actions that will achieve a desired state of good repair over the lifecycle of the assets at minimum possible cost. The intent of this approach is to better manage system condition and performance.

Eligibility:
NHPP projects must be on an eligible facility and support progress toward achievement of national performance goals for improving infrastructure condition, safety, mobility, or freight movement on the NHS, and be consistent with Metropolitan and Statewide planning requirements. Eligible activities include:

- Construction, reconstruction, resurfacing, restoration, rehabilitation, preservation, operational improvements, and protection against extreme events of NHS segments.
- Construction, replacement (including replacement with fill material), rehabilitation, preservation, and protection (including scour countermeasures, seismic retrofits, impact protection measures, security countermeasures, and protection against extreme events) of NHS bridges and tunnels.
- Bridge and tunnel inspection and evaluation on the NHS and inspection and evaluation of other NHS highway infrastructure assets.
- Training of bridge and tunnel inspectors.
- Construction, rehabilitation, or replacement of existing ferry boats and facilities, including approaches that connect road segments of the NHS.
- Construction, reconstruction, resurfacing, restoration, rehabilitation, and preservation of, and operational improvements for, a Federal-aid highway not on the NHS, and construction of a transit project eligible for assistance under chapter 53 of title 49, if the project is in the same corridor and in proximity to a fully access-controlled NHS route, if the improvement is more cost-effective (as determined by a benefit-cost analysis) than an NHS improvement, and will reduce delays or produce travel time savings on the NHS route and improve regional traffic flow.
- Bicycle transportation and pedestrian walkways.
- Highway safety improvements on the NHS.
- Capital and operating costs for traffic and traveler information, monitoring, management, and control facilities and programs.
- Development and implementation of a State Asset Management Plan for the NHS including data collection, maintenance and integration, software costs, and equipment costs.
- Infrastructure-based ITS capital improvements.
- Environmental restoration and pollution abatement.
- Control of noxious weeds and establishment of native species.
- Environmental mitigation related to NHPP projects.
- Construction of publicly owned intracity or intercity bus terminals servicing the NHS.

Funding:
FHWA proposes to continue to finance NHPP from the Highway Account of the Transportation Trust Fund (currently the Highway Trust Fund). Funds are subject to the overall Federal-aid obligation limitation. Funds are apportioned by formula. State DOTs can spend NHPP funds on eligible projects on the NHS subject to meeting the performance targets. Projects must be included on the State Transportation Improvement Program (STIP) / Transportation Improvement Program (TIP).

The following amount is set aside from each State's NHPP apportionment: 2 percent for State Planning and Research (SP&R).

Federal Share:
The Federal government generally provides 90 percent of the total project cost of projects on the Interstate system that do not add single occupant vehicle capacity. Otherwise, the federal share is generally 80 percent of the total project cost of projects on the NHS.

How Do You Know The Program Works?

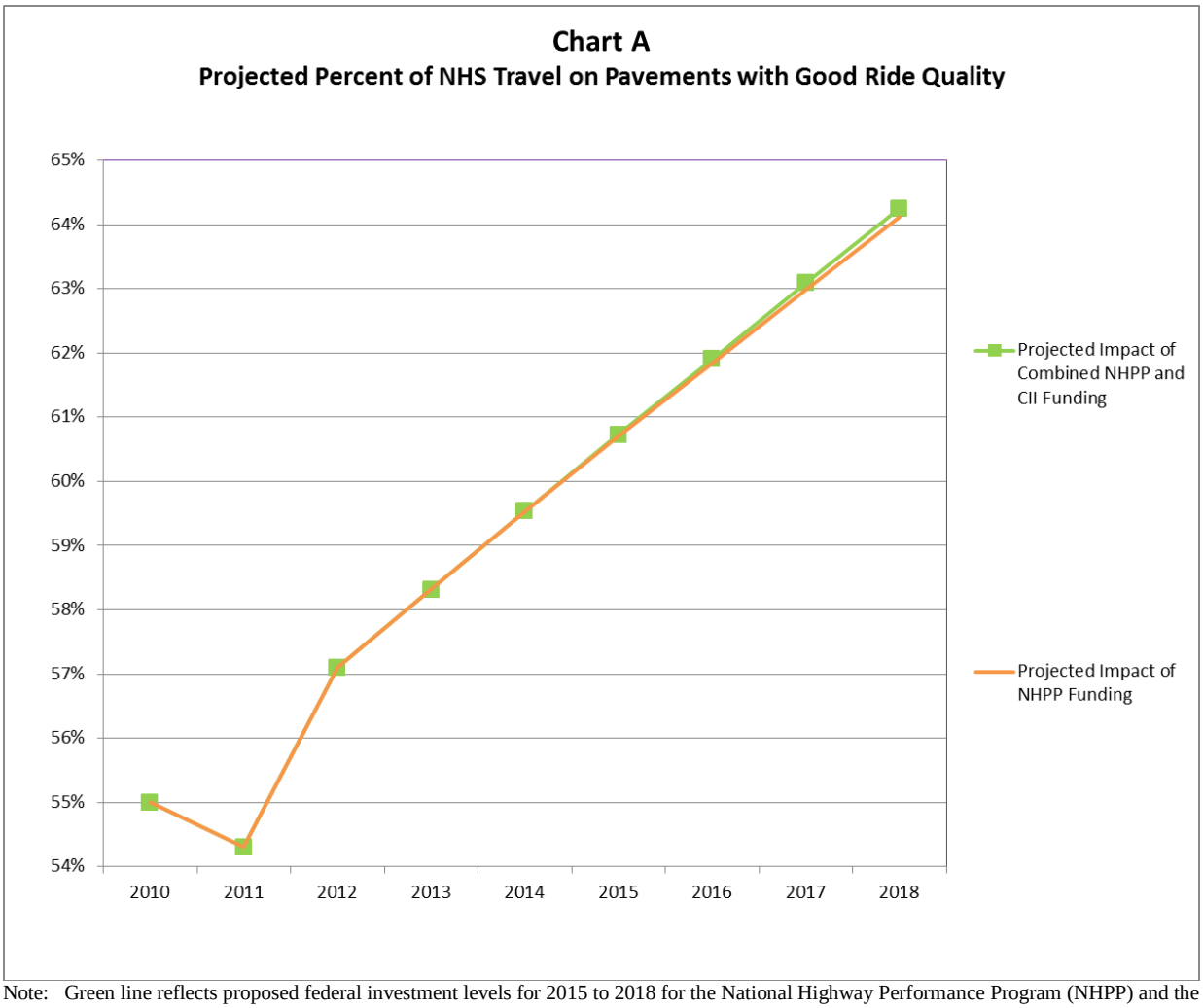
Previous programs focused on the NHS have significantly improved the condition of the NHS. The NHPP program will continue to focus federal funds to address national performance goals for the NHS. Among these are the condition of pavements and bridges. Past performance has demonstrated that an increased investment in our Nation's roads and bridges leads to better roadway and bridge conditions.

In addition to continued funding, the NHPP has provisions to ensure that States invest their NHPP funds in NHS infrastructure and operations to achieve targeted results leading to improved NHS condition and performance. States will be required to develop risk based asset management plans to manage and evaluate NHS condition and performance. States are also required to develop asset management plans that monitor and evaluate NHS asset condition and optimize the use of the NHPP to improve them.

Why Do We Want/Need To Fund The Program At The Requested Level?

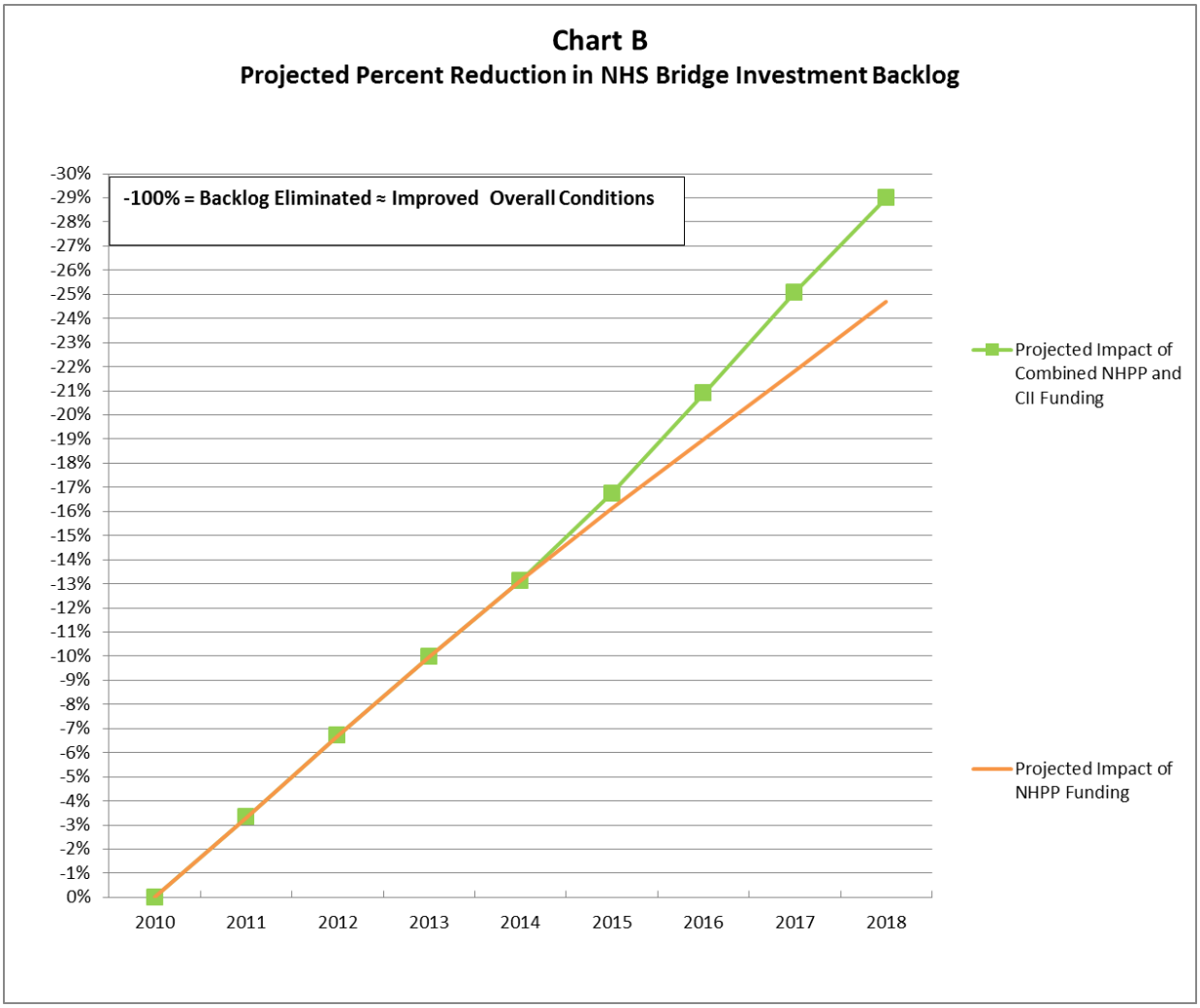
In FY 2015, the NHPP program will need to be funded at $22.3 billion in order to maintain progress in achieving a state of good repair and improved operations of the NHS.

In 2012, 57 percent of NHS vehicle miles travelled occurred on pavements with good ride quality. The proposed investment level for the NHPP program, combined with Critical Immediate Investment (CII) program funding is projected to bring the share of NHS Vehicle Miles Traveled (VMT) on pavements with good ride quality to over 64 percent by 2018, as shown in Chart A below. This forecast is based on analyses developed for the biennial C&P report, and assumes a mix of highway and bridge investments generally consistent with recent trends.



Note: Green line reflects proposed federal investment levels for 2015 to 2018 for the National Highway Performance Program (NHPP) and the Critical Immediate Investment (CII) combined; impacts shown assume State and local highway capital spending patterns are consistent with recent years, but that a greater share of national investment is directed towards improving operational performance for freight movements, addressing structurally deficient NHS bridges, and improving rural road safety. Orange line excludes the CII funding.

Each biennial C&P report identifies a backlog of needed bridge rehabilitation investments, consisting of all potential improvements to bridges that appear to be cost-beneficial, based solely on their current conditions. Any reductions in this backlog over time would reflect improvements to overall bridge conditions; increases in this backlog would be consistent with a worsening of system-wide bridge conditions. Based on analyses developed for the latest biennial C&P report, the portion of the backlog attributable to bridges on the enhanced NHS was estimated to be $59.2 billion. The proposed investment level for the NHPP program, combined with the CII program funding is projected to help reduce this economic investment backlog for NHS bridges by 29 percent by 2018, as shown in Chart B below.



Note: Green line reflects proposed federal investment levels for 2015 to 2018 for the National Highway Performance Program (NHPP) and the Critical Immediate Investment (CII) combined; impacts shown assume State and local highway capital spending patterns are consistent with recent years, but that a greater share of national investment is directed towards improving operational performance for freight movements, addressing structurally deficient NHS bridges, and improving rural road safety. Orange line excludes the CII funding.

To the extent that future State and local investment patterns deviate from recent trends, this would affect the relative impact of NHPP funding on highways and bridges. For example, if a larger share of total capital investment were directed towards pavements than has traditionally been the case, then actual pavement performance might exceed that projected in Chart A above, while actual bridge performance might fall short of that projected in Chart B. Conversely, if a greater share of investment were directed towards bridges rather than pavements, actual pavement performance might fall short of that projected in Chart A.

Future pavement and bridge performance will also be affected by other factors, including the overall level of highway capital investment funded by States and local governments as well as future changes in the prices of highway construction materials. To the extent that future State and local highway capital spending does not keep pace with inflation, this would negatively affect future highway and bridge performance.

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Executive Summary
Surface Transportation Program

What Is The Request And What Will We Get For The Funds?
The $10.3 billion for the Surface Transportation Program (STP) provides flexible funding that may be used by States and localities for projects to preserve and improve the condition and performance on any Federal-aid highway, bridges on any public road, and transit capital projects, including intercity bus terminals and vehicles.

What Is The Program?
The STP is a formula-based program that provides support to States and localities to invest in Federal-aid highways.

Why Is This Particular Program Necessary?
An efficient transportation system is critical to maintaining the competitiveness of our economy. The highly developed U.S. transportation system played a key role in allowing GDP per capita to grow faster in the U.S. than comparable rates abroad. Additional transportation infrastructure investment is needed. This program will give transportation agencies the ability to target funding to State and local priorities.

How Do You Know The Program Works?
States will identify projects for STP funding in consultation with local transportation officials in rural areas and in cooperation with the Metropolitan Planning Organization (MPO) in metropolitan areas.

Why Do We Want/Need To Fund The Program At The Requested Level?
In FY 2015, the STP program will need to be funded at $10.3 billion to make progress in achieving improved conditions and performance of Federal-aid highways.

Detailed Justification
Surface Transportation Program

What Do I Need To Know before Reading this Justification?

STP funds are generally limited to projects on Federal-aid highways that include those public roads that are not functionally classified as rural minor collectors or local roads. Federal-aid highways are roads on the National Highway System that includes the Interstate system, other arterial roads, urban collectors and major rural collectors. It accounts for approximately one million of the Nation's four million miles of public roads.

What is the request and what will we get for the funds?

FY 2015 – Surface Transportation Program ($10.3 billion)
($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways			
Surface Transportation Program			
Surface Transportation Program	10,077,074	10,272,000	194,926
Total	**10,077,074**	**10,272,000**	**194,926**

Surface Transportation Program (STP)

We request $10.3 billion, which will provide flexible funding that may be used by States and localities for projects to preserve and improve the condition and performance on any federal-aid highway, bridges on any public road, and transit capital projects, including intercity bus terminals and vehicles.

STP funds can be used to improve highway infrastructure condition and performance on and off the NHS. STP funds will improve access and connectivity to jobs and services in rural areas and reduce congestion and improve quality of life in urban areas. These funds give States the flexibility to make decisions on transportation investments.

The STP provides funds to the States to invest in Federal-aid eligible highways to replace, rehabilitate, and preserve roads, bridges, and other highway infrastructure and to expand or build new transportation facilities. The STP provides a set-aside to repair or replace bridges on public roads that are not located on a Federal-aid highway. Other illustrative activities include the following: the removal of bottlenecks; projects and strategies to support congestion pricing, electronic toll collection, and travel demand management strategies and programs; collection and dissemination of real-time travel information; deployment and integration of Intelligent Transportation System (ITS) technologies; and greater use of traffic incident management practices in corridors. These funds will help to enhance access to educational opportunities, health care, recreation, and other quality of life needs in rural areas.

What is this program?

STP funds are generally limited to projects on Federal-aid highways that include public roads that are not functionally classified as rural minor collectors or local roads. Despite its focus on the higher classification roadways, 23 U.S.C. amended by MAP-21 contains several exceptions that include:

- Set-aside funding for bridges on public roads that are not located on a Federal-aid highway.
- States may use up to 15 percent of the funds suballocated for areas with a population of less than 5,000 on rural minor collectors.
- Funds may be used for Appalachian local access roads designated in 40 U.S.C. 14501.

Eligibility:

- Construction, reconstruction, rehabilitation, resurfacing, restoration, preservation, or operational improvements for highways, including designated routes of the Appalachian Development Highway System (ADHS) and local access roads under 40 U.S.C. 14501.
- Replacement, rehabilitation, preservation, protection, and anti-icing/deicing for bridges and tunnels on any public road, including construction or reconstruction necessary to accommodate other modes.
- Construction of new bridges and tunnels on a Federal-aid highway.
- Inspection and evaluation of bridges, tunnels and other highway assets as well as training for bridge and tunnel inspectors.
- Capital costs for transit projects eligible for assistance under chapter 53 of title 49, including vehicles and facilities used to provide intercity passenger bus service.
- Carpool projects, fringe and corridor parking facilities and programs, including electric and natural gas vehicle charging infrastructure, bicycle transportation and pedestrian walkways, and modification of public sidewalks to comply with the Americans with Disabilities Act.
- Highway and transit safety infrastructure improvements and programs, installation of safety barriers and nets on bridges, hazard eliminations, mitigation of hazards caused by wildlife, and railway-highway grade crossings.
- Highway and transit research, development, technology transfer.
- Capital and operating costs for traffic monitoring, management, and control facilities and programs, including advanced truck stop electrification.
- Surface transportation planning.
- Projects that are eligible under the Transportation Alternatives Program.
- Transportation control measures.
- Development and establishment of management systems.
- Environmental mitigation efforts.
- Intersections with high accident rates or levels of congestion.
- ITS capital improvements.
- Environmental restoration and pollution abatement.
- Control of noxious weeds and establishment of native species.
- Congestion pricing projects and strategies, including electric toll collection and travel demand management strategies and programs.

- Recreational trails projects.
- Construction of ferry boats and terminals.
- Border infrastructure projects.
- Truck parking facilities.
- Development and implementation of State asset management plan for the NHS, and similar activities related to the development and implementation of a performance-based management program for other public roads.
- Surface transportation infrastructure modifications within port terminal boundaries, only if necessary to facilitate direct intermodal interchange, transfer, and access into and out of the port.
- Construction and operational improvements for a minor collector in the same corridor and in proximity to an NHS route if the improvement is more cost-effective (as determined by a benefit-cost analysis) than an NHS improvement and will enhance NHS level of service and regional traffic flow.
- Administrative and stewardship expenses incurred by State DOTs for oversight of locally administered projects.
- Activities to evaluate the potential impacts of climate change and extreme weather events, and develop and apply adaptation strategies at both the project and system levels.

Funding:
FHWA proposes to continue to finance STP from the Highway Account of the Transportation Trust Fund (currently the Highway Trust Fund). Funds are subject to the overall Federal-aid obligation limitation.

The following amounts are set aside from each State's STP apportionment:

- 2 percent for State Planning and Research (SPR).
- 15 percent of the State's FY 2009 Highway Bridge Program apportionment for off-system bridges. This set aside may not be taken from the suballocations described below.

The STP includes a suballocation of 50 percent of a State's annual apportionment, after the SPR set-aside, to be obligated in the following areas in proportion to their relative shares of a State's population--

- *Urbanized areas with population greater than 200,000* – This portion is divided among those areas based on their relative share of population, unless the Secretary approves a joint request from the State and relevant MPO(s) to use other factors.
- *Areas with population greater than 5,000 but less than 200,000.*
- *Areas with population of 5,000 or less.*

The remaining 50 percent may be used in any area of the State.

Federal Share:
The Federal Government will provide up to 80 percent of the total project cost.

Why Is This Particular Program Necessary?

While the National Highway System (NHS) is the Nation's Federal-aid system; a second level of roadways plays an important role in funneling the flow of people and goods onto the NHS. These roads connect the Nation's communities, high-tech research facilities, farms and recreational areas to the NHS and play an important role in our nation's vitality and ability to move goods and people efficiently throughout the nation.

An efficient transportation system is critical to maintaining the competitiveness of our economy. The highly developed U.S. transportation system played a key role in allowing GDP per capita to grow faster in the U.S. than comparable rates abroad. Additional transportation infrastructure investment is needed. This program will give transportation agencies the ability to target funding to state and local priorities.

While both NHPP and STP are apportioned to the States, many states will sub grant STP funds to cities, counties and towns to help them connect to the nation's transportation system. It provides more flexible funding that can be used to provide transit capital projects. It targets a significant portion of the funds to both urban and rural areas of the States.

How Do You Know The Program Works?

States will identify projects for STP funding in consultation with local transportation officials in rural areas and in cooperation with the Metropolitan Planning Organization (MPO) in metropolitan areas. It provides funding to help improve the second level of the Nation's highways. It builds on the success of similar past programs. In many cases, the work funded by this program is more clearly visible to public.

Why do we want/need to fund the program at the proposed funding level?

In FY 2015, the STP program will need to be funded at $10.3 billion to make progress in achieving improved conditions and performance of Federal-aid highways.

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Executive Summary
Congestion Mitigation & Air Quality Improvement Program

What Is The Request And What Will We Get For The Funds?
The requested level of $2.3 billion for the Congestion Mitigation and Air Quality Improvement (CMAQ) Program will help States, local governments, and private-sector sponsors reduce highway congestion and harmful emissions, and also assist many areas in reaching attainment of the National Ambient Air Quality Standards (NAAQS).

What Is The Program?
The CMAQ program provides a funding source for State and local governments to fund transportation projects and programs that help meet the requirements of the Clean Air Act and its amendments, and that help reduce regional congestion on transportation networks. CMAQ investments support transportation projects that reduce the mobile source emissions for which an area has been designated nonattainment or maintenance of the NAAQS by the Environmental Protection Agency (EPA). MAP-21 placed considerable emphasis on projects that reduce highway congestion, which in many metropolitan areas increases air pollution and impedes economic development. FHWA would seek to continue these types of projects in FY 2015.

Why Is This Particular Program Necessary?
The CMAQ program is the only element of the Federal-aid Highway Program that specifically targets areas with air quality challenges. Through its statutory focus on transportation efforts that reduce harmful emissions, the program enhances livability throughout the nation, by contributing to attainment and maintenance of the NAAQS that act as a public health benchmark for many of the more densely populated areas of the country.

How Do You Know The Program Works?
Projects supported with CMAQ funds are required to demonstrate an emissions reduction projection. In addition, States provide an annual report on all CMAQ investments that covers the fiscal year's obligations of program funds and provides an indicator of the program's impact on air quality, congestion, multimodal choice, and its contribution to a region's quality of life.

Why Do We Want/Need To Fund The Program At The Requested Level?
Funding the program at the requested level of $2.3 billion will provide consistency and continuity for States and metropolitan governments that have planned and programmed the types of projects that contribute to the environmental and quality of life goals put forth by the Department.

Detailed Justification
Congestion Mitigation and Air Quality Improvement Program

What Is The Request And What Will We Get For The Funds?

FY 2015 – Congestion Mitigation and Air Quality Improvement Program ($2.3 billion)

($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways			
Congestion Mitigation & Air Quality Improvement Program			
Congestion Mitigation & Air Quality Improvement Program	2,266,890	2,317,000	50,110
Total	**2,266,890**	**2,317,000**	**50,110**

Projects resulting from this program will help States and communities reach attainment of the National Ambient Air Quality Standards (NAAQS) through reductions in harmful pollutants generated by transportation sources, and through traffic and congestion relief efforts that contribute to the efficiency of the transportation network.

What Is This Program?

The Congestion Mitigation and Air Quality Improvement Program (CMAQ) provides broad flexibility in project selection for States and communities that need to reduce emissions from their transportation sources. The program's statutory focus on congestion- and emissions-reducing efforts is unique in the Federal-aid Highway Program as it seeks to employ tailored transportation investments to combat formidable air quality challenges around the country. Reductions in both harmful emissions and traffic congestion are goals of the Department's initiative supporting quality of life in communities. Some of the eligible project categories available to States and local governments include:

- Traffic management centers
- Congestion relief efforts, e.g. HOV/HOT lanes
- Intermodal freight projects
- Diesel retrofit projects
- Transit capital investments
- Transit and rail operating costs
- Travel demand management strategies
- Bicycle and pedestrian programs
- Vehicle inspection and maintenance programs

Projects supported with CMAQ funds must demonstrate the three primary requirements that have been a part of the program since its inception under the ISTEA of 1991.
An eligible project must:

- Reduce emissions.
- Be located in or benefit an EPA-designated nonattainment or maintenance area.
- Be identified as a transportation project.

While most States must use program funds in these nonattainment or maintenance areas, States with small populations in these designated areas, or with none of these areas at all, have additional flexibility to use CMAQ funds anywhere in the State for any project eligible under the STP or CMAQ program.

Why Is This Particular Program Necessary?

No other program is provided in the Federal-aid Highway Program, or through other initiatives in the Department, that establishes a statutory link to funding projects that reduce harmful emissions and contribute to the attainment of the NAAQS. CMAQ is less traditional than other FHWA capital programs, and serves a crossover function between transportation capital investments and environmental stewardship. The program continues to provide incremental benefits through enhanced regional and local air quality, and through contributions to congestion relief. Both these areas—air pollution and highway congestion—are considered to be worsening externalities that affect quality of life in many metropolitan areas of the country.

How Do You Know The Program Works?

States provide annual reports on their CMAQ investments. These reports are collected through an automated system that carries project and program information from the local sponsor to the State Department of Transportation, and finally to the FHWA for review. The reports contain both quantitative and anecdotal information on CMAQ obligations over the course of each fiscal year. Through the reporting mechanism, the FHWA is able to track the types of projects funded, assess any emerging trends in the program, and gauge the emissions reductions that are being generated by CMAQ project implementation. Since its inception, $30 billion in CMAQ funds have supported 29,000 projects that reduced emissions of particulate matter, carbon monoxide, nitrogen oxides, and/or volatile organic compounds.

Why Do We Want/Need To Fund The Program At The Requested Level?

Funding CMAQ at $2.3 billion is a slight increase over the FY 2014 MAP-21 level. The program will help ensure continuity with State and local programming and provide adequate resources to maintain the air quality progress that many areas have already registered in striving toward attainment of the NAAQS.

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Executive Summary
Metropolitan Transportation Planning

What Is The Request And What Will We Get For The Funds?
We request $320.0 million for FY 2015 to provide metropolitan transportation planning (PL) funding. The funds are used by Metropolitan Planning Organizations (MPOs) for multimodal transportation planning and programming in metropolitan areas.

What Is The Program?
Under the Moving Ahead for Progress in the 21st Century Act (MAP-21), census designated urbanized areas over 50,000 in population are required to designate an MPO to conduct a continuing, cooperative, and comprehensive transportation planning process as a condition to receiving federal funds for transportation projects. As part of this budget request, FHWA is proposing to increase the threshold for designating an MPO from 50,000 to 200,000. The net effect would be to reduce the overall number of MPOs by eliminating new MPOs that serve urbanized areas under 200,000 in population and giving the existing small MPOs the option of being grandfathered in, or dissolving. As a result, metropolitan planning resources such as PL funds would be focused on the larger MPOs that serve more complex planning issues.

Why Is This Particular Program Necessary?
Metropolitan areas are comprised of multiple governmental agencies and jurisdictions, each of which have an interest in and have needs for transportation investment. Through a coordinated, regional approach to planning, an MPO engages the local jurisdictions as well as the State DOT and transit operators in a regional process that identifies the needs and investment priorities for the region. The result is a long range (20-year) transportation plan and a shorter term (4-year) program of transportation projects for implementation that are performance-based, whereby the MPOs are required to establish system performance goals and outcomes as part of the metropolitan transportation planning process, and direct their investments toward meeting those system performance outcomes.

How Do You Know The Program Works?
The FHWA and FTA jointly conduct certification reviews of the metropolitan transportation planning processes in Transportation Management Areas (TMAs) once every four years (TMAs are urbanized areas over 200,000 in population). These certification reviews ensure that the planning process in these regions is in compliance with the planning provisions in Federal law. The performance based planning and programming provisions in MAP-21 require that the MPOs set specific targets associated with transportation system performance and direct their investments in the metropolitan transportation plan and the transportation improvement program toward meeting those targets. Monitoring actual system performance over time against the system performance targets established in the metropolitan transportation plan will be an indicator of the degree of success of the planning process.

Why Do We Want/Need To Fund The Program At The Requested Level?
This funding request will ensure that MPOs has adequate resources to conduct the metropolitan planning process and appropriately direct investments toward improving transportation system outcomes while engaging the public, elected officials, and other stakeholders in the process.

Detailed Justification
Metropolitan Transportation Planning

What Is The Request And What Will We Get For The Funds?

We request $320.0 million for FY 2015 to provide metropolitan transportation planning (PL) funding. The funds are used by Metropolitan Planning Organizations (MPOs) for multimodal transportation planning and programming in metropolitan areas. Metropolitan planning activities include the collection and analysis of data on demographics, trends, and system performance; travel demand and system performance forecasting; identification and prioritization of transportation system improvement needs; and coordination of the planning process and decision making with the public, elected officials, and stakeholder groups.

FY 2015 – Metropolitan Transportation Planning ($320.0 million)

($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways			
Metropolitan Transportation Planning			
Metropolitan Transportation Planning Program	313,552	320,000	6,448
Total	**313,552**	**320,000**	**6,448**

What Is This Program?

The Moving Ahead for Progress in the 21st Century Act (MAP-21) requires census designated urbanized areas over 50,000 in population to designate an MPO to conduct a continuing, cooperative, and comprehensive transportation planning process as a condition to receiving federal funds for transportation projects. As part of this budget request, FHWA is proposing to increase the threshold for designating an MPO from 50,000 to 200,000. The net effect would be to reduce the overall number of MPOs by eliminating new MPOs that serve urbanized areas under 200,000 population, and giving the existing small MPOs the option of being grandfathered in, or dissolving. As a result, metropolitan planning resources such as PL funds would be focused on the larger MPOs that serve more complex planning issues.

Why Is This Particular Program Necessary?

Metropolitan areas are comprised of multiple governmental agencies and jurisdictions, each of which have an interest in and have needs for transportation investment. Through a coordinated, regional approach to planning, a Metropolitan Planning Organization engages the local jurisdictions as well as the State DOT and transit operators in a regional process that identifies the needs and investment priorities for the region. The result is a long range (20-year) transportation plan and a shorter term (4-year) program of transportation projects for implementation. A performance based approach was added to the Metropolitan and Statewide transportation planning processes by MAP-21, and will continue into the next reauthorization, whereby the MPOs are required to establish system performance goals and outcomes as part of the metropolitan transportation planning process, and direct their investments toward meeting those system performance outcomes.

How Do You Know The Program Works?

The FHWA and FTA jointly conduct certification reviews of the metropolitan transportation planning processes in Transportation Management Areas (TMAs) once every four years (TMAs are urbanized areas over 200,000 in population). These certification reviews ensure that the planning process in these regions is in compliance with the planning provisions in Federal law. The performance based planning and programming provisions in MAP-21 will continue in FY 2015 and require that the MPOs set specific targets associated with transportation system performance and direct their investments in the metropolitan transportation plan and the TIP toward meeting those targets. Monitoring actual system performance over time against the system performance targets established in the metropolitan transportation plan will be an indicator of the degree of success of the planning process.

Why Do We Want/Need To Fund The Program At The Requested Level?

This funding request of $320.0 million will ensure that the PL program has adequate resources to conduct the metropolitan planning process and appropriately direct investments toward improving transportation system outcomes while engaging the public, elected officials, and other stakeholders in the process. Currently there are 411 MPOs. There were 384 MPOs prior to the 2010 Census, and 36 new urbanized areas were identified as a result of the 2010 Census. Some of those were within existing MPOs, or joined an existing MPO, and 27 decided to form new stand-alone MPOs. As a result, the total number of MPOs expanded from 384 to the current total of 411. These funds allow for each MPO to carry out a coordinated transportation planning process and develop long range transportation plans and transportation improvement programs that make effective use of limited transportation funding. These prioritized plans and programs account for transportation system performance needs, future population and employment, future land use, economic development, public involvement, multimodal considerations and connectivity (including bicycle, pedestrian, highway, and transit), freight movement, environmental mitigation, transportation systems operation, safety, and congestion mitigation..

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Executive Summary
Transportation Alternatives Program

What Is The Request And What Will We Get For The Funds?
We request $836.0 million for the Transportation Alternatives Program (TAP) to support safe, multimodal transportation networks.

What Is The Program?
The Transportation Alternatives Program (TAP) supports the U.S. Department of Transportation's (DOT) Livable Communities strategic goal which aims to foster livable communities through policies and infrastructure investments that provide transportation choices and access to transportation services. The program provides funds to the States to create safe, accessible, and environmentally-sensitive communities through projects that provide access to jobs, services, housing, and recreation, and enhance and preserve the human and natural environment. Eligible projects include construction, planning, and design of on-road and off-road facilities for nonmotorized transportation, including sidewalks and bicycle infrastructure; preservation and rehabilitation of historic transportation buildings, bridges, and streets; vegetation management practices in transportation corridors; environmental mitigation activities to address highway runoff and wildlife mortality; recreational trails; and safe routes to school walking and bicycling infrastructure, pedestrian and bicyclist safety education for children, and safe routes to school program management.

Why Is This Particular Program Necessary?
The Transportation Alternatives Program will help States, local governments, and communities pursue transportation improvements that meet their priorities for safety, access, mobility, recreation, development, or economic objectives.

How Do You Know The Program Works?
The Transportation Alternatives Program is consistent with previously eligible programs and maintains a number of project eligibilities that have been popular with communities across the country. TAP projects will provide for the construction, planning, and design of infrastructure projects that improve safety, accessible nonmotorized transportation infrastructure, access to recreational infrastructure, preservation of historic transportation infrastructure, mitigation of environmental concerns related to transportation, and safe routes to school activities.

Why Do We Want/Need To Fund The Program At The Requested Level?
The funding request of $836.0 million will ensure the program has adequate resources to generate measurable results across a wide spectrum of communities and effectively contribute to the achievement of DOT performance outcomes.

Projects from this program will help improve community transportation choices across all modes. By supporting the development or improvement of multimodal transportation networks, this funding program will help improve roadway safety for all road users, especially pedestrians and bicyclists, improve air quality, reduce congestion, foster affordable transportation, enhance access to recreation, and improve quality of life.

Detailed Justification
Transportation Alternatives Program

What Is The Request And What Will We Get For The Funds?

FY 2015 – Transportation Alternatives Program ($836.0 million)
($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways			
Transportation Alternatives Program			
Transportation Alternatives Program	819,900	836,000	16,100
Total	**819,900**	**836,000**	**16,100**

What Is This Program?

The Transportation Alternatives Program supports the U.S. Department of Transportation's (DOT) Livable Communities strategic goal which aims to foster livable communities through policies and investments that increase transportation choices and access to transportation services. This program maintains most project eligibilities from successful previous programs in Title 23. Several key activities, previously eligible as Transportation Enhancement activities, will continue to be eligible under the formula-based component of the Transportation Alternatives Program. States may also continue their Recreational Trails Program and implement Safe Routes to School projects. The eligible activities from these programs range from providing bicycle and pedestrian facilities to environmental mitigation for highway projects. Examples of eligible activities include but are not limited to:

- Construction, planning, and design of on-road and off-road trail facilities for pedestrians, bicyclists, and other nonmotorized forms of transportation, including projects to achieve compliance with the Americans with Disabilities Act.
- Construction, planning, and design of infrastructure-related projects and systems that will provide safe routes for non-drivers.
- Conversion and use of abandoned railroad corridors for trails.
- Construction of turnouts, overlooks, and viewing areas.
- Community improvement activities, which include but are not limited to:
    - Inventory, control, or removal of outdoor advertising.
    - Historic preservation and rehabilitation of historic transportation facilities.
    - Vegetation management practices in transportation rights-of-way to improve roadway safety, prevent against invasive species, and provide erosion control.
    - Archaeological activities relating to impacts from implementation of transportation projects eligible under this title.

- Any environmental mitigation activity, including pollution prevention, abatement, and mitigation to address stormwater management, control, and water pollution prevention or abatement related to highway construction or due to highway runoff; or reduce vehicle-caused wildlife mortality; or to restore and maintain connectivity among terrestrial or aquatic habitats.
- Continuing the Recreational Trails Program as a set-aside of Transportation Alternatives.
- Continuing eligibility for Safe Routes to School projects.
- Planning, designing, or constructing boulevards and other roadways largely in the right-of-way of former Interstate System routes or other divided highways.

Why Is This Particular Program Necessary?

The Transportation Alternatives Program will help States, local governments, and communities pursue transportation improvements that meet their priorities for safety, access, mobility, recreation, development, or economic objectives.

How Do You Know The Program Works?

The Transportation Alternatives Program is consistent with previously eligible programs and maintains a number of project eligibilities that have been popular with communities across the country, including more than 28,000 Transportation Enhancement projects and more than 18,000 Recreational Trails Program projects since 1992, and more than 6,000 Safe Routes to School projects serving nearly 15,000 schools since 2005.

Why Do We Want/Need To Fund The Program At The Requested Level?

The funding request of $836.0 million will ensure that the program has adequate resources to generate measurable results across a wide spectrum of communities, and effectively contribute to the achievement of DOT performance outcomes.

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Executive Summary
Critical Immediate Investments Program (CIIP)

What Is The Request And What Will We Get For The Funds?
The budget proposes $4.9 billion for the first year of a four year $13.4 billion Federal-aid infrastructure investment program to make critical and immediate improvements to infrastructure condition and highway safety. This Critical Immediate Investments Program (CIIP) will reduce the number of structurally deficient Interstate Highway System (IHS) bridges, target safety investments where Federal infrastructure safety funds are not frequently used, and support a state of good repair on the National Highway System (NHS). Improving the condition of the NHS (State of Good Repair) and reducing fatalities and injuries (Safety) are key Departmental goals.

What Is The Program?
The CIIP is focused solely on the reconstruction, restoration, rehabilitation, preservation or safety improvement of existing highway assets. The CIIP includes three initiatives:

- Interstate Bridge Revitalization Initiative (IBRI): primarily addresses structurally deficient bridges on the Interstate System
- Systemic Safety Initiative (SSI): primarily addresses safety improvement needs on non-State owned roads and rural roads
- State of Good Repair Initiative (SGRI): primarily addresses bridge and pavement improvements or preservation on the NHS.

The CIIP targets investment to improve the condition of IHS bridges, NHS highways and non-State owned roads and rural roads with road features that are related to specific crash types.

Why Is This Particular Program Necessary?
This program will increase investment in infrastructure vital to the U.S. economy and help rebuild America while improving the condition of the NHS and saving lives. Implementing the CIIP would greatly enhance the nation's ability to address long-standing infrastructure needs. This program would revitalize the nation's IHS bridges, improve safety on non-State owned roads and rural roads, improve or preserve the condition of the NHS and avert more costly repairs, and further enable States to set and meet ambitious targets as they implement the transportation performance management provisions of MAP-21.

How Do You Know The Program Will Work?
Bridge and pavement condition and safety are known issues, specifically addressed in MAP-21's performance management requirements. The CIIP directly impacts these issues. Assuming the current levels of investment are maintained, the CIIP could increase the share of vehicle miles traveled on NHS pavements in good condition by 10 percent by 2020. The backlog of IHS structurally deficient bridge rehabilitation needs could be cut by 7 percent by 2020. Systemic safety improvements are critical on broadly dispersed rural and non-State owned roads.

Why Do We Want/Need To Fund The Program At The Requested Level?
With total funding at $13.4 billion over four years, this "Fix-It-First" program will apportion funding to States to be directed to the most critical infrastructure investment needs on bridges and pavements and to emphasize safety on those non-State owned roads that are least likely to receive Federal safety program funds.

Detailed Justification
Critical Immediate Investments Program (CIIP)

What Do I Need To Know Before Reading This Justification?

- The Interstate Highway System (IHS) is our nation's 46,875 mile network of freeways carrying 24 percent of all traffic, and 50 percent of our nation's freight. The IHS is a subset of the 220,000 mile National Highway System (NHS). In comparison, the NHS carries 58 percent of all traffic and 84 percent of freight volume.
- The IHS currently (2013) has 2,335 structurally deficient bridges covering 6.9 percent of the IHS bridge deck area, and the NHS currently (2013) has 6,343 structurally deficient bridges covering 6.8 percent of its bridge deck area.
- In 2011, just over half (54 percent) of NHS vehicle miles travelled occurred on pavements with good ride quality. Over 50 percent of fatalities occur on rural roads, and a substantial number (43 percent) of these fatal crashes are on non-State owned roads. Across all States the average percentage of roads by mileage that are non-State owned is 80 percent.
- MAP-21's safety performance measures apply to all public roads. A 2013 FHWA study revealed that 50 percent of the 38 reporting States expended no Federal-aid funds on safety improvements on non-State owned roads.
- The IBRI supplements the existing NHPP but focuses primarily on structurally deficient interstate bridges.
- The Systemic Safety Initiative (SSI) supplements the existing Highway Safety Improvement Program (HSIP) but focuses on non-State owned roads and rural roads.
- The State of Good Repair Initiative (SGRI) supplements the existing NHPP but focuses on improving rehabilitation and preservation of existing National Highway System (NHS) assets.

What Is The Request And What Will We Get For The Funds?

FY 2015 – Critical Immediate Investments Program (CIIP) ($4.85 billion)

($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways			
Critical Immediate Investments Program			
Critical Immediate Investments Program	-----	4,850,000	4,850,000
Total	-----	**4,850,000**	**4,850,000**

The requested funding amounts shown in the table above demonstrate the overall allocation of funds between initiatives in the CIIP; 25 percent for IBRI, 25 percent for SSI and 50 percent for SGRI. However, in order to allow individual States to best address their specific needs, transferring their SGRI funds within their individual allocations to either the IBRI or SSI is permitted and encouraged if it facilitates a State in meeting its performance targets.

Funds for the CIIP would be apportioned to each State in the same ratio that NHPP funds are apportioned to each State. The CIIP would provide up to 80 percent of the funding to cover an eligible project's cost and allow the remaining 20 percent to come from any other source including Federal sources (such as NHPP, STP, HSIP, etc.).

What Is This Program?

The CIIP will make crucial and urgent improvements to both infrastructure condition and highway safety. Funded at $13.4 billion over four years, this "Fix-It-First" program will apportion funding to States to be used for structurally deficient bridges, to improve or preserve the condition of pavements and bridges, and for systemic safety improvements. This program would be "front-loaded" with $4.9 billion provided in FY 2015, $3.9 billion in FY 2016, $2.9 billion in FY 2017, and $1.9 billion in FY 2018. This funding allocation reflects the need for the highest priority and most fully developed projects to move forward quickly.

The CIIP consists of three initiatives: the Interstate Bridge Revitalization Initiative (IBRI), the Systemic Safety Initiative (SSI), and the State of Good Repair Initiative (SGRI).

- The IBRI supports and supplements the National Highway Performance Program (NHPP). The IBRI will improve the condition of our nation's highest priority bridges by making available specific funding for bridges to decrease the number of structurally deficient bridges on the IHS.
- The SSI supports and supplements the Highway Safety Improvement Program (HSIP) and focuses specific formula funding on non-State owned roads and rural roads. Flexibility is included such that States can use SSI funds on State-owned roads after the systemic safety improvements on non-State owned roads are addressed. The increased safety funding for these roads will help to save lives and prevent serious injuries.
- The SGRI supports and supplements the NHPP focusing on rehabilitation and preservation of existing NHS assets. An important aspect of this initiative is to ensure resources are directed to pavements and bridges that need immediate preservation or rehabilitation work to avoid further deterioration in these critical assets resulting in much more costly repairs in the future. All NHS assets (pavements and bridges) are eligible. .

CIIP Features:

- **Addresses a Clear Need** –
    - The focus of the IBRI is bridges on the IHS, which is our nation's 46,875 mile network of freeways carrying 24 percent of all traffic and 50 percent of our nation's freight. The IHS is a subset of the 220,000 mile NHS. In comparison, the NHS carries 58 percent of all traffic and 84 percent of freight volume. The IHS currently (2013) has 2,335 structurally deficient bridges covering 6.9 percent of the IHS bridge deck area, and the NHS currently (2013) has 6,343 structurally deficient bridges covering 6.8 percent of its bridge deck area.
    - The focus of the SSI is on improving the safety of non-State owned roads and rural roads. Over 50 percent of fatalities occur on rural roads, and a substantial number (43 percent) of these fatal crashes are on local roads. Across all States the average percentage of roads by mileage that are non-State owned is 80 percent - most of the rural and local fatalities occur on these roads. FHWA recently surveyed and analyzed the extent to which States provide safety resources to local

agencies and found that 50 percent of the participants (19 of 38 States) reported no HSIP expenditures for non-State safety improvements. For those reporting States that did spend FHWA safety funds on non-State owned roads, systemic safety improvements, which are the focus of the SSI, were cited as a key success factor to implement non-State owned road safety projects.

- The focus of the SGRI is to improve or preserve the condition and performance of pavements and bridges on the NHS and to provide additional funding to State DOTs so they can address immediate preservation or rehabilitation needs before the respective assets reach a condition that requires a much more costly repair or replacement.

- **Adaptable to the Needs of All States** –
  - All States have structurally deficient bridges which can be addressed with the IBRI.
  - States with extensive data systems can begin to immediately apply SSI funds to systemic countermeasure application. The systemic approach to safety involves widely implemented improvements based on high-risk roadway features correlated with specific severe crash types. States lacking an adequate data system on non-State owned roadways can use the funds to improve their information to make good systemic decisions. Because the percentage of roadways that are non-State owned within the States ranges from 8 percent to 94 percent, flexibility is included such that States can use SSI funds on State-owned roads after the systemic safety improvements on non-State owned roads are addressed.
  - All States need to improve or preserve the condition of their pavements and bridges; this includes undertaking the "right action" to the "right asset" at the "right time", in order to minimize delays to projects that will be much more costly if the assets deteriorate further. The SGRI will allow States that are experiencing reduced funding or with increased needs to undertake important immediate rehabilitation and preservation actions. This initiative will facilitate taking the "right action" at the "right time"; for example, making capital repairs to bridges in a timely manner before they are "structurally deficient" and require more substantial rehabilitation or replacement. To maximize their flexibility to meet performance targets, States may choose to transfer their SGRI funds to either the IBRI or SSI.

Interstate Bridge Revitalization Initiative

This initiative provides funding to primarily address structurally deficient IHS bridges. Funds from this program are ineligible for use on newly constructed bridges on new highway alignments. States with more than 5 percent IHS deck area on structurally deficient bridges would be required to use funds from this initiative to repair, rehabilitate or replace structurally deficient IHS bridges.

States with less than 5 percent IHS deck area on structurally deficient bridges would be allowed to use funds from this initiative to cover the cost to repair, rehabilitate or replace structurally deficient bridges on the IHS or the National Highway System (NHS).

Systemic Safety Initiative

This program provides funding for States to use data-driven decision making and proactively apply systemic safety approaches on non-State owned roads and rural roads - where a large proportion of the fatalities occur. The average percentage of roads by mileage that are non-State owned is 80 percent - most of the rural fatalities occur on these roads and are typically spread over hundreds or thousands of roadway miles in a State. These dispersed crashes are not concentrated in high crash locations, but are often correlated to high-risk roadway features. The systemic approach to safety proposed with this program targets locations with high-risk roadway features that are correlated with specific severe crash types. Systemic safety improvements would then be proactively and widely deployed across a system to address those roadway features.

Applying the systemic approach requires accurate information on crash location and roadway features. States can use SSI funds to proactively apply systemic countermeasures, or to improve their ability to make good systemic decisions.

- **Encourages States to Analyze and Address Safety on All Public Roads** - Because SSI funds are focused on non-State owned roadways, and are linked to the State Strategic Highway Safety Plan (SHSP), the program will encourage those States that are not currently spending HSIP funds on non-State owned roads to consider the needs of such roads as they move forward.
- **Build to Evaluate Feature -** $75M of the SSI funds would be set aside to support evaluations of systemic safety improvements. Local agencies could compete for these Build-to-Evaluate funds administered by FHWA to support projects in return for providing data to support a rigorous evaluation of their systemic safety improvements. Evaluations could include collecting and analyzing before and after traffic, roadway and crash data for treated sites and control sites. Such information allows the safety community to assess the accuracy and precision of various safety countermeasure projects as well as the general applicability of the specific implementation results. Build-to-Evaluate funds would ensure that project evaluation studies consider study design, sample size, standard error, potential bias, etc. as encouraged for high quality countermeasures in the Crash Modification Factors Clearinghouse (http://www.cmfclearinghouse.org), a Web-based database of crash modification factors along with supporting documentation to help transportation engineers identify the most appropriate countermeasure for their safety needs.

State of Good Repair Initiative

The SGRI is focused on bridge and pavement improvements on the NHS. To focus these investments, SGRI funds are eligible for the following "constrained" portion of NHPP eligibilities:

- Reconstruction, resurfacing, restoration, rehabilitation or preservation of NHS segments.
- Replacement, rehabilitation, preservation and protection of NHS bridges and tunnels.

The objective of this initiative is that States improve or preserve the condition of their pavement and bridge assets on the NHS and avoid further deterioration in these critical assets resulting in much more costly repairs. States should use information from their pavement and bridge management systems to develop optimal strategies and identify potential projects that need immediate action to preserve the asset and avoid further deterioration resulting in substantial repair or replacement costs.

Why Is This Particular Program Necessary?

The program would deliver a number of significant benefits to American taxpayers. Implementing the CIIP would greatly enhance FHWA's ability to address long-standing infrastructure needs and save lives. Specifically, this program would revitalize many of the nation's structurally deficient IHS bridges, improve safety on non-State owned roads and rural roads, improve or preserve the condition of our nation's highways, and further provide the ability for States to set and meet ambitious targets as part of highway performance management.

An efficient transportation system is critical to maintaining the competitiveness of our economy. The highly developed U.S. transportation system played a key role in allowing GDP per capita to grow faster in the U.S. over the past century than in countries with less developed transportation systems. Additional transportation infrastructure investment is needed to sustain economic growth. This program will give transportation agencies the ability to invest quickly and target funding to support national goals.

Interstate Bridge Revitalization Initiative

The focus of this initiative is on the IHS, our nation's premier highway system. The condition of IHS bridges is essential to protecting the safety of the traveling public and to allowing for the efficient movement of people and goods on which the nation's economy relies. The 46,875 mile IHS network of freeways carries 24 percent of all traffic, and 50 percent of our nation's freight.

The IHS currently (2013) has 2,335 structurally deficient bridges covering 6.9 percent of the IHS bridge deck area. As traffic volumes continue to increase and States struggle to address competing needs, without adequate investment the deterioration of these bridges will likely accelerate. The IBRI will provide additional funding that States can use to specifically address bridges that need immediate action.

Systemic Safety Initiative

Of the four million miles of roads in the US, less than one million are State-owned, but approximately half the States use HSIP funds for safety projects on non-State owned roads. The Department of Transportation (DOT) has set a vision for significantly reducing highway fatalities and serious injuries for all road users by undertaking various strategies in the focus areas of safer vehicles, safer driver behavior, and safer highway infrastructure. The only way to achieve this vision is to efficiently and effectively address crashes that are spread across an enormous roadway network, and the SSI provides funding and incentives to do so.

There is a backlog of highway safety infrastructure needs. A gross estimate indicates that more than $15 billion is needed just to address the top 5 percent most hazardous locations as reported by States in their 2012 transparency reports. For example, New Jersey identified their top 5 percent most hazardous roadway locations and indicated they would need approximately $702 million to address these locations. New Jersey was apportioned $173 million in HSIP funds over the SAFETEA-LU period.

FHWA is encouraging a systemic approach to safety planning – identifying locations for deployment of lower-cost safety measures over many miles of roadway segments. Locations for implementing safety improvements are based on an analysis of which roadways share elements that are common to particular crash types. For example, Minnesota has 29,000 rural curves, which represent 10 percent of their roadway mileage, but 40 percent of the crashes. Half of these curve locations had zero crashes in a five-year period. However, analysis shows that curves with a 1,500-foot radius or less have a significantly higher crash rate than wider radius curves. A systemic approach seeks to prevent crashes from happening by implementing low-cost signing and marking improvements at 1,500-foot radius or less curves. Minnesota's cost to improve the safety of its most dangerous curves would be approximately $22 million. This $22 million would address only the highest potential hazardous curves in only one State.

This program will proactively save lives and prevent serious injuries on the nation's highways. The program supports the Department's Policy Statement on Safety and the Department's Roadway Safety Plan and contributes to the achievement of the Department's Safety goal; specifically to the Department's desired outcome to reduce transportation-related fatalities and injuries. Preliminary 2012 data indicates that 34,080 people died on the nation's highways and the financial burden of highway crashes is at least $230 billion per year. FHWA must continue to take action to address this serious public safety and economic problem.

State of Good Repair Initiative

Maintaining and improving the NHS is essential to ensuring U.S. economic competiveness in world trade. The SGRI provides additional investments to enhance NHS condition and operational performance. Since many State DOTs have experienced reduced funding coupled with reduced purchasing power, they do not always have adequate funding to maintain good roads. This initiative focuses on preservation of those assets that need immediate actions to minimize much more costly future actions to keep them in a state of good repair. State DOTs should use their pavement and bridge management systems as a tool to identify optimal strategies and potential projects that need immediate action to preserve the asset and avoid further deterioration resulting in substantial repair costs.

How Do You Know The Program Will Work?

The CIIP is focused solely on the reconstruction, restoration, rehabilitation, preservation or safety improvement of existing highway assets. CIIP eligibility is limited to ensure that States invest their CIIP funds in infrastructure and safety improvement to achieve targeted results leading to improved IHS bridge conditions, to improved NHS pavement and bridge conditions and performance, and to reduce fatalities and serious injuries on non-State owned roads and rural roads.

Interstate Bridge Revitalization Initiative

Structurally deficient bridges that continue to deteriorate often result in structures that have restricted load carrying capabilities. These restrictions can include limiting the weight of the vehicles that use the bridge or removing a lane of traffic from the bridge, both representing significant disruptions to users. Often structurally deficient bridges require more frequent and rigorous monitoring which usually also disrupts traffic. The IBRI will target resources in order to reduce the amount of deck area on structurally deficient IHS bridges over the next 5 to 8 years, underpinning the safety of the highway system and providing a reliable, efficient network over which people and goods can travel efficiently and with confidence.

Systemic Safety Initiative

FHWA estimates show that infrastructure-related safety investments provide an overall benefit-cost ratio of 18:1, based on the value of avoided crashes and deaths. FHWA found that systemic safety improvements were a key success factor in widely implementing safety projects on non-State owned roads and rural roads. FHWA identifies and promotes proven safety countermeasures that have a demonstrated ability to reduce crashes. FHWA supports the Crash Modification Factors Clearinghouse (http://www.cmfclearinghouse.org), a Web-based database of crash modification factors along with supporting documentation to help transportation engineers identify the most appropriate countermeasure for their safety needs. A crash modification factor (CMF) is a multiplicative factor used to compute the expected number of crashes after implementing a given countermeasure at a specific site. Using the systemic approach, lifesaving countermeasures can be rigorously applied to those locations that, although they may not have experienced many crashes, are clearly potential locations for crashes, based on a scientific analysis. For those States that did spend Federal-aid funds (*e.g.*, HSIP, SAFETEA-LU's High Risk Rural Road Program (HRRRP)) on non-State owned road safety improvements, systemic safety improvements were cited as a key success factor to implement non-State owned road safety projects.

Several methods are available for determining benefit-cost ratio for safety programs. Many assumptions are necessary for such analyses, and therefore the numbers presented are rounded, minimized, and/or averaged. In the approach presented here, FHWA analyzed a sample of data from 10 States, representing a cross-section of size and geographic location. Based on the 10-State sample, 1,250 infrastructure projects were analyzed. This figure, which includes $605 million worth of improvements, does not include all implemented projects, only those where detailed cost information was available.

In the three-year period before the improvements were put in place, the locations for these 1,250 projects averaged 1.5 fatal crashes and 5 serious injuries. Depending on a variety of factors, safety infrastructure countermeasures reduce crashes by 5 to 30 percent, so a 20 percent reduction is used. Further, a standard factor of 1.1 fatalities per fatal crash (or serious injuries per serious injury crash) is used.

With these assumptions, the $605 million investment eliminates 412 fatalities over three years (1,250 projects x 1.5 fatal crashes per project location x 0.20 reduction factor x 1.1 fatalities per fatal crash = 412) saving 137 lives annually. The $605 million investment also eliminates 1,375

serious injuries over three years (1,250 x 5 injury crashes per project location x 0.20 reduction factor x 1.1 injuries per injury crash = 1,375) eliminating 458 serious injuries annually.

Extrapolating the fatality and serious injuries reduction with $605 million to a fully funded program, a $1.212 billion SSI could save over 250 lives per year and eliminate 900 serious injuries. In the aggregate, safety infrastructure countermeasures need to be replaced, on average, every 10 years, so the full benefits of a $1.0 billion annual program are 2,500 lives saved and 9,000 serious injuries prevented. Using the DOT economic value for a statistical life ($9.1 million), a factor for the comprehensive cost of a serious injury, and a 4 percent discount rate over 10 years, the $1.212 billion SSI provides an economic benefit of over $22.2 billion, a benefit-cost ratio of 18 to 1.

State of Good Repair Initiative

MAP-21 directly addresses the preservation of road and bridge conditions and the importance of having a risk based asset management plan for managing pavements and bridges on the NHS. Many State DOTs are focusing their programs on preservation, a "fix it first" or "preserve it first" approach; however, they often do not have adequate funding to address all needs. Realizing that many agencies have limited funding to keep good roads good, this initiative focuses on providing additional funding to undertake preservation actions on those assets that need immediate actions to minimize much more costly future actions to keep them in a state of good repair. State DOTs should use their pavement and bridge management systems as a tool to identify optimal strategies and potential projects that need immediate action to preserve the asset and avoid further deterioration resulting in substantial repair costs. Undertaking critical and immediate repairs and preservation actions to pavement and bridges will reduce the rate and degree of their deterioration, yielding substantial longer term financial savings by avoiding more costly repairs. If a strategic approach is undertaken in managing these pavement and bridge assets, the rate of decline of those assets is reduced, with a savings of millions of dollars of additional repair costs.

Why Do We Want/Need To Fund The Program At The Requested Level?

With total funding at $13.4 billion over four years, this "Fix-It-First" program will apportion funding to States to be used on the most critical infrastructure condition needs and emphasize safety on those non-State owned roads that are least likely to receive Federal safety program funds.

Interstate Bridge Revitalization Initiative

Assuming a similar level of investment from other sources and current trends hold, an additional $3.35 billion investment over the next four years by the IBRI will likely result in 200 fewer structurally deficient bridges on the IHS. However, as the initiative is focused on critical immediate needs, it will allow States to address bridges which have deterioration that has progressed quicker than expected or, through additional investigation, is more urgent that originally identified.

Systemic Safety Initiative

The $1.212 billion request for SSI could reduce fatalities by at least 250 per year and serious injuries by at least 900 per year and is estimated to save more than 2,500 lives and 9,000 serious injuries over the 10-year lifecycle of the countermeasures. Funding the program at a lower level would reduce the States' ability to make the most effective safety investment decisions and reduce the safety countermeasures on non-State owned local and rural roads. Therefore, less funding will result in fewer lives saved and fewer serious injuries prevented.

Since safety is the Department's top priority, it is critical that sufficient resources are provided to achieve a better safety record on U.S. highways. A single death on our roadways, sidewalks, and bicycles paths is a tragedy; almost 100 deaths a day is unacceptable when we possess the tools and capability to help prevent them. This program will significantly reduce deaths and serious injuries for all road users.

State of Good Repair Initiative

Of the requested CIIP funding, $2.425 billion (50 percent of the CIIP funding) is for the SGRI. This funding is necessary to improve the condition and performance of the NHS and reduce long term funding needs for these assets. Critical and immediate action is needed to many of our nation's pavements and bridges to avoid having them deteriorate to a condition that would necessitate more costly repairs to return them to a state of good repair. However, if FHWA and the State agree that the data indicate that the State has greater needs in the other portions of this program (IBRI and SSI), which have direct safety impacts, then the State may move up to 50 percent of their SGRI dollars to address the more critical needs in the IBRI or SSI. A minimum of 50 percent of their allocated SGRI funding (25 percent of the CIIP funding) must address immediate preservation or rehabilitation needs before the respective assets reach a condition that would require a much more costly repair or replacement.

Executive Summary
Federal Lands & Tribal Transportation Programs

What Is The Request And What Will We Get For The Funds?
FHWA requests $1.3 billion for the Federal Lands and Tribal Transportation Programs (FLTTP) to provide funding for transportation projects on Federal and Tribal lands for construction and engineering projects that will provide multi-modal access to basic community services for 566 Federally-recognized sovereign Tribal governments, improve multimodal access to recreational areas on public lands/national treasures, and expand economic development in and around Federal and Tribal lands while preserving the environment and reducing congestion.

What Is The Program?
The Federal Lands and Tribal Transportation Programs are comprised of four programs:

- **Federal Lands Transportation Program** – $370 million for projects that improve public access on high-priority roads, trails, and transit systems within the Federal estate (national forests, national parks, national wildlife refuges, national recreation areas, and other Federal public lands) on infrastructure owned by the Federal government.
- **Federal Lands Access Program** – $250 million for projects that improve access to the Federal estate on infrastructure owned by States, counties, and local governments.
- **Tribal Transportation Program** – $507 million for projects that improve access to and within Tribal lands.
- **Nationally Significant Federal Lands and Tribal Projects** – $150 million for rehabilitation, construction, or reconstruction of large, nationally-significant transportation infrastructure within or providing access to Federal or Tribal lands.

Why Is This Particular Program Necessary?
This program supports safe, seamless, and multimodal access to Federal and Tribal lands. In the absence of this program, it is highly likely, based on historical experiences, that the roads and bridges providing vital access to our Federal treasures and critical Indian community services (such as medical and education) would fall into severe disrepair, jeopardizing the public's and tribal members' ability to access these areas and services, respectively.

How Do You Know The Program Works?
The pre-MAP-21 authorization of the Federal Lands Highway Program (FLHP) demonstrated that Federal investment improved the condition of roads and bridges on Federal and Tribal lands. During 2005-2012, over 7,700 lane miles of Federal and Tribal roads were improved and 550 bridges were constructed or improved.

Why Do We Want/Need To Fund The Program At The Requested Level?
The requested $1.3 billion will provide a level of investment required to achieve results for these programs of national interest. The investment supports over 50,000 miles of paved and unpaved roads and 6,600 bridges used by over 910 million visitors annually in addition to 140,000 miles of roads used in large part by residents of 566 federally recognized, sovereign Tribes.

Detailed Justification
Federal Lands Transportation Program

What Is The Request And What Will We Get For The Funds?

FY 2015 – Federal Lands Transportation Program ($370.0 million)
($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways			
Federal Lands and Tribal Transportation Programs			
Federal Lands Transportation Program (FLTP)	300,000	370,000	70,000
Federal Lands Access Program (Access Program)	250,000	250,000	-----
Tribal Transportation Program (TTP)	450,000	507,000	57,000
Nationally Significant Federal Lands and Tribal Projects	-----	150,000	150,000
Total	**1,000,000**	**1,277,000**	**277,000**

FHWA requests $370 million to implement the Federal Lands Transportation Program (FLTP). The FLTP outcomes include completed construction and engineering projects that will improve multimodal access, support increasing visitation to recreational areas on public lands, and expand economic development in and around Federal lands while preserving the environment and reducing congestion at our national treasures.

Program Activity	FY 2014 Authorization	Programmatic Changes	FY 2015 Request
Federal Lands Transportation Program:			
Transportation facilities (roads, bridges, trails, and transit systems) owned by the National Park Service (NPS)	$240,000	($240,000)	$0
Transportation facilities owned by the U.S. Fish & Wildlife Service (USFWS)	$30,000	($30,000)	$0
Transportation facilities owned by the U.S. Forest Service (USFS), Bureau of Land Management (BLM) and U.S. Army Corps of Engineers (USACE)	$30,000	($30,000)	$0
Transportation facilities owned by the Department of Interior (NPS, USFWS, BLM, and Reclamation)	$0	$296,000	$296,000
Transportation facilities owned by the U.S. Forest Service	$0	$55,500	$55,500
Transportation facilities owned by the U.S. Army Corps of Engineers	$0	$18,500	$18,500
Total	**$300,000**	**$70,000**	**$370,000**

What Is This Program?

The FLTP continues the purpose of the Federal Lands Highway Program (FLHP), which was in effect from 1983 to 2012, to promote a coordinated approach to highway construction on roads owned by Federal Land Management Agencies (FLMAs). The FLTP will focus on a comprehensive system of nationally-significant Federal transportation infrastructure (roads, bridges, trails, and transit systems) using a performance management program approach.

The anticipated FY 2015 accomplishments will include the design and construction of Federal transportation infrastructure consistent with the Federal Land Management Agencies' strategic plans and DOT strategic goals. Based on recent data at comparable funding levels, we estimate improving approximately 20 structurally deficient and/or functionally obsolete bridges to a safe/good condition and improving about 600 lane miles of roads within our national parks, forests, refuges, recreation sites, and Federal public lands.

The purpose of the FLTP is to provide access within our national parks, forests, wildlife refuges, recreation areas, Bureau of Land Management lands, and other Federal public lands. The FLTP focuses on the subset of the Federal transportation infrastructure that is nationally significant: those roads, bridges, trails, or transit systems which provide access to high-use recreation areas or provide critical access for economic generation to support the local economy. In this manner, critical funding resources will be targeted to those transportation facilities that provide access to the most popular recreational destination points within the Federal estate and thereby generate the greatest return on investment to land owners, communities adjacent to Federal lands, and the American people who are looking for seamless transportation to these popular recreational locations. The FLTP will focus on those transportation facilities that are in the national interest to maintain rather than broadly trying to include every road owned by the Federal Government or every road that provides access to Federal lands. The FLMAs will be required to maintain a national transportation facility inventory and report annually on the state of good repair of the transportation infrastructure in the national Federal lands transportation facility inventory.

Funding allocations within the $370 million request cited above will allow all participating agencies to proactively support long range, statewide, and metropolitan transportation planning requirements, more efficiently enhance their data collection, and promote the leveraging of FLTP funds with other non-traditional sources of revenue thereby directing more funds toward transportation construction projects. The identification of baseline allocations will consider each agency's defined transportation networks, deferred maintenance backlog of transportation needs, transportation performance plans, and prior program allocations. Agencies under the Department of Interior (National Park Service, U.S. Fish & Wildlife Service, Bureau of Land Management, and Bureau of Reclamation) will receive 80 percent of the program funding, the U.S. Forest Service will receive 15 percent of the funding, and the U.S. Army Corps of Engineers will receive 5 percent of the funding.

Each agency will submit a single investment plan describes how they intend to use their funds. Each proposed investment plan will be required to demonstrate how it supports the Secretary of Transportation's goals (state of good repair of transportation facilities, reduction of bridge deficiencies, and safety improvement), most highly visited Federal recreational areas and

economic generators, and the goals of the participating agency. This approach will incentivize the administration of a performance-based program. In this manner, agencies can continue to engage in long-term transportation planning, multi-year project programming, and leverage management systems and other asset management tools to support better decision making.

The FLTP supports livability, particularly in rural America. Moreover, as cities and suburban areas continue to grow, Federal lands that were at one time 70+ miles away from the nearest urban area are now within a 15 minute commute. Many communities outside national parks, refuges, and forests are close enough to urban areas to facilitate the use of transit, vanpools, and/or bicycles to access the Federal estate. Greater use of alternative transportation options within and outside of Federal lands helps to reduce car emissions, ease congestion at the gate, and preserve the environment of our national treasures for future generations.

The FLTP will reserve a percentage of the funding for long-range transportation planning, bridge inspections, management systems implementation, research/technology deployment, and road and bridge inventory/condition data collection. This set-aside will support bridge inspection activities for public-use bridges included in FLTP partner's defined transportation networks, public use bridges outside those network(s), and bridge inspection activities for other federal agencies not included in the FLTP. The set-aside will focus on comprehensive multi-agency planning efforts and positions the program more effectively to support performance management.

The FLTP will fund transportation planning, research, preventive maintenance, engineering, administrative expenses, rehabilitation, and construction of roads and bridges that provide access to, within, or adjacent to Federal lands.

Why Is This Particular Program Necessary?

The Federal Government owns approximately 30 percent of the land in the United States (see Exhibit 1 that follows). This land is primarily rural in nature, though there are many Federal roads and bridges in urban settings, such as the Golden Gate National Recreation Area in San Francisco, CA and the Federal Mall and Memorial Parks in Washington, DC. This program supports safe, seamless, and multimodal access to and through our national parks, forests, recreation areas, wildlife refuges, and other Federal public lands.

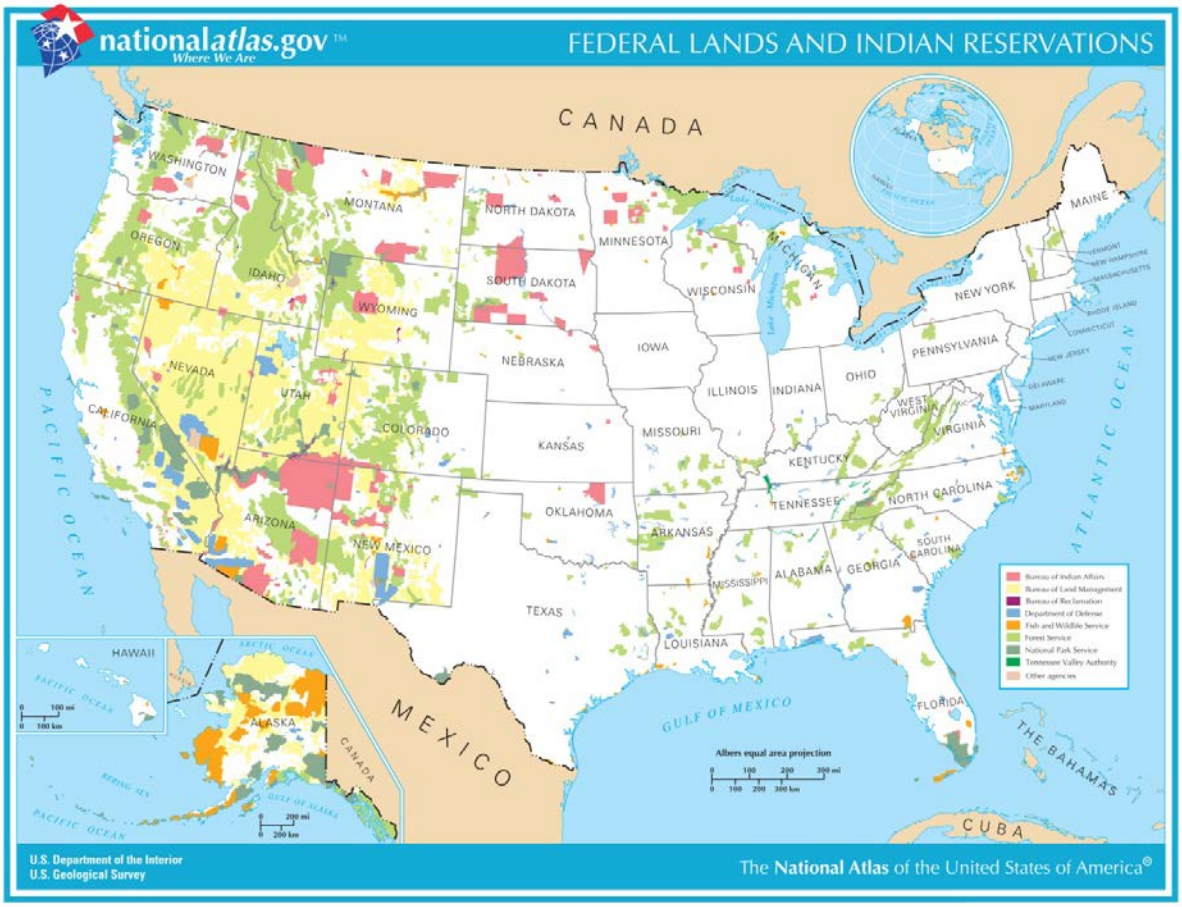

Exhibit 1

The FLTP is focused on a comprehensive and coordinated approach to maintaining, rehabilitating, and improving the nationally-significant portions of the public transportation infrastructure owned by FLMAs, which are used on a daily basis by the American public.

Recent national trends indicate that national forests and parks that were once 60-90 minutes away from urban areas are now 15-20 minutes away as suburbs continue to expand further from the urban cores. Approximately 90 percent of the US population is located within 50 miles of a US Army Corps of Engineers recreation site. The need for recreation for the growing US population is increasing, especially in light of the Administration's push to tackle childhood obesity. Outdoor recreation is playing a bigger role in the nation's health and quality of life. Recreational spending is a significant portion of the hundreds of billions in travel and tourism dollars that are contributed to the US economy every year. It is one of the fastest growing sectors of our economy—and more than 20 percent of Americans' recreational activities take place on Federal lands.

The FLTP provides attractive opportunities for big and small businesses alike. It provides access to those Federal lands for a wide variety of recreational activities: hunting, fishing, hiking, camping, RVing, skiing, snowshoeing, swimming, snorkeling, diving, running, biking, bird watching, sightseeing, horseback riding, driving for pleasure, snowmobiling, boating, waterskiing, and countless other outdoor activities. These activities create thousands of jobs for

local communities surrounding Federal lands and as well as supporting jobs for major equipment and supply manufacturers. Additionally, Federal lands contribute significantly to our economy through energy generation, livestock grazing, and resource extraction, including both renewable (timber) and non-renewable (oil, gas, and other mineral) resources. The FLTP is the primary funding mechanism to keep all of the roads, trails, and other Federal transportation systems that provide this access in a state of good repair.

How Do You Know The Program Works?

Overall, the condition of roads and bridges in the FLHP remained about the same over the life of SAFETEA-LU (2005-2012), though some agencies demonstrated significant improvements. The average condition of paved roads owned by the National Park Service increased from a pavement condition rating of 75 in 2005 to 82 in 2012 (on a 1-100 scale), a 9 percent increase. During the same timeframe, the average condition of roads owned by the US Fish & Wildlife Service increased from a roadway condition rating of 3.25 to 3.65 (on a 1-5 scale), an 11 percent increase. Coupled with the increasing volume of visitors to our Federal public lands (e.g., 2% increase on National Park Service lands and more than a 35% increase on US Fish & Wildlife Service lands over that timeframe), this indicates the program preserved critical assets in our national treasures effectively. In 2012, over 1,000 lane miles of park roads and refuge roads were improved and 55 bridges were constructed or improved. Many of these road and bridge improvements included multimodal options on the same road or bridge thereby providing visitors with transportation options, e.g., car, biking, or walking. In summary, the program's transportation investments allow visitors from the United States and numerous countries to experience America's treasures in a safe and seamless manner.

Why Do We Want/Need To Fund The Program At The Requested Level?

The requested $370 million is $70 million above the authorized funding level for FY 2014. This amount supports a comprehensive and coordinated, performance-oriented approach to Federal transportation infrastructure management. We have determined that the national priority should focus the limited Federal funding on roads, bridges, etc. that provides critical access to highly visited Federal recreation areas and economic generators.

Detailed Justification
Federal Lands Access Program

What Is The Request And What Will We Get For The Funds?

FY 2015 – Federal Lands Access Program ($250.0 million)

($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways			
Federal Lands and Tribal Transportation Programs			
Federal Lands Transportation Program (FLTP)	300,000	370,000	70,000
Federal Lands Access Program (Access Program)	250,000	250,000	-----
Tribal Transportation Program (TTP)	450,000	507,000	57,000
Nationally Significant Federal Lands and Tribal Projects	-----	150,000	150,000
Total	**1,000,000**	**1,277,000**	**277,000**

FHWA requests $250 million to implement the Federal Lands Access Program (Access Program). The Access Program outcomes include completed construction and engineering projects that will improve multi-modal access, support increasing visitation to recreational areas on public lands, and expand economic development in and around Federal lands while preserving the environment and reducing congestion at our national treasures.

What Is This Program?

The Access Program focuses on a comprehensive system of nationally significant State, county, Tribal, and local transportation infrastructure (roads, bridges, trails, and transit systems) which provide access to the entire Federal estate.

The FY 2015 request for the Access Program is $250 million. The anticipated FY 2015 accomplishments will include the design and construction of transportation infrastructure consistent with the Federal Land Management Agencies' strategic plans and strategic DOT goals. Based on recent data at comparable funding levels, we estimate improving about 12 structurally deficient and/or functionally obsolete bridges to a safe/good condition and improving approximately 400 lane miles of roads within or providing access to our national parks, forests, refuges, recreation sites, military facilities, and other Federal lands.

The purpose of the Access Program is to provide access to and through the Federal estate. The Access Program focuses on the subset of the roads, bridges, trails, or transit systems which provide access to high-use Federal recreation areas that increase interconnectivity between rural communities adjacent to Federal lands, or which provide critical access for resource extraction, energy generation, renewable resource usage, or animal grazing to support the local economy.

The structure of the $250 million Access Program is a formula distribution by State. The program is subject to a Federal Share Payable match requirement. For the 2015 budget, the

match requirement for county or locally-owned facilities is proposed at 5 percent. State-owned facilities will continue to be subject to the full Federal Share Payable levels within each state. This change stems from the recognition that many rural counties and other local jurisdictions with significant Federal land holdings have very limited tax bases or other revenue options and are unable to provide the full match – yet they possess the public lands this program is intended to support. Conversely, it is equally recognized there are local and national benefits to having some level of local investment into proposed Access Program projects. Retaining a match at a lower level addresses both considerations.

Since all states have Federal lands of some type, each state would benefit from some portion of this funding. The formula criteria includes visitation to Federal lands, Federal public road miles, number of Federal bridges, and the amount of Federal public lands within each state. Further, 80 percent of the funds are directed towards the 12 states with at least 1.5 percent of total Federal lands: Alaska, Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming. Programming decisions will be made locally by a Program Decisions Committee comprised of representatives of the State DOTs, FHWA, and from county or local governments. These decisions will be made in coordination with Federal land management agencies. This funding component will be used to target Federal funding to transportation infrastructure (roads, bridges, trails, or transit systems) that are owned by States, counties, Tribes, or local governments which provide critical access to Federal lands with high-use Federal recreation areas or high-use Federal economic generators.

The Access Program supports livability, particularly in rural America. Many communities outside national parks, refuges, forests, recreational areas, and military bases are close enough to urban areas to facilitate the use of transit, vanpools and/or bicycles. Greater use of alternative transportation options inside and outside Federal lands helps reduce car emissions, eases congestion at the gate and preserves the environment inside our national treasures for future generations. This program also provides residents located in communities outside public lands with opportunities to keep their homes and secure jobs in nearby cities by using a range of transportation options, e.g., vanpools, buses, and bike paths.

The Access Program will reserve a percentage of the funding for long range transportation planning, bridge inspections, management systems, and road and bridge inventory/condition data collection by Federal land management agencies. This set-aside will also supplement costs associated with bridge inspection activities on federally-owned bridges which are not on the national Federal transportation facility inventory. The set-aside will focus on comprehensive multi-agency planning efforts and positions the program more effectively to support performance management.

The Access Program will fund transportation planning, research, preventive maintenance, engineering, rehabilitation, and construction of roads and bridges owned by States, counties, or local governments that provide access to, within, or are adjacent to Federal lands. The projects will link highly used Federal transportation infrastructure inside the boundaries of Federal lands with the Federal-aid system outside the boundaries. In this manner, critical funding resources will be targeted to those roads and bridges that provide access to the most highly used recreational destination points and economic generators within the Federal estate and thereby

produce the greatest return on investment to land owners, communities adjacent to Federal lands, and the American people who are looking for seamless transportation to these popular recreational locations. Put more plainly, the Access Program will focus on roads and bridges that are in the national interest to maintain rather than broadly trying to include every road that provides access to Federal lands.

Why Is This Particular Program Necessary?

The Federal Government owns approximately 30 percent of the land in the United States (see Exhibit 1 that follows). This land is primarily rural in nature, though there are many Federal roads and bridges in urban settings, such as the Golden Gate National Recreation Area in San Francisco, CA and the Federal Mall and Memorial Parks in Washington, DC. This program, in conjunction with the Federal Lands Transportation Program, supports safe, seamless, and multimodal access to and through our national parks, forests, wildlife refuges, Bureau of Land Management lands, US Army Corps of Engineers recreation areas, military installations, and other Federal lands.

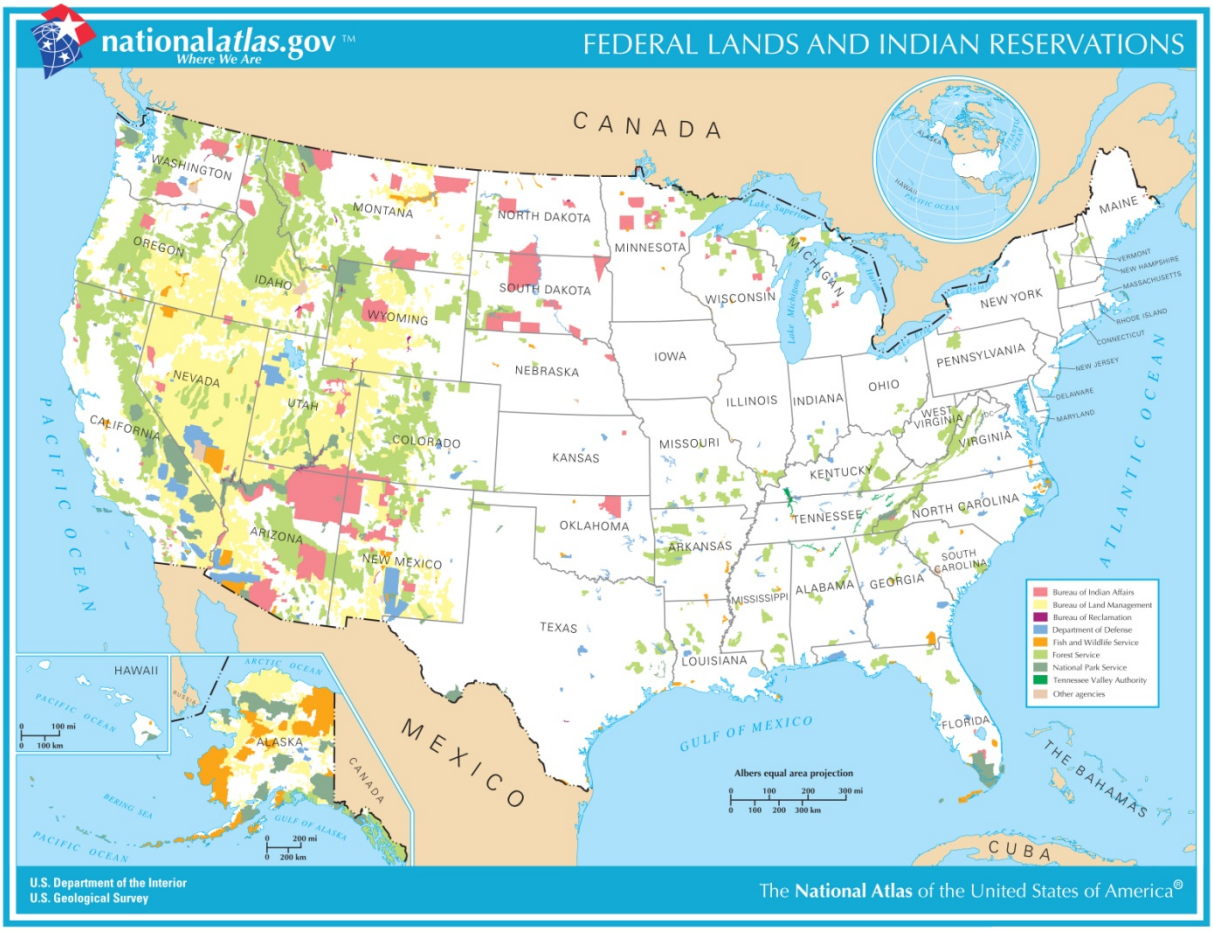

Exhibit 1

The Access Program is focused on a comprehensive and coordinated approach to maintaining, rehabilitating, and improving the nationally-significant portions of the public transportation

infrastructure owned by States, counties, Tribes, or local governments, which provide key access to the Federal estate and are used on a daily basis by the American public.

How Do You Know The Program Works?

Generally, the condition of roads and bridges in the pre-MAP-21 era remained about the same over the life of SAFETEA-LU (2005-2012). Considering the increasing volume of visitors to our Federal public lands (e.g., 2 percent increase on National Park Service lands and more than a 35 percent increase on US Fish & Wildlife Service lands over that timeframe), this indicates the program preserved critical assets in our national treasures effectively. During SAFETEA-LU, over 1,300 lane miles of State and county owned facilities and 45 bridges accessing national forests were constructed or improved based on the pre-MAP-21 program model. Many of these road and bridge improvements included multimodal options on the same road or bridge thereby providing visitors with transportation options (e.g., motoring, biking, walking). We anticipate similar accomplishments through a broader set of state and county facilities that access all public lands under this program. In summary, the program's transportation investments allow visitors from the United States and numerous countries to experience America's treasures in a safe and seamless manner.

Why Do We Want/Need To Fund The Program At The Requested Level?

The requested $250 million represents an amount equal to the FY 2014 MAP-21 authorized funding level. This amount supports a comprehensive and coordinated, performance-oriented approach to transportation infrastructure management on roads and bridges providing access to the Federal estate.

The national priority should focus the limited Federal funding on roads or bridges that provide critical access to highly-visited Federal recreation areas, and Federal economic generators. The Access Program focuses on publicly accessible, high-priority roads, bridges, trails, and transit systems owned by the states, counties, and local governments which provide access to the *entire* Federal estate.

Detailed Justification
Tribal Transportation Program

What Is The Request And What Will We Get For The Funds?

FY 2015 – Tribal Transportation Program ($507.0 million)
($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways			
Federal Lands and Tribal Transportation Programs			
Federal Lands Transportation Program (FLTP)	300,000	370,000	70,000
Federal Lands Access Program (Access Program)	250,000	250,000	-----
Tribal Transportation Program (TTP)	450,000	507,000	57,000
Nationally Significant Federal Lands and Tribal Projects	-----	150,000	150,000
Total	**1,000,000**	**1,277,000**	**277,000**

FHWA requests $507 million to implement the Tribal Transportation Program (TTP). The TTP outcomes include completed construction and engineering projects that provide multi-modal access to basic community services for the 566 federally-recognized sovereign Tribal governments. The results from this program will enhance livable communities and the quality of life of Tribal residents by including safer all weather access to schools and healthcare facilities as well as improved opportunities for economic development on Tribal lands.

What Is This Program?

The TTP promotes a coordinated approach to highway construction in Indian country on roads owned by the Bureau of Indian Affairs (BIA), sovereign Tribal governments, and other roads owned by States, counties, or localities which provide access to or are within Indian communities.

The FY 2015 request for the TTP is $507 million. The anticipated FY 2015 accomplishments will include the design and construction of Tribal transportation infrastructure consistent with strategic long-range transportation plans and goals of the Tribes and DOT. Based on recent data at comparable funding levels, we estimate improving about 25 structurally deficient and/or functionally obsolete bridges of over 950 eligible bridges to a safe/good condition and improving about 800 miles of 140,000 miles of eligible roads accessing Tribal lands.

The structure and allocation of the $507 million is based on a formula to all 566 Tribes. MAP-21 established an apportioned formula in place of the Indian Reservation Roads (IRR) formula, which was developed through a Negotiated Rulemaking process. The MAP-21 formula is phased in over a period of four years; during FY 2015, the Tribal distributions will be based on 40 percent of the Tribes' FY 2011 distributions and 60 percent based on the new apportioned formula.

The program would fund transportation planning, research, maintenance, engineering, rehabilitation, and construction of roads and bridges that provide access to, are within, or are adjacent to Tribal lands. The BIA and Tribes would be required to maintain a national road and bridge inventory, and report annually on the state of good repair of the TTP system.

The TTP supports rural livability in Tribal communities. This program will provide better access to housing, emergency services, schools, stores, places of employment, and medical services. Access to these basic services will enhance the quality of life on Tribal lands.

The TTP proposes a new set-aside of up to seven percent for Tribal High Priority Projects. This set-aside helps address the needs of smaller Tribes by allowing them to apply for funds to help address high-priority transportation concerns within their community. Commonly, the smaller Tribes who receive less funding may have to wait multiple years to consolidate their allocations before having sufficient funds to administer their highest priority project. This set-aside will provide greater opportunities across tribal governments, and will be administered using the defined program structure that was included as a stand-alone program in MAP-21 Section 1123.

The TTP proposes to increase the set-aside for national bridge rehabilitation and replacement priority activities from two to four percent. This increase is commensurate with pre-MAP-21 bridge funding levels which were found to be effective in addressing bridge deficiencies for all tribes. The set-aside will be administered using the existing regulatory-defined grant program which prioritizes funds on the bridges with the lowest sufficiency rating. Applications are submitted by Tribes each year.

The TTP reserves up to a six percent set aside for administration of the program. Funding from this set-aside helps to provide funding for the seven Tribal Technical Assistance Program Centers which provide technical assistance and training to Tribes, oversight and maintenance of the TTP Inventory, funding for the Coordinated Technology Improvement Program, funding for the TTP Program Coordinating Committee, and funding for the BIA, BIA-DOT, and FHWA staff responsible for carrying out the Stewardship and Oversight and inherent Federal functions/responsibilities of the program. These functions include fund distribution, technical assistance, environmental documentation review and approval, project construction inspection, and the travel by the Federal employees to carry out these activities.

The TTP proposes to increase the set-aside for transportation planning and data collection associated with road and bridge inventory and condition reporting from two percent to three percent. This set-aside is empirically-derived using spending levels over the previous ten years as well as anticipated future needs. This funding is allocated among the 566 Tribes by formula, but those tribes can only spend this funding on planning and data collection activities.

The TTP reserves up to two percent for national safety priority activities. This set-aside targets funding for safety projects using a national grant process similar to the TTP bridge process, i.e., applications are submitted by Tribes each year. In some States, the fatality and crash rates on Tribal lands are three to four times higher when compared to the balance of the same state(s). Therefore, we suggest this situation warrants national attention and dedicated resources to address it.

Why Is This Particular Program Necessary?

The TTP provides access to basic community services for the 566 federally-recognized sovereign Tribal governments. The Administration's support for livable communities in the mostly rural environments of Indian reservations will translate to better and safer access to housing, emergency services, schools, stores, places of employment, and medical services. On some rural reservations, a "complete street" means an all-weather road instead of a native-surface road. The TTP will promote access to Tribal lands for commerce and economic growth within Tribal communities. More than eight billion vehicle miles are traveled annually on the TTP system, even though it is among the most rudimentary of any transportation network in the United States with more than 60 percent of the system unpaved.

How Do You Know The Program Works?

Generally, the condition of TTP roads and bridges remained about the same over the prior highway authorization (2005-2012). Considering the increasing traffic on Indian lands, we believe there is a good news story to be told. During 2012, about 470 lane miles of Tribal Transportation Roads were improved and 34 bridges were constructed or improved. These improvements translate into an enhanced quality of life environment in Indian country by providing better and more reliable access to critical community services and schools.

Why Do We Want/Need To Fund The Program At The Requested Level?

The requested $507 million reflects a modest increase over the FY 2014 level to offset proposed set-aside changes. Although the Tribes are the beneficiaries of these set-asides, this increase will help minimize reductions to formula Tribal allocation amounts. The request supports a more comprehensive and coordinated, goal-oriented approach to Tribal transportation infrastructure management.

Detailed Justification
Nationally Significant Federal Lands and Tribal Projects

What Is The Request And What Will We Get For The Funds?

FY 2015 – Nationally Significant Federal Lands and Tribal Projects ($150.0 million)

($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways			
Federal Lands and Tribal Transportation Programs			
Federal Lands Transportation Program (FLTP)	300,000	370,000	70,000
Federal Lands Access Program (Access Program)	250,000	250,000	-----
Tribal Transportation Program (TTP)	450,000	507,000	57,000
Nationally Significant Federal Lands and Tribal Projects	-----	150,000	150,000
Total	**1,000,000**	**1,277,000**	**277,000**

FHWA requests $150 million to implement the Nationally Significant Federal Lands and Tribal Projects program (NSFLTP). The NSFLTP outcomes include rehabilitation, construction, or reconstruction of large, nationally-significant transportation infrastructure within or accessing Federal or Tribal lands.

What Is This Program?

FHWA proposes to finance the NSFLTP from the Highway Account of the Transportation Trust Fund (currently the Highway Trust Fund) at a level of $150 million. The program would fund engineering and construction of nationally-significant projects within or providing access to Federal or Tribal lands. Upon appropriation of the program funding, USDOT would issue a Notice of Funding Availability and a call for project applications. Project applications would be submitted to USDOT by other Federal agencies, Tribes, States, counties, or localities, and would be evaluated using a TIGER-like approach. The anticipated FY 2015 accomplishments would be the advancement of a small number of nationally significant projects, dependent on the timing of authorization and appropriations actions. Due to the relatively high costs of these types of projects in relation to the proposed program funding level, it is anticipated that only one or two projects would be funded each year.

Why Is This Particular Program Necessary?

The NSFLTP will provide needed construction or reconstruction of large, nationally-significant transportation infrastructure within or accessing Federal or Tribal lands. Due to the magnitude of costs, projects of this size generally cannot be advanced within the scope of the existing Federal Lands and Tribal Transportation Programs. These projects have not been priorities for States' use of Federal-aid apportioned funding, when eligible for Federal-aid programs. Examples of potential projects include the rehabilitation and reconstruction of Arlington Memorial Bridge in Washington DC, improvements to Interstate 5 near Fort Lewis in Washington, construction of a bypass around Manassas National Battlefield in Virginia, widening of State Route 175 near Fort

Meade in Maryland, reconstruction of the Kancamagus Highway through White Mountain National Forest in New Hampshire, improvements to Fairfax County Parkway and Route 1 near Fort Belvoir in Virginia, reconstruction of the Tamiami Trail (US 41) near Everglades National Park to promote ecosystem connectivity, and an extension of Interstate 295 near Fort Bragg in North Carolina.

As an example, the Arlington Memorial Bridge, linking Washington DC and Arlington VA, is in a serious state of disrepair. The bridge is rated as structurally deficient and is rapidly degrading, due largely to severe corrosion of the steel in the bascule span; some support stringers and framing are missing altogether. In the event that the bascule span fails, the center section could suddenly settle, creating an abrupt 15-inch drop in the bridge's center section decking. Aluminum structures have been placed across sections of the bridge's sidewalks to protect pedestrians from falling into deteriorated sections. There is also significant deterioration of the concrete in the arch spans, and recent core samples indicate that the deck concrete is rapidly deteriorating. The total project costs are estimated to be between $100 and $135 million. Currently, the NPS receives about $240 million per year from the Federal Lands Transportation Program. These funds are distributed administratively by formula among the seven NPS Regions; the National Capital Region receives approximately $15 million per year. Most of these funds are prioritized using transportation asset management principles to focus the funding on work required to keep existing assets in good condition rather than expensive reconstruction of poor condition assets. The National Capital Region cannot advance a project of this size without "saving up" all of its funding for six to nine years, during which time the bridge would continue to deteriorate even further, resulting in higher repair and replacement costs. Additionally, this approach would require a deferment of all of the other needed repair work within the Region, resulting in even more costly repairs in the future.

Another example is the Tamiami Trail (US Highway 41), a 275-mile long roadway that starts in Miami and runs west to Naples through the Big Cypress National Preserve (BCNP) and then heads north to Tampa. About 60 miles of the east-west portion between Miami and the BCNP forms the northern boundary of Everglades National Park. The highway was designed and constructed in the 1920's to accommodate low-traffic loading and capacity by lighter-weight cars and trucks in a sparsely populated region of Florida. Today the highway must provide capacity for heavier vehicles moving at higher speeds, safely supporting the access and transportation needs of visitors, residents and freight travel between major metropolitan communities totaling about one million residents with over ten million tourists to high-use recreation areas annually. This increased demand, along with frequent road flooding events caused by the inadequate hydraulic capacity and insufficient roadway elevation, result in unsafe and unreliable roadway conditions as well as significant damage to the surrounding natural resources. Reconstruction of critical portions of the Tamiami Trail is necessary to improve transportation capacity and access, and to restore hydraulic capacity for flows from the state-managed conservation areas north of the road into the remaining natural Everglades, including Everglades National Park, to the south. This phase of the reconstruction effort consists of a 2.6-mile bridge construction and roadway elevation, which is estimated to cost approximately $190 million. The State of Florida recognizes the significance of this project in support of providing safe reliable transportation, flood frequency reduction and ecosystem restoration, and has committed to match Federal funds

for this project, up to $90.0 million. DOI and the State have allocated 2014 funds to start design.

How Do You Know The Program Works?

In recent years, the Federal Lands and Tribal Transportation Programs have begun the shift towards prioritizing funding towards the relatively low unit cost work of keeping more good assets in good condition over the much higher unit cost work of reconstructing fewer poor condition assets. Accordingly, the pre-MAP-21 authorization of the Federal Lands Highway Program (FLHP) demonstrated that Federal investment improved the condition of roads and bridges on Federal and Tribal lands. During 2005-2012, over 7,700 lane miles of Federal and Tribal roads were improved and 550 bridges were constructed or improved. The NSFLTP would complement the other components of the FLTTP by advancing projects of national significance that cannot realistically be advanced under the current program structure. The NSFLTP would allow the other components of the FLTTP to continue to apply sound asset management practices of maintaining a state of good repair of the respective transportation facilities eligible under each of the component programs.

Why Do We Want/Need To Fund The Program At The Requested Level?

The requested $150 million for NSFLTP will allow the advancement of a number of nationally-significant projects that have not been able to move forward under the current structure of the Federal Lands and Tribal Transportation Programs. This level of funding will be sufficient to advance one or two Federal lands or Tribal projects of nationally significant importance each year.

Executive Summary
Research, Technology & Education (RT&E) Program

What Is The Request And What Will We Get For The Funds?
This $451.0 million request will enable FHWA to address current issues, emerging challenges, and provide information for policy decisions. The program conducts, sponsors, sustains, and guides highway research to develop and deliver innovation. This request will provide for a comprehensive and coordinated research, technology, and education program that will advance DOT organizational goals and accelerate innovation delivery and technology implementation.

What Is The Program?
The Research, Technology and Education Program is comprised of the research portion of the State Planning and Research (SP&R) program and the following:

- Highway Research & Development Program (HRD): $130 million for research activities associated with safety, infrastructure preservation, environmental mitigation and streamlining, operations, livability, innovative program delivery solutions, and policy.
- Technology & Innovation Deployment Program (TIDP): $70 million to address testing, evaluating, and accelerating the delivery and deployment of technologies.
- Training & Education Program (T&E): $27 million to train the current and future transportation workforce, transferring knowledge quickly for effective deployment.
- Office of the Assistant Secretary for Research and Technology-administered RD&T programs: $224 million for Intelligent Transportation Systems, University Transportation Centers, and Bureau of Transportation Statistics.

Why Is This Particular Program Necessary?
FHWA is in a unique leadership position to identify and address current and emerging issues of national significance. The program conducts applied (lower risk) and advanced (higher risk) research to address six highway challenges: advancing safety, improving mobility, maintaining infrastructure integrity, enhancing performance, promoting sustainability, and preparing for the future. The entire innovation lifecycle is covered under the RT&E program umbrella from agenda setting to the deployment of technologies and innovations.

How Do You Know The Program Works?
Projects within RT&E programs have built-in efforts to track performance. In the short-term, the use of expert reviews and feedback from program stakeholders ensure program performance is on the right track. In the mid-term, tracking transition of research results into practice is a good measure of research success. In the long-term, retrospective studies and analyses show how research has a lasting impact on societal goals such as safety, economic competitiveness, mobility, infrastructure durability, and environmental sustainability. FHWA's continued commitment to highway research and the implementation of ground-breaking technology delivers a safer, more reliable highway transportation system that is in good repair, supports community goals, and is environmentally sustainable.

Why Do We Want/Need To Fund The Program At The Requested Level?
There is a critical need for bold actions, effective investments, and financing innovations to address current gaps and emerging issues facing our nation's transportation system. With enhanced leadership and adequate financing, FHWA can assure the best solutions are realized and applied, and that existing resources are focused on critical national priorities.

Detailed Justification
Research, Technology & Education (RT&E) Program

What Do I Need To Know Before Reading This Justification?

This budget request will enable FHWA to strengthen its national leadership role in conducting, sponsoring, sustaining, and guiding the RT&E program, and working with partners and stakeholders in the highway community to conduct long-term, high-risk research, and research on emerging issues of national significance.

This request continues authorization of three MAP-21 FHWA programs: Highway Research and Development, Technology and Innovation Deployment, and Training and Education – totaling $227.0 million.

The FHWA budget also includes a number of programs which are administered by the Office of the Assistant Secretary for Research and Technology. ***Detailed justifications for these programs can be found in budget submission for the Office of the Secretary of Transportation (OST) - Office of the Assistant Secretary for Research and Technology.***

FY 2015 – Research, Technology, and Education Program ($451.0 million)

($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways			
Research, Technology, and Education Program			
Highway Research and Development Program	115,000	130,000	15,000
Technology and Innovation Deployment Program	62,500	70,000	7,500
Training and Education	24,000	27,000	3,000
Intelligent Transportation Systems Program 1/	100,000	113,000	13,000
University Transportation Centers 1/	72,500	82,000	9,500
Bureau of Transportation Statistics 1/	26,000	29,000	3,000
State Planning & Research (SP&R research portion) non-add	[186,285]	[188,555]	[2,270]
Total	**400,000**	**451,000**	**51,000**

1/ Administered by the Office of the Assistant Secretary for Research and Technology.

What Is The Request And What Will We Get For The Funds?

The RT&E program strives to generate new solutions, provide better decision-making information and tools, and build more effective partnerships that will allow our country to make the best investments in the nation's largest utility— our transportation system. The entire innovation lifecycle is covered under the RT&E program umbrella: from agenda-setting to research and development, to technology testing and evaluation, to the deployment and impact evaluation of market-ready technologies and innovations.

FHWA-Managed Programs
(Millions of Dollars)

Program Activity	FY 2015 FHWA Request	
	RT&E Program	Formula Programs Takedown
Highway Research & Development	$130.0	
Technology and Innovation Deployment Program	$70.0	
Training & Education	$27.0	
SP&R (Research) non-add		$188.6
Total, FHWA Managed Programs	***$227.0***	***$188.6***

As summarized in the above table, FHWA requests $227.0 million for the following three RT&E major program categories:

- **Highway Research and Development program (HRD)**, which authorizes research, development, and technology transfer activities in areas related to infrastructure, safety, planning and environment, highway operations, policy, and innovative program delivery.
- **Technology and Innovation Deployment Program (TIDP)**, designed specifically to enable FHWA to more aggressively fill the critical need to turn research products into proven technologies or demonstrate practices, identify the market forces that will influence successful technology and innovation deployment, and plan and deliver effective communication to promote rapid adoption of proven, market-ready technologies and innovations to States, local jurisdictions, and industry.
- **Training and Education (T&E)** is responsible for training the current and future transportation workforce, transferring knowledge quickly and effectively to and among transportation professionals and providing training that addresses the full life-cycle of the highway transportation system.

In addition, the State Planning and Research program continues as a two percent set-aside from four core programs (National Highway Performance Program, Surface Transportation Program, Congestion Mitigation & Air Quality Improvement Program, Highway Safety Improvement Program) with at least 25 percent of the available funding directed to research purposes.

What Is This Program?

The RT&E program role is to provide leadership in conducting highway-related research, development, deployment, and training activities to address current and emerging needs facing our nation's transportation system. The program is responsible for developing and delivering the solutions needed to meet current challenges and foresee future needs, addressing them proactively and effectively. It is committed to providing superior training and education to transportation professionals. The FHWA leadership is committed to working collaboratively with its partners in defining the FHWA research and technology agenda needed to address six national high priority highway research and technology challenges: advancing safety, improving mobility, maintaining infrastructure integrity, enhancing performance, promoting sustainability, and preparing for the future. Partnership is an important aspect, since these partners may at

times be the ones implementing the technologies and innovations developed. The three main components of the RT&E program are as follows:

Highway Research and Development Program (HRD)
HRD highlights FHWA's leadership in developing a comprehensive, nationally-coordinated FHWA highway research and technology program, engaging and cooperating with other highway research stakeholders. HRD performs research activities associated with safety, infrastructure preservation and improvements, environmental mitigation and streamlining, livability considerations, operations, policy, and innovative program delivery. The research conducted aims to collect information that ultimately provides transportation policymakers tools and products that allows them to make accurate decisions that improve our Nation's quality of life. The HRD program includes FHWA's advanced and applied research, and facilitates national and international coordination and collaboration to leverage knowledge and develop solutions to address current and emerging highway transportation needs. The Program is closely coordinated with, but does not duplicate, R&D conducted through the University Transportation Center Program, the Intelligent Transportation System Program, the pooled fund National Cooperative Highway Research Program, and State-based research and technology initiatives. The major areas under the HRD program are:

- **Safety -** Research and development activities support comprehensive and sustainable safety programs. Activities emphasize data-driven analysis of roadway-related safety considerations and specific improvement in four crash areas: roadway departure, intersection, pedestrian, and speeding. The program conducts rigorous evaluations to determine what safety improvements can be expected with the introduction of countermeasure designs or operations. All design or operational changes are assessed from a human factor perspective to eliminate or minimize unexpected consequences of change. FHWA works in cooperation with NHTSA and FMCSA to develop tools and technologies to reduce crashes and improve highway and intermodal transportation safety.
- **Infrastructure -** FHWA conducts problem-focused research, development, and communications outreach activities to preserve the existing investment in our Nation's highway infrastructure and to build for the future through the application of advanced technologies that improve infrastructure integrity. Infrastructure-related research focuses on three major areas: pavements, bridges and structures, and asset management. This work includes: a) development of metrics to assess the performance of infrastructure over the longer term; b) research and development of technologies and techniques to assure that our Nation's infrastructure is world class from a standpoint of longevity, safety, performance, climate-change mitigation, and sustainability; and c) leadership to ensure effective follow-up and deployment of the improvements developed, particularly those that will speed construction and reduce congestion caused by construction.
- **Planning and Environment -** Activities in this program area include carrying out short and long-term livability and sustainability initiatives to improve project delivery and enhance communities that are impacted by or benefit from surface transportation projects, including nonmotorized transportation networks; developing comprehensive strategies to minimize negative impacts of and maximize benefits from transportation investment on the natural and human environment; developing capabilities to adjust to changing climate

conditions; advancing state of the practice for data collection, geographic information systems applications, and travel forecasting; and providing technical assistance and forums, best practices, and training to assist States, Metropolitan Planning Organizations, local public agencies, and other partners and stakeholders in planning and delivering surface transportation projects.

- **Operations -** FHWA conducts research on the application of cutting-edge technologies to move people and goods better, quicker, more reliably, and safer. The primary focus is on congestion relief solutions. This work will mitigate the impacts of recurring congestion, and deal more effectively with non-recurring events that cause congestion; such as traffic incidents, work zones, adverse weather conditions, and planned special events. Activities also include conducting applied research to develop the next generation of traffic management systems and models, and researching specific technologies that can improve the performance of the system's services and support to the connected vehicle and other Intelligent Transportation System initiatives. This research area also pursues a broad range of activities designed to enhance freight productivity and economic competitiveness of the United States. These are targeted at improving freight movement, reducing freight-related congestion throughout the network, evaluating impacts of vehicle size and weight, advancing freight operations and technology, and developing freight performance measurement and management systems.
- **Policy -** The Policy program analyzes emerging issues in the transportation community, including climate change, highway revenues, performance management, authorizing legislation, and a host of other issues. The program also supports data collection on motor fuels, motor vehicles, licensed drivers, roadway characteristics, pavement conditions, travel trends, and travel behavior. Policy data collection and forecasting efforts provide the foundation on which program administration, policy analysis and implementation, and legislative support all rely. The Policy area is responsible for the development of the Infrastructure Investment Needs Report, which promotes the ongoing development of engineering and economic analytical tools and related products to assess the current and future conditions and performance of our Nation's highways and bridges. Policy research initiatives include conducting research through strategic alliances as an associate of the Forum of European Highway Research Laboratories (FEHRL), and other activities to gain better knowledge of technology and best practices put in place in other countries that can improve the U.S. surface transportation system. The initiatives also support implementation of these innovations, leveraging resources to enable the U.S. to benefit from investments made by foreign counterparts, and creating business opportunities for the United States private sector.
- **Innovative Program Delivery** – The FHWA conducts research into innovative strategies for financing, procuring, and delivering large-scale highway infrastructure projects. Because the successful deployment of these strategies requires public sponsors to develop extensive analytical and transactional skills, significant capacity building and technical assistance efforts occur alongside the research activities.
- **Next Generation Research & Technology -** The Next Generation Research & Technology (R&T) program is responsible for leading the development and coordination of the FHWA components of a national highway research agenda to provide policy-makers and the research community information needed to address critical knowledge

gaps, develop collaboration opportunities, and accelerate innovation and technology deployment to meet future highway transportation needs. Next Generation R&T also encompasses the Exploratory Advanced Research (EAR) Program, which conducts longer-term, higher-risk research with the potential for dramatic breakthroughs in surface transportation. Key elements of the EAR program are to obtain information from the very large number of basic and advanced research and development activities outside of the highway R&D community for possible exploitation, adaptation, and eventual application to the highway industry. Next Generation R&T also supports the operation of the Turner-Fairbank Highway Research Center (TFHRC), a Federally-owned and operated research facility in McLean, Virginia that provides State and local governments, FHWA, and the world highway community with advanced and targeted applied research and development related to new highway technologies. Research conducted at and managed by this facility focuses on providing solutions to complex technical problems through the development of more economical, safe, and environmentally sensitive designs; more efficient, quality controlled constructions practices; and more durable materials.

Technology & Innovation Deployment Program (TIDP)

After innovations and technologies have gone through an initial testing and evaluation process; and they are ready to be put through a more refined, conclusive testing, or they are ready to be deployed, these technologies are advanced into the TIDP. This is where final analysis, pilots, demonstrations, marketing, communications, and promotional activities are conducted to accelerate its adoption by State DOTs and other government entities or beneficiaries. Previous funding of this aspect of the innovation lifecycle has resulted in the under-utilization of a number of market-ready technologies that could be highly beneficial to the industry. Thus, FHWA has established a separate program area that aims at advancing deployment-ready technologies resulting from HRD, or takes market-ready technologies developed by other entities and supports their accelerated implementation by State DOTs or other stakeholders.

The TIDP will greatly accelerate the delivery and deployment of innovation and technology, filling gaps in the innovation lifecycle previously inadequately addressed. The program aims to concentrate on the growing need to significantly accelerate the adoption of proven, high-payoff, innovative practices and technologies that will significantly improve safety, efficiency, reliability, and performance of the current highway transportation system. The TIDP will shorten project planning and delivery time, advance longer-lasting highway innovations and technologies to accomplish the fast construction of efficient and safe highways and bridges, improve safety during and after construction, reduce recurring and non-recurring congestion, improve freight movement, and enhance the quality of the highway infrastructure. The TIDP will speed up the adoption of innovative technologies by the surface transportation community, providing creative programs, technical assistance, and resources to state and local transportation agencies to implement market-ready technologies. The TIDP will embrace stakeholder participation, monitoring, evaluation, documentation, and open dissemination of results. It will allow for the modification or upgrade of existing innovations and technologies to ensure widespread adoption and benefit by the highway community.

As part of the TIDP, FHWA staff is working with the American Association of State Highway and Transportation Officials (AASHTO), State officials, the Transportation Research Board (TRB) and others to implement the Strategic Highway Research Program 2 (SHRP2) results.

The research and development portion of SHRP2 was managed by the TRB in consultation with AASHTO and the FHWA, and the program has now reached the results implementation phase. While the majority of SHRP2 research and development activities authorized in SAFETEA-LU were mostly conducted by universities and other outside entities, these entities are not suited to lead the implementation and deployment of the resulting products: the implementation phase requires an increased Federal role. For this reason, Congress directed the FHWA to manage the implementation phase of SHRP2. Because of its ability to partner with all States, attract national expertise and support technology transfer activities, FHWA is uniquely suited to manage the implementation phase of the program.

The required implementation of SHRP2 products as well as the coordination and administration of the program is over and above the current expectations and available resources of the FHWA RT&E program. Recognizing this, Congress provided explicit authorizing language in MAP-21 to allow TIDP program funds to be used for Federal positions associated with implementation of SHRP2 products. The FHWA estimates that it will need a total of 18 additional FTE by the end of FY 2014 to support this program, and have already filled many of these positions. The positions will be distributed among different FHWA offices as necessary. Temporary contract human resources will be a major component of the implementation program. The Federal staff are needed for leadership and oversight of these contractor activities, and provide the Federal communications role that is essential for technology transfer to the States and other governmental agencies.

TIDP will provide a conduit to accelerate technology and innovation delivery through FHWA's Every Day Counts initiative (EDC). The Every Day Counts Initiative identifies under-utilized market-ready technologies with high pay-offs and accelerates their deployment and acceptance throughout the Nation.

Training and Education Program (T&E)

T&E is responsible for training the current and future transportation workforce, transferring knowledge quickly and effectively to and among transportation professionals, and providing education solutions throughout the full innovation lifecycle. T&E provides a wide variety of services and products, including:

- The National Highway Institute provides training courses to present the latest technologies and best practices in highway construction.
- The Local and Tribal Technical Assistance Programs (LTAP/TTAP) support technology transfer centers in all 50 states, Puerto Rico, and regional centers serving Native American Tribal governments.
- Training and Workforce Development Programs:
    - The Dwight David Eisenhower Transportation Fellowship Program provides opportunities for high performing students and faculty to research transportation topics.
    - The Garret A. Morgan Technology and Transportation Education Programs enhance science, technology, engineering, and mathematics at the elementary and secondary school level.

- The Transportation Education Development Program develops new curricula and education programs to train individuals at all levels of the transportation workforce.
- Freight Planning Capacity Building supports enhancements in freight transportation planning.
- The Surface Transportation Centers for Excellence will promote and support strategic programs and activities in the areas of environment, surface transportation safety, rural safety, and project finance.

State Planning & Research Program (SP&R)

The SP&R program is a set aside of four of the formula programs: National Highway Performance Program, Surface Transportation Program, Congestion Mitigation Air Quality Program, and Highway Safety Improvement Program that the States must use for planning and research purposes.

States must allocate a minimum of 25 percent of their SP&R apportionment for research, development, and technology activities. SP&R activities involve research on new areas of knowledge; adapting findings to practical applications by developing new technologies; and the transfer of these technologies, including the process of dissemination, demonstration, training, and adoption of innovations by users.

SP&R is intended to solve problems identified by the States. State DOTs are encouraged to develop, establish, and implement research programs that anticipate and address transportation concerns before they become critical problems. High priority is given to applied research on state or regional problems, transfer of technology from researcher to user, and research for setting standards and specifications. To promote effective use of available resources, State DOTs are encouraged to cooperate with other States, the FHWA, and other appropriate agencies to achieve research objectives established at the national level and to develop a technology transfer program to promote and use those results. States are encouraged to pool their funds in cooperative research efforts as a means of addressing national and regional issues and as a means of leveraging funds. This includes contributing to cooperative programs such as the National Cooperative Highway Research Program (NCHRP), the Transportation Research Board (TRB), and transportation pooled fund studies.

The States agreed to provide 4 percent of their FY 2013 and 2014 SP&R allocation to the Secretary for the implementation of SHRP2 results and products.

For details about the Office of the Assistant Secretary for Research and Technology-administered RT&E programs, see the budget submissions for the Office of the Secretary of Transportation (OST) -- Office of the Assistant Secretary for Research and Technology.

Why Is This Particular Program Necessary?

The three categories under the RT&E program are necessary to cover all phases in the innovation life cycle. The HRD includes advanced and applied research, exploring new areas of research, developing and testing new products and services to benefit the transportation system. Once a new product or technology has proven to provide value, after initial testing and evaluation, the TIDP supports the implementation, delivery and deployment phase, conducting refined testing

and evaluation, market research, and assisting with marketing and communication matters for the technology or innovation to be widely used in the community. Another part of the innovation lifecycle is performed by the T&E, which provides assistance to transportation agencies and users of these market-ready technologies, training and educating the workforce on how to efficiently implement and deploy the innovations. Additionally, states use the SP&R to conduct research of local or regional interest that may not be covered under the HRD. The TIDP can assist with the deployment phase of technologies and innovations developed by state research programs, transportation pooled funds, or other research entities.

The need for these programs can be illustrated with the following examples:

- The FHWA Research, Technology, and Education programs provide safe and efficient highway transportation through research and development of connected highway and vehicle systems.
    - Exploratory Advanced Research (EAR) Program research results show a potential for close to doubling lane capacity and 18 percent increase in fuel savings from novel connected highway and vehicle applications.
    - FHWA applied research has advanced system engineering and control functions needed to move connected systems from the laboratory to real roadways.
    - Every Day Counts (EDC) is broadening the use of cutting edge signal technology to improve mobility and enable future advances based on connected systems.

- The programs ensure a state of good repair through new concepts in material science and new technologies for assessing the performance of structures and pavements.
    - EAR Program research results are providing new understandings of material behavior from the nano to the macro scale, results that can improve the performance of material design and allow for reduced use of virgin material in roadway construction.
    - EDC is broadening the use of warm mix asphalt reducing the emissions and energy needed for paving.
    - EAR Program research results also are leading to new self-powered sensor systems for monitoring infrastructure conditions.
    - The Long Term Bridge Performance Program developed an automated system that integrates multiple methods for testing bridge decks, which will substantially reduce the time needed for lane closures.
    - Every Day Counts is increasing industry use of new technology that allows for more rapid testing of aggregates used in pavements.

For details about the Office of the Assistant Secretary for Research and Technology-administered RT&E programs, see the budget submissions for the Office of the Secretary of Transportation (OST) -- Office of the Assistant Secretary for Research and Technology.

How Do You Know The Program Works?

FHWA's continued commitment to highway research and the implementation of ground-breaking technology is changing the way roads, bridges, and other facilities are planned, designed, built, and maintained across the country. This commitment ultimately delivers a safer, more reliable transportation system that is both effective and environmentally sustainable. The success of the RT&E program can be illustrated through the following examples of innovations that support DOT strategic goals:

- **Safety**:
  - The increased use of High Friction Surface Treatments (HFST) to improve highway safety is (in part) a result of research and evaluations conducted by FHWA, industry partners, and leveraging research conducted by foreign countries.
    - This research has shown the use of HRST resulted in decreases in overall crashes, and in many cases, severe crashes. HFST has been tried and proven in 11 States with a total of 23 installations as part of FHWA's Surface Enhancements at Horizontal Curves (SEAHC) demonstration program.
    - Crash data from the U.S. sites from Pennsylvania, Kentucky and South Carolina DOTs report a before/after total crash reduction of 100%, 90% and 57%, respectively, for their respective signature trial projects, for which the after periods equal approximately three to five years.
    - Kentucky has gone on to install and measure 25 additional HFST applications, and after at least one year these sites have realized crash reductions of 69%.
  - Under an EDC initiative, the FHWA is working with State DOTs to consider alternative geometric intersection and interchange designs, such as roundabouts, diverging diamond interchanges, and intersections with displaced left-turns or variations on U-turns.
    - These are proving to be effective alternatives to traditional designs, reducing conflict points and allowing for safer travel for motorists, pedestrians, and bicyclists.
    - Research and evaluations conducted by FHWA, TRB/NCHRP, state DOTs and others on various alternative intersection and interchange geometries have documented decreases in overall crashes, and in many cases, severe crashes (those resulting in injury or fatality), when compared to "conventional" intersections.
    - For example, roundabouts are becoming increasingly common across the United States, and they are consistently proving their ability to reduce severe crashes, by an overall average 80% according to the AASHTO Highway Safety Manual.
    - Other alternative designs, such as the diverging diamond interchange, are quickly becoming popular for many reasons, particularly their ability to reduce crashes.

- **State of Good Repair**:
  - The FHWA has been working with partners from various universities in cooperation with State DOTs and industry to advance the state-of-practice in condition assessment of concrete bridge decks, prestressed girders, and post-tensioned bridges through automation using advanced technologies. The data collected benefits bridge owners, who can use these data to make decisions for planning, operations, and for prioritizing their asset's maintenance and rehabilitation plans.
  - The FHWA's Long-Term Bridge Performance program (LTBP) envisioned, planned, designed, and constructed a novel robotic system, the RABIT™ bridge inspection tool, to enhance assessment of concrete bridge decks by integrating multiple non-destructive evaluation technologies, in collaboration with Rutgers University.
    - This allows the FHWA to provide bridge owners with a better understanding of concrete bridge deck performance by characterizing three of the most common deterioration types in concrete bridge decks: rebar corrosion, delamination, and concrete degradation.
    - The system has also been complemented by an advanced data analysis, data interpretation and 3D visualization platform.
    - This novel and reliable way of gathering and looking at data holds great benefits for State DOTs and local bridge owners who are committed to using data driven decisions for improved bridge management.
  - Since 1989, the Long Term Pavement Performance program (LTPP) has collected high quality, consistent data characterizing the performance of nearly 2,500 in-service highway pavement test sections.
    - Analysis of the collected data has yielded findings concerning the factors that influence pavement performance that highway agencies can apply to make evidence-based decisions about pavement design and rehabilitation.
    - More recent LTPP findings provide the evidence of positive performance to support recycling asphalt pavement.
    - LTPP data have been and continue to be applied in research sponsored by FHWA, SHRP2, the National Cooperative Highway Research Program and individual State highway agencies to address a broad array of pavement performance issues, including, but not limited to the development and calibration performance prediction models.
    - Currently, approximately 700 test sections remain in service. Continued monitoring of them strengthens our ability to draw well-founded conclusions concerning the full performance cycle of the new and (especially) rehabilitated pavement types under study.
  - The FHWA is developing improved test methods to support evidence-based decision-making during construction. For example, through a Cooperative Research and Development Agreement (CRADA), FHWA is developing an asphalt binder tester that will enable road agencies to easily test more samples and reduce or eliminate more costly testing. This will cut costs and catch possible contaminated materials before they are placed thereby improving performance.

- **Economic Competitiveness:**
    - FHWA has been conducting research to explore the benefits of connected vehicles.
        - Recent field testing at Turner-Fairbank Highway Research Center (TFHRC) has shown that up to 12% emissions reduction and 10 – 20% fuel savings can be achieved when a traffic signal communicates its timing information, such as when it will change from red to green, to a connected vehicle.
        - Modeling and simulation research conducted at TFHRC has shown that if all vehicles on the road were "connected" with each other and the roadside, the effective handling capacity of a freeway can be doubled.
    - FHWA's National Household Travel Survey data and information has provided all State and local agencies the foundational information for estimating future travel demand and resolving transportation air quality analysis issues.
- **Livability**:
    - FHWA developed a guide to help practitioners incorporate livability considerations into transportation planning. In addition, FHWA conducted regional livability workshops across the country and, based on the attendees' feedback, developed resources for their use in advancing livability.
    - New technology developed at FHWA's TFHRC can survey streets, sidewalks, and curb ramps with great precision, allowing for quick evaluation for Americans with Disabilities Act compliance, improving sidewalk access and the livable community experience for everyone.
- **Environmental Sustainability**:
    - FHWA developed a rating tool, called INVEST, to help State DOTs and MPOs evaluate and improve the sustainability of highway systems and projects.
        - FHWA is tracking the number of State DOTs and MPOs using the tool.
        - FHWA is also developing case studies of how the tool is being used and what impact it is having on improving sustainability.
        - FHWA has a performance measure in its Strategic Implementation Plan on the number of State DOTs and MPOs using the tool.
        - Finally, FHWA is soliciting feedback on the tool and plans to issue updated versions of the tool based on this feedback.
    - As part of the EDC initiative, FHWA recently held nine workshops around the country to promote the establishment of programmatic tools to: expedite the environmental reviews of projects, save money by avoiding repetitive tasks and promote better environmental outcomes.
        - FHWA will track the production of programmatic tools, produce case studies of the various types of programmatic agreements and provide an economic and time savings analysis of some of these programmatic tools.

For details about the Office of the Assistant Secretary for Research and Technology-administered RT&E programs, see the budget submissions for the Office of the Secretary of Transportation (OST) -- Office of the Assistant Secretary for Research and Technology.

Why Do We Want/Need To Fund The Program At The Requested Level?

The funding request is in line with the most recent authorized surface transportation legislation, MAP-21, which was enacted by Congress in response to the critical need for bold actions, effective investments, and financing innovations to address current gaps and emerging issues facing our Nation's transportation system.

Research and development activities are crucial to develop improved performance measures, data collection and analysis tools, modeling and planning tools, accelerated project delivery methods, and more durable materials in support of all departmental goals and objectives.

Recent studies have shown the importance of investing in deployment. Past authorizations have not provided adequate language flexibility or funding for FHWA to perform needed deployment activities for technologies that can support all DOT strategic goals and are ready to be deployed. MAP-21 addressed this issue by providing for a separate deployment program.

As the SHRP2 program continues its implementation phase, FHWA staff must maximize the program's return on investment and properly administer the evolving needs of the program, in conjunction with the work being performed by other stakeholders involved.

Finally, any investment in research and technology would be ineffective without educating and training the current and future transportation workforce to fully leverage resulting innovations and implement new technologies.

For details about the Office of the Assistant Secretary for Research and Technology-administered RT&E programs, see the budget submissions for the Office of the Secretary of Transportation (OST) -- Office of the Assistant Secretary for Research and Technology.

The FHWA is closely involved with this Office, as well as other modal agencies, working on the ITS connected vehicle research program, especially managing projects associated with the vehicle-to-infrastructure initiatives.

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Executive Summary
Federal Allocation Programs

What Is The Request And What Will We Get For The Funds?

We request funding in FY 2015 for the following programs: $100.0 million for the Emergency Relief (ER) program; $190.0 million for the Territorial and Puerto Rico Highway Program; $67.0 million for the Construction of Ferry Boats and Ferry Terminal Facilities Program; $11.0 million for the On-The-Job Training (OJT) Program; $11.0 million for the Disadvantaged Business Enterprise (DBE) Program; $10.0 million for the Highway Use Tax Evasion Projects Program; and $3.0 million for the Other Safety-related Programs. The funding levels and eligibilities are the same as those provided by MAP-21, with the exception of the OJT and DBE programs which were both increased by $1 million. Additionally, new programs, Ladders of Opportunity and the Performance Management Data Support Program (PMDSP) are requested at $100 million and $10 million, respectively, for FY 2015.

What Is The Program?

This program category contains eight separate programs that will provide disparate functions to assist federal highways. This includes assistance: to States and localities for the repair of damage to Federal-aid highways from natural events and catastrophic failures due to an external cause; for Puerto Rico and US territories to build vital transportation infrastructure important for their mobility needs and to serve national defense and global trade needs; to construct ferry boat and ferry terminals; for States to enhance the development of our nation's highway construction industry workforce; for States to assist certified DBE firms in becoming competitive when seeking to obtain highway and bridge construction contracts; to support highway use tax evasion enforcement efforts; and to support four safety activities for conducting transportation safety outreach, training, and educational activities. Ladders of Opportunity would provide enhanced developmental opportunities for disadvantaged persons to qualify them for and place them in transportation jobs, and engage large metropolitan planning organizations (MPOs) in pilot activities that identify and implement approaches to enhance transportation connections to economic opportunities. The PMDSP would provide comprehensive resources and analytical tools for use by States and Metropolitan Planning Organizations (MPO) in responding to Moving Ahead for Progress (MAP-21) requirements particularly for implementation of a performance-based Federal highway program and for the Federal Highway Administration in support of its mission.

Why Is This Particular Program Necessary?

These programs provide vital assistance to States, territories, and localities to build; repair; protect the future of; prepare the workforce; and assist businesses to compete in supporting our critical highway transportation infrastructure. The workforce component of Ladders of Opportunity provides incentives and resources for States to enhance their efforts to ensure that a competent workforce is available to meet highway construction hiring needs, and to address the historical under-representation of disadvantaged populations in highway construction skilled crafts. The connectivity component of Ladders of Opportunity will help MPOs identify areas where the transportation network fails to provide good connections between their residents and economic opportunities and implement approaches to enhance connectivity. The PMDSP is necessary for States, MPOs and FHWA to address MAP-21 performance management

requirements, as well as to improve policy, operational and capital changes and investments to optimize the national transportation system. It builds on years of FHWA's development and use of performance measurement tools to create a robust, comprehensive and high quality data and analytical system for planning and decision-making.

How Do You Know The Program Works?

These long-standing programs perform the following vital functions: help States, territories, and localities repair damage to Federal-aid highways from natural events and catastrophic failures due to an external cause; build vital transportation infrastructure in Puerto Rico and the US territories that is important for their mobility needs and to serve national defense and global trade needs; construct ferry boat and ferry terminals; enhance development of our nation's highway construction industry workforce; assist certified DBE firms in becoming competitive when seeking to obtain highway and bridge construction contracts; support highway use tax evasion enforcement efforts; and conducting transportation safety outreach, training, and educational activities. The workforce component of Ladders of Opportunity will provide funds only to those States that have committed themselves to effectively addressing the program's purpose. The connectivity component of this proposal is designed to bring additional analysis and performance measurement to bear in the development of projects that fill critical gaps in transportation services that connect people to economic opportunities. Regarding the PMDSP, good data is critical to performance management. Incomplete data may not capture the true performance of the transportation network and may provide misleading information when analyzed.

Why Do We Want/Need To Fund The Program At The Requested Level?

These diverse programs serve key functions that provide long-standing, positive impacts on the U.S. highway infrastructure. Funding Ladders of Opportunity at $100 million will incentivize States and MPOs to achieve meaningful results in transportation workforce development for disadvantaged persons and the enhancement of transportation and economic opportunity connectivity. By funding the Performance Management Data Support Program at $10 million, the resulting data and analytical tools can yield significant savings, for State DOTs and others, above and beyond the cost of this program. Use of data by USDOT and its operating administrations, as well as States and local government where applicable, can identify the difference between operational and policy improvements and where capital investment is actually needed. Collection of data and development of analysis tools at the national, rather than State or local, level can also create significant economies of scale that reduce the overall investment required.

Detailed Justification
Emergency Relief (ER) Program

What Is The Request And What Will We Get For The Funds?

FY 2015 – Emergency Relief Program ($100.0 million)
($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways - Federal Allocation Programs			
Emergency Relief (exempt from obligation limitation)	100,000 [1/]	100,000	-----
Territorial and Puerto Rico Highway Program	190,000	190,000	-----
Construction of Ferry Boats and Ferry Terminal Facilities	67,000	67,000	-----
On-the-Job Training [2/]	10,000	11,000	1,000
Disadvantaged Business Enterprise [2/]	10,000	11,000	1,000
Highway Use Tax Evasion Projects [2/]	10,000	10,000	-----
Other Safety-related Programs [2/]	3,000	3,000	-----
Ladders of Opportunity	-----	100,000	100,000
Performance Management Data Support Program	-----	10,000	10,000
Total	**390,000**	**502,000**	**112,000**

1/ In FY14 $7.2 million was sequestered from Emergency Relief (sequestration not reflected in table).
2/ Programs relocated from Administrative Expenses. Other Programs from Administrative Expenses was renamed to Other Safety-related Programs. Amounts for FY14 are the amounts set aside from Administrative Expenses and are shown for comparison purposes.

The ER program provides funding to States for the repair and reconstruction of Federal-aid highways and roads on Federal lands following a disaster. ER funds are allocated to the States based on damage assessments of repair costs following a disaster.

What Is The Program?

Congress authorized in Title 23, United States Code, Section 125, a special program from the Highway Trust Fund for the repair or reconstruction of Federal-aid highways and roads on Federal lands which have suffered serious damage as a result of (1) natural disasters or (2) catastrophic failures from an external cause. This program, commonly referred to as the Emergency Relief or ER program, supplements the commitment of resources by States, their political subdivisions, or other Federal agencies to help pay for unusually heavy expenses resulting from extraordinary conditions.

Examples of natural disasters include floods, hurricanes, earthquakes, tornadoes, tidal waves, severe storms, and landslides. A catastrophic failure is defined as the sudden and complete failure of a major element or segment of the highway system that causes a disastrous impact on transportation services. Additionally, the cause of the catastrophic failure must be determined to be external to the facility. A bridge suddenly collapsing after being struck by a barge is an example of a catastrophic failure from an external cause. Failures due to an inherent flaw in the facility itself do not qualify for ER assistance.

Emergency repairs accomplished in the first 180 days after the occurrence of the disaster to restore essential traffic, minimize the extent of damage, or protect the remaining facilities may be reimbursed at a 100 percent Federal share. ER funds are available for permanent repairs and for emergency repair work accomplished more than 180 days after an event are at the pro rata Federal-aid share that would normally apply to the facility being repaired. This 180 day period can be extended in consideration of any delay in the State's ability to access damaged facilities to evaluate damage and the cost of repair.

Why Is This Particular Program Necessary?

ER program funds are critical to maintaining mobility for the American public. Natural disasters and catastrophes that destroy highways and bridges are unpredictable events and can occur anywhere in the country. Following the 2005 Gulf Coast Hurricanes, more than $2.8 billion in ER funds were provided to assist States in the repair and recovery of Federal-aid highways damaged by the hurricanes. These funds were instrumental in assisting the Gulf Coast region with needed recovery efforts following the devastating impact from Hurricanes Katrina, Rita, and Wilma. More recently, over $500 million was provided to Mid-Atlantic and Northeast states in response to Superstorm Sandy. Nearly $60 million of this funding was provided within days after the storm to allow states to address their most critical emergency needs. The immediate availability of ER funds was essential in providing these funds.

When a natural disaster or catastrophe strikes, the ER program is available to provide assistance to get damaged highways open to essential traffic. Longer term permanent repairs to restore damaged highways are also funded through the ER program.

How Do You Know The Program Works?

The ER program provides for repair and restoration of highway facilities to pre-disaster conditions. ER funds are not intended to replace other Federal-aid, State, or local funds for new construction to increase capacity, correct non-disaster related deficiencies, or otherwise improve highway facilities.

Program requirements are provided in the statute under 23 USC 125 and the ER regulations at 23 CFR 668. FHWA manages ER projects in accordance with normal Federal-aid project requirements. Contracts for both permanent repair work and emergency repairs must incorporate all applicable federal requirements. ER project oversight is performed in accordance with the FHWA stewardship agreement with the State.

In 2013, ER funds were provided for 35 separate disasters. The average annual need for ER funds has been in the range of $300-400 million; however, in recent years, large-scale events such as Hurricane Irene and Superstorm Sandy have pushed annual needs above $1 billion. These needs have been funded from the annual ER appropriation as well as supplemental funds, provided by Congress.

Why Do We Want/Need To Fund The Program At The Requested Level?

The ER program has been funded through a recurring annual authorization of $100 million since 1972. When ER program needs exceed available funding, Congress has provided supplemental appropriations to cover the ER backlog.

Over the past 12 years, the costs of nationwide ER events, not including large scale disasters (e.g., Hurricane Katrina, Hurricane Sandy) have averaged about $350 million annually. Within the same time frame, including large scale events, the average costs increases to about $750 million annually. Over the past 20 years, $12.2 billion has been provided through supplemental appropriations to the ER program, in addition to the annual $100 million authorization. In FY 2013, Congress appropriated $2.0 billion for Superstorm Sandy and other disasters. That appropriation is not part of the Federal-aid Highways account and is funded by the General Fund.

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Detailed Justification
Territorial and Puerto Rico Highway Program

What Is The Request And What Will We Get For The Funds?

This request is to provide $190 million in funding for the Territorial and Puerto Rico Highway Program in FY 2015.

FY 2015 – Territorial and Puerto Rico Highway Program ($190.0 million)

($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways - Federal Allocation Programs			
Emergency Relief (exempt from obligation limitation)	100,000 [1/]	100,000	-----
Territorial and Puerto Rico Highway Program	190,000	190,000	-----
Construction of Ferry Boats and Ferry Terminal Facilities	67,000	67,000	-----
On-the-Job Training [2/]	10,000	11,000	1,000
Disadvantaged Business Enterprise [2/]	10,000	11,000	1,000
Highway Use Tax Evasion Projects [2/]	10,000	10,000	-----
Other Safety-related Programs [2/]	3,000	3,000	-----
Ladders of Opportunity	-----	100,000	100,000
Performance Management Data Support Program	-----	10,000	10,000
Total	**390,000**	**502,000**	**112,000**

1/ In FY14 $7.2 million was sequestered from Emergency Relief (sequestration not reflected in table).

2/ Programs relocated from Administrative Expenses. Other Programs from Administrative Expenses was renamed to Other Safety-related Programs. Amounts for FY14 are the amounts set aside from Administrative Expenses and are shown for comparison purposes.

What Is This Program?

This program provides funding to Puerto Rico and the four territories of American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, and the United States Virgin Islands. From the $190 million annual authorization, $150 million is provided to Puerto Rico and the remaining $40 million is divided among the four territories via an administrative formula.

Fifty percent of the funds provided to Puerto Rico must be spent on projects eligible under the National Highway Performance Program (NHPP), twenty five percent must be spent on projects eligible under the Highway Safety Improvement Program (HSIP), and the remaining twenty five percent can be spent for any purpose under Chapter 1 of 23 U.S.C. The location and eligibility requirements are similar to those that apply to the States.

Funds provided to the four territories may be used for projects eligible under the Surface Transportation Program (STP); for preventive maintenance; for ferry boats, terminals, and approach roadways; engineering, economic and planning studies; and regulation and equitable taxation of highways; and research and development. Territorial Funds are generally subject to the location requirements of the STP, except that rural minor collector routes are eligible. The four programs are administered under individual agreements between the Secretary and the chief executive officer of each of the territories.

Why Is This Particular Program Necessary?

Territorial and Puerto Rico Highway Program funding is critical to providing transportation infrastructure to Puerto Rico and the four territories. Puerto Rico and the four territories have military facilities or serve a strategic role important to national defense. They also contribute to the national economy through tourism, agriculture and access to foreign trade.

How Do You Know The Program Works?

The Territorial and Puerto Rico Highway Program has provided for the construction of critical infrastructure in the territories. It helps them to develop economically and contribute to the national economy. It also provides critical infrastructure that serves key facilities or which in themselves serve a strategic role for national defense.

Why Do We Want/Need To Fund The Program At The Requested Level?

The requested $190 million equals the annual authorization level set in MAP-21. This level of funding is required to provide critical transportation infrastructure to Puerto Rico and the four territories. This will allow for access to military facilities key to national defense, as well as maintain and improve infrastructure vital to the region's tourism, agriculture, and foreign trade.

Detailed Justification
Construction of Ferry Boats and Ferry Terminal Facilities

What Is The Request And What Will We Get For The Funds?

This request is to provide $67 million for the Construction of Ferry Boats and Ferry Terminal Facilities Program in FY 2015.

FY 2015 – Construction of Ferry Boats and Ferry Terminal Facilities ($67.0 million)

($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways - Federal Allocation Programs			
Emergency Relief (exempt from obligation limitation)	100,000 [1/]	100,000	-----
Territorial and Puerto Rico Highway Program	190,000	190,000	-----
Construction of Ferry Boats and Ferry Terminal Facilities	67,000	67,000	-----
On-the-Job Training [2/]	10,000	11,000	1,000
Disadvantaged Business Enterprise [2/]	10,000	11,000	1,000
Highway Use Tax Evasion Projects [2/]	10,000	10,000	-----
Other Safety-related Programs [2/]	3,000	3,000	-----
Ladders of Opportunity	-----	100,000	100,000
Performance Management Data Support Program	-----	10,000	10,000
Total	**390,000**	**502,000**	**112,000**

1/ In FY14 $7.2 million was sequestered from Emergency Relief (sequestration not reflected in table).
2/ Programs relocated from Administrative Expenses. Other Programs from Administrative Expenses was renamed to Other Safety-related Programs. Amounts for FY14 are the amounts set aside from Administrative Expenses and are shown for comparison purposes.

What Is This Program?

This is an allocated program that will provide funding to ferry operators to construct ferry boats, and ferry terminal facilities. Funds are proportionally distributed to eligible ferry operations, based on number of ferry passengers, number of vehicles carried, and total route miles serviced.

Why Is This Particular Program Necessary?

Ferry services are important connections on the network of Federal-aid highways. Often times these carry significant numbers of passengers and vehicles. In many case they are the only reasonable form of transportation, particularly on coastal islands which have year round residents.

How Do You Know The Program Works?

The Construction of Ferry Boats and Ferry Terminal Facilities program and its predecessor the Ferry Boat Discretionary program have provided valuable assistance to help States and other entities to replace or acquire new ferry boats; replace propulsion systems with newer cleaner and more energy efficient power plants; update navigational control system; construct new terminals; improve access for the disabled; and replace and construct new docking facilities.

Why Do We Want/Need To Fund The Program At The Requested Level?

The requested $67 million equals the annual authorization level set in MAP-21. This level of funding is required to maintain important transportation connections on the Federal-aid highway system, as well as provide access to remote areas where other modes of transportation may not be available for passengers and vehicles.

Detailed Justification
On-the-Job Training

What Is The Request And What Will We Get For The Funds?

FY 2015 – On-the-Job Training ($11.0 million)
($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways - Federal Allocation Programs			
Emergency Relief (exempt from obligation limitation)	100,000 1/	100,000	-----
Territorial and Puerto Rico Highway Program	190,000	190,000	-----
Construction of Ferry Boats and Ferry Terminal Facilities	67,000	67,000	-----
On-the-Job Training 2/	10,000	11,000	1,000
Disadvantaged Business Enterprise 2/	10,000	11,000	1,000
Highway Use Tax Evasion Projects 2/	10,000	10,000	-----
Other Safety-related Programs 2/	3,000	3,000	-----
Ladders of Opportunity	-----	100,000	100,000
Performance Management Data Support Program	-----	10,000	10,000
Total	**390,000**	**502,000**	**112,000**

1/ In FY14 $7.2 million was sequestered from Emergency Relief (sequestration not reflected in table).
2/ Programs relocated from Administrative Expenses. Other Programs from Administrative Expenses was renamed to Other Safety-related Programs. Amounts for FY14 are the amounts set aside from Administrative Expenses and are shown for comparison purposes.

FHWA requests $11.0 million, a slight increase above the FY 2014 MAP-21 level, for the On-the-Job Training/Supportive Services (OJT/SS) program. This funding will enable FHWA to enhance the development of our nation's highway construction industry workforce.

In FY 2012, after review of its prior process for allocating its funds, FHWA adopted a formula-based process for allocating available OJT/SS funds to States. Funds are distributed to State Departments of Transportation (DOT) using the previous fiscal year's obligation limitation pro-rata. For example, if a State received 2.5% of total federal funds available to the States, that State would receive 2.5% of all available funds allocated for the OJT/SS program.

FHWA proposes to strengthen the OJT/SS program to increase its effectiveness and also to build on successful approaches through the Ladders of Opportunity program.

What Is This Program?

The OJT/SS program was established by regulation (23 CFR 230, Subpart A) under statutory authority at 23 USC 140(b) to support State DOTs' On-the-Job-Training program requirements. The funds made available each fiscal year are administered by the FHWA Office of Civil Rights, and all funds are allocated to the State for a 100% federal share, with no State matching required. The OJT/SS program funds are available to each State DOT for developing, conducting, and administering surface transportation and technology training, including skill improvement programs and job readiness. Eligible work includes skills training (e.g., training in the use of

heavy highway equipment and training leading to a commercial truck driver's license), job readiness and placement, transportation to work sites, and recruitment and post-graduation follow-up and job-site mentoring. OJT/SS program funds may not be used for training, salaries, or development of State DOT personnel.

Why Is This Particular Program Necessary?

As recipients of federal transportation funds, the FHWA requires each State DOT to have an On the Job Training (OJT) program which requires prime contractors participating on federally-assisted contracts to establish apprenticeship and training programs targeted to move women, minorities, and disadvantaged individuals into journey-level positions. The purpose of the OJT Program is to ensure that a competent workforce is available to meet highway construction hiring needs, and to address the historical under-representation of members of these groups in highway construction skilled crafts. The OJT/SS program provides funds for State DOTs to implement skills training programs to prepare individuals to participate in the highway construction workforce as trainees on federally-assisted construction contracts as part of the States' OJT Programs. The National Summer Transportation Institute (NSTI) Program and the Summer Transportation Internship Program for Diverse Groups (STIPDG) Program are also supported with OJT/SS funds. These programs further strengthen FHWA efforts to develop the highway construction workforce of the future by introducing individuals to this industry at the more formative stages of their lives.

How Do You Know The Program Works?

FHWA proposes to statutorily strengthen the effectiveness of the existing OJT/SS program. As amended by the proposal, the OJT/SS program will require each State DOT to collaborate with the State workforce, education, and economic development agencies to –

(1) develop a workforce plan that identifies immediate and anticipated demographic and workforce gaps.
(2) develop detailed plans to train workers to fill these gaps with measurable goals and objectives – with a focus on women, minorities, and disadvantaged individuals.
(3) establish a workforce compact by collaborating with stakeholders like the Department of Education and Department of Labor, apprenticeship programs, and others with established programs to provide a coordinated approach to workforce training, employment services, and job placement, and expend all program funds within approved timeframes.
(4) demonstrate program outcomes by submitting to the respective FHWA Division Office a detailed accomplishment report upon completion of the project. The accomplishment reports directly address objective measurements such as the number of program participants trained, the type of career job development training provided, the number of participants employed as a result of the training received and the dollar cost per program participant.

The proposal will also eliminate eligibility under OJT/SS for activities that USDOT has found to be ineffective, such as funding participation at job fairs, field trips, and extensive marketing. Underperforming programs would not be continuously funded.

Why Do We Want/Need To Fund The Program At The Requested Level?

The FY 2015 reauthorization budget requests to fund the OJT/SS program at $11.0 million to provide for vital State training programs.

Detailed Justification
Disadvantaged Business Enterprise

What Is The Request And What Will We Get For The Funds?

FY 2015 – Disadvantaged Business Enterprise ($11.0 million)

($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways - Federal Allocation Programs			
Emergency Relief (exempt from obligation limitation)	100,000 1/	100,000	-----
Territorial and Puerto Rico Highway Program	190,000	190,000	-----
Construction of Ferry Boats and Ferry Terminal Facilities	67,000	67,000	-----
On-the-Job Training 2/	10,000	11,000	1,000
Disadvantaged Business Enterprise 2/	10,000	11,000	1,000
Highway Use Tax Evasion Projects 2/	10,000	10,000	-----
Other Safety-related Programs 2/	3,000	3,000	-----
Ladders of Opportunity	-----	100,000	100,000
Performance Management Data Support Program	-----	10,000	10,000
Total	**390,000**	**502,000**	**112,000**

1/ In FY14 $7.2 million was sequestered from Emergency Relief (sequestration not reflected in table).
2/ Programs relocated from Administrative Expenses. Other Programs from Administrative Expenses was renamed to Other Safety-related Programs. Amounts for FY14 are the amounts set aside from Administrative Expenses and are shown for comparison purposes.

FHWA requests $11.0 million, a slight increase above the FY 2014 MAP-21 level, for the Disadvantaged Business Enterprise/Supportive Services (DBE/SS) program. This funding will enable FHWA to assist certified DBE firms in becoming competitive when seeking to obtain highway and bridge construction contracts. Under MAP-21, the funding is provided with regular limitation at 100 percent (no ratio applied).

In FY 2012, FHWA adopted a formula-based process for allocating available DBE/SS funds. Funds are distributed to FHWA Division Offices using the previous fiscal year's obligation limitation pro-rata. For example, if a State received 2.5% of total federal funds available to the States, that State would receive 2.5% of all available funds allocated for the DBE/SS program. Under this formula-based process, every State will now receive DBE/SS funds.

What Is This Program?

The DBE/SS program was established by regulation (23 CFR 230, Subpart B) under statutory authority at 23 USC 140(c) to develop, conduct, and administer training and assistance programs to increase the proficiency of minority businesses to compete, on an equal basis, for contracts and subcontracts. The program has consistently operated as an adjunct to the DBE program. The primary purpose of the DBE/SS program is to ensure training, capacity building assistance, and services (e.g., training in business development; mentoring, bonding and financial assistance, marketing; and accounting) to DBE firms certified in the DBE program so as to increase their

activity within the program, and to facilitate the firms' development into viable, self-sufficient organizations capable of competing for, and performing on federally assisted highway projects.

FHWA has strengthened the DBE/SS program by requiring recipients to only create Business Development Programs to ensure certified DBEs are provided a substantive opportunity to undergo a business analysis to determine the firm's strengths and tailor a firm-specific training regime that will make the enterprise more competitive in highway construction or another aspect of the construction or transportation industry.

Why Is This Particular Program Necessary?

For FY 2014, the DBE/SS program was authorized by MAP-21 to assist a sector of our small business community. The continued reauthorization of this program has been justified by Congress on clear evidence of discrimination and/or the lingering effects of past discrimination. The program will continue with the same eligibilities for FY 2015. The goal of the program is to achieve a level playing field in a competitive environment where the effects of discrimination are absent and small businesses have a fair chance to participate in US DOT assisted contracts without contending against discriminatory barriers related to race, color, gender, or national origin that are so prevalent in our industry. The DBE program provides opportunities in a competitive environment where success must be earned.

How Do You Know The Program Works?

The DBE/SS program requires annual performance-based SOWs submitted by STAs that include clearly measurable goals and objectives, under the new formula-based allocation process. In addition, the requirement to submit to the respective FHWA Division Office a detailed accomplishment report upon completion of the project has been retained. Program metrics determine the effectiveness of the overall program. The metrics detail such items as the number of program DBE trained, the types training and business capacity building received, the jobs awarded to DBEs as a result of the training received and the dollar cost per DBE program participant.

Why Do We Want/Need To Fund The Program At The Requested Level?

This request funds the program at $1 million over the previously authorized $10.0 million MAP-21 funding level for FY 2014. This $11.0 million request will strengthen the DBE program by improving economic competitiveness among DBE firms in the heavy highway construction industry.

Detailed Justification
Highway Use Tax Evasion Projects

What Is The Request And What Will We Get For The Funds?

FY 2015 – Highway Use Tax Evasion Projects ($10.0 million)
($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways - Federal Allocation Programs			
Emergency Relief (exempt from obligation limitation)	100,000 [1/]	100,000	-----
Territorial and Puerto Rico Highway Program	190,000	190,000	-----
Construction of Ferry Boats and Ferry Terminal Facilities	67,000	67,000	-----
On-the-Job Training [2/]	10,000	11,000	1,000
Disadvantaged Business Enterprise [2/]	10,000	11,000	1,000
Highway Use Tax Evasion Projects [2/]	10,000	10,000	-----
Other Safety-related Programs [2/]	3,000	3,000	-----
Ladders of Opportunity	-----	100,000	100,000
Performance Management Data Support Program	-----	10,000	10,000
Total	**390,000**	**502,000**	**112,000**

1/ In FY14 $7.2 million was sequestered from Emergency Relief (sequestration not reflected in table).
2/ Programs relocated from Administrative Expenses. Other Programs from Administrative Expenses was renamed to Other Safety-related Programs. Amounts for FY14 are the amounts set aside from Administrative Expenses and are shown for comparison purposes.

What Is This Program?

The Highway Use Tax Evasion Projects program provides funding to the Internal Revenue Service (IRS), other Federal agencies, and the States to carry out intergovernmental enforcement efforts along with training and research to reduce evasion of payment of motor fuel and other highway use taxes; which are the principal sources for Federal and State highway funding. The source of funds for this program is a deduction (set-aside) of not more than $10 million per year from the funds authorized for FHWA administrative expenses. Of the amount set-aside, $2 million must be reserved to make grants for intergovernmental enforcement efforts, including research and training.

Why Is This Particular Program Necessary?

The Highway Use Tax Evasion Projects program provides funding to the IRS, other Federal agencies, and the States to carry out intergovernmental enforcement efforts along with training and research to reduce evasion of payment of motor fuel and other highway use taxes; which are the principal sources of Federal and State highway funding. Of the amount requested, $2 million must be reserved to make grants for intergovernmental enforcement efforts, including research and training.

How Do You Know The Program Works?

The Highway Use Tax Evasion Program has provided oversight to enforce tax collection. The funding that was provided to the IRS was used in part for the creation of electronic forms and of an electronic data reporting system to support certain Excise Tax payments. Other funds were used for direct enforcement strategies. While some of these compliance actions remain the same each year, some of the actions change based on law and regulation changes, and certain changes in the market. Examples of these actions include checking trucks for the use of dyed diesel fuel (which is restricted to off-highway use), questionable credit claims, and research into mislabeled imported fuel. The IRS also inspects bulk fuel terminals on a regular basis for quality of product and availability of records.

Why Do We Want/Need To Fund The Program At The Requested Level?

The requested $10 million equals the annual authorization level set in MAP-21. The $10 million allocation will be used by the IRS, other Federal agencies, and the States to carry out significant intergovernmental enforcement efforts to increase collects, along with training and research, to reduce evasion of payment of motor fuel and other highway use taxes.

Detailed Justification
Other Safety-Related Programs

What Is The Request And What Will We Get For The Funds?

FY 2015 – Other Safety-Related Programs ($3.0 million)

($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways - Federal Allocation Programs			
Emergency Relief (exempt from obligation limitation)	100,000 [1/]	100,000	-----
Territorial and Puerto Rico Highway Program	190,000	190,000	-----
Construction of Ferry Boats and Ferry Terminal Facilities	67,000	67,000	-----
On-the-Job Training [2/]	10,000	11,000	1,000
Disadvantaged Business Enterprise [2/]	10,000	11,000	1,000
Highway Use Tax Evasion Projects [2/]	10,000	10,000	-----
Other Safety-related Programs [2/]	3,000	3,000	-----
Ladders of Opportunity	-----	100,000	100,000
Performance Management Data Support Program	-----	10,000	10,000
Total	**390,000**	**502,000**	**112,000**

1/ In FY14 $7.2 million was sequestered from Emergency Relief (sequestration not reflected in table).
2/ Programs relocated from Administrative Expenses. Other Programs from Administrative Expenses was renamed to Other Safety-related Programs. Amounts for FY14 are the amounts set aside from Administrative Expenses and are shown for comparison purposes.

What Is This Program?

This competitive program provides education and outreach funds to support the traditional engineering and infrastructure safety improvements of the Department.

Funds can be used to reduce the number of casualties caused by highway-rail grade crossing collisions and trespassing incidents, develop and carry out public awareness campaigns and promote public road safety research and technology transfer activities; provide training for construction workers and transportation agencies to prevent or reduce highway work zone injuries and fatalities, and assemble and disseminate information relating to improvement of roadway work zone safety; as well as other safety outreach training and education.

Why Is This Particular Program Necessary?

Public awareness, outreach and education are essential components of the 4E approach (engineering, enforcement, education and emergency medical services) to addressing roadway safety. To meet these needs, section 1519(a) of MAP-21 directed FHWA to distribute no less than $3.0 million among the following four activities: Operation Lifesaver, the Public Road Safety Clearinghouse, Work Zone Safety Grants, and the National Work Zone Safety Information Clearinghouse.

This program recognizes the value of activities that support transportation safety outreach, training, and education, but this program also acknowledges that highway safety outcomes are

more likely to be achieved by implementing a competitive program that better allocates funding to the most critical safety needs.

How Do You Know The Program Works?

Previous funding of similar activities has demonstrated success. Section 1519(a) of MAP-21 authorized funding for transportation safety outreach, training and education to the following four activities: Operation Lifesaver, the Public Road Safety Clearinghouse, Work Zone Safety Grants, and the National Work Zone Safety Information Clearinghouse. These organizations have proven the value of safety outreach, training and education.

For example, Operation Lifesaver funding has trained and certified presenters throughout the U.S. to give free safety talks to community groups, schools, school bus drivers, truck drivers and community organizations to raise awareness of the need for caution around railroad tracks and trains. The funding also was used to develop public service announcements, training videos and other materials to further the education of the public on these issues. These activities have helped decrease the number of highway-rail crossing collisions. In 1972, the annual national average number of highway-rail grade crossing collisions (including public and private crossings) exceeded 12,000. Today, the annual national average is about 2,000.

The Operation Lifesaver experience demonstrates the value of investment in safety education and training. This experience could be replicated in other areas of highway safety (*e.g.,* work zone safety, roadway systems improvement, pedestrian and bicycle safety, organizational safety culture).

Why Do We Want/Need To Fund The Program At The Requested Level?

MAP-21, section 1519, Consolidation of Programs, required not less than $3.0 million of administrative funds to be made available for these four activities. Consistent with the successful implementation of those efforts, FHWA proposes to continue funding safety outreach, training and education at the same level in FY 2015.

Detailed Justification
Ladders of Opportunity

What Is The Request And What Will We Get For The Funds?

FHWA requests $100 million for FY 2015 to provide ladders of opportunity for all Americans. The program will support two distinct facets of the Administration's Ladders of Opportunity initiative:

- Providing enhanced developmental opportunities for disadvantaged persons in order to qualify them for and place them in transportation jobs; and
- Engaging large metropolitan planning organizations (MPOs) in pilot activities that identify and implement approaches to enhance transportation connections to opportunities and developing local measures of connectivity. The results of the pilot program will potentially lay the groundwork for the development of a national performance measure for multimodal connectivity to opportunities that would increase transparency and drive effective transportation investment.

FY 2015 – Ladders of Opportunity ($100.0 million)

($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways - Federal Allocation Programs			
Emergency Relief (exempt from obligation limitation)	100,000 1/	100,000	-----
Territorial and Puerto Rico Highway Program	190,000	190,000	-----
Construction of Ferry Boats and Ferry Terminal Facilities	67,000	67,000	-----
On-the-Job Training 2/	10,000	11,000	1,000
Disadvantaged Business Enterprise 2/	10,000	11,000	1,000
Highway Use Tax Evasion Projects 2/	10,000	10,000	-----
Other Safety-related Programs 2/	3,000	3,000	-----
Ladders of Opportunity	-----	100,000	100,000
Performance Management Data Support Program	-----	10,000	10,000
Total	**390,000**	**502,000**	**112,000**

1/ In FY14 $7.2 million was sequestered from Emergency Relief (sequestration not reflected in table).
2/ Programs relocated from Administrative Expenses. Other Programs from Administrative Expenses was renamed to Other Safety-related Programs. Amounts for FY14 are the amounts set aside from Administrative Expenses and are shown for comparison purposes.

What Is This Program?

The program starts with incentivizing States to invest in the transportation workforce of the future, with State Departments of Transportation, Labor, and Education working together and with employers. The Ladders of Opportunity program will provide $30 million per year to help build a skilled and diverse transportation workforce and create career pathways for disadvantaged populations, leveraging existing funding including FHWA's existing On-the-Job Training/Supportive Services program (OJT/SS) and workforce, adult and higher education, and apprenticeships.

The second element of Ladders of Opportunity is aimed at improving the ability of our transportation system to provide connections to economic opportunities for all people, including non-drivers and historically disadvantaged populations. The Ladders of Opportunity program will provide a total of $70 million per year for MPOs that represent urbanized areas with more than 1 million residents for pilot programs under which they will systematically identify shortcomings of the existing transportation system in providing connections to economic opportunities. Using this baseline, the MPOs will be able to develop provisional measures of connectivity and use them to target improvements, track progress in improving connectivity, and report pilot results to DOT. After a participant has funded these efforts, it may use remaining funds for related planning activities and to match other Federal funds used for projects that improve connectivity. In selecting MPOs to participate in the pilot program, the Secretary will consider how the selected MPOs collectively represent the range of organizational experience and capacity for performance measurement.

A small portion of the $70 million will be used by DOT to support the pilot programs with technical assistance and peer exchange opportunities and to document lessons learned as it works with the pilot participants to identify and test connectivity measures. DOT will publish a report with the results of the pilot program and seek public comments on the report.

Why Is This Particular Program Necessary?

The workforce component of the program provides incentives and resources for States to enhance their efforts to ensure that a skilled workforce is available to meet highway construction hiring needs, and to address the historical under-representation of members of these groups in highway construction skilled crafts.

It is well-documented that a good transportation system is a critical underpinning of the economic vitality of our communities and the Nation as a whole. The connectivity component of the Ladders of Opportunity program is designed to help metropolitan areas take a systematic approach to identifying weak points in their transportation networks where the network fails to provide good connections between residents and economic opportunities; to identify measures of connectivity; and to track progress at improving connectivity. These efforts will provide the basis for a potential national performance measure in this area that would be established though notice and comment rulemaking.

How Do You Know The Program Works?

The workforce component of this proposal will ensure effective use of the funds, including a requirement that the efforts be designed to measure the employment outcomes of the program and are closely aligned with employer needs..

The connectivity component of this proposal is designed to bring additional analysis and performance measurement to bear in the development of projects that fill critical gaps in transportation services that connect people to economic opportunities.

Why Do We Want/Need To Fund The Program At The Requested Level?

The funding request of $100 million will ensure that the program has adequate resources to carry out the planned activities. The funding level allow participants to achieve meaningful results and provide incentives for them to make additional efforts to enhance transportation workforce development and to connect people to economic opportunities.

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Detailed Justification
Performance Management Data Support Program

What Is The Request And What Will We Get For The Funds?

FY 2015 – Performance Management Data Support Program ($10.0 million)

FY 2015 - Federal Allocation Programs - Budget Request
($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways - Federal Allocation Programs			
Emergency Relief (exempt from obligation limitation)	100,000 1/	100,000	-----
Territorial and Puerto Rico Highway Program	190,000	190,000	-----
Construction of Ferry Boats and Ferry Terminal Facilities	67,000	67,000	-----
On-the-Job Training 2/	10,000	11,000	1,000
Disadvantaged Business Enterprise 2/	10,000	11,000	1,000
Highway Use Tax Evasion Projects 2/	10,000	10,000	-----
Other Safety-related Programs 2/	3,000	3,000	-----
Ladders of Opportunity	-----	100,000	100,000
Performance Management Data Support Program	-----	10,000	10,000
Total	**390,000**	**502,000**	**112,000**

1/ In FY14 $7.2 million was sequestered from Emergency Relief (sequestration not reflected in table).
2/ Programs relocated from Administrative Expenses. Other Programs from Administrative Expenses was renamed to Other Safety-related Programs. Amounts for FY14 are the amounts set aside from Administrative Expenses and are shown for comparison purposes.

The Performance Management Data Support (PMDSP) program will assist metropolitan planning organizations (MPOs), States, and the Department in carrying out the performance management requirements contained in title 23, United States Code. The purpose of this proposal is to provide comprehensive resources and analytical tools for the use by States and MPOs in responding to the Moving Ahead for Progress (MAP-21) performance management requirements. This program would enable FHWA to provide enhanced data and tools to assist States and MPOs in targeting operational and capital investments strategically, and implement policies effectively in support of the national transportation system.

What Is This Program?

The PMDSP would be a compilation of modified, upgraded and new data sets and analytical tools. The data and tools provide an extremely cost effective and consistent approach for State Departments of Transportation (DOTs), MPOs, and USDOT to analyze highway movement, condition, and costs; evaluate safety, economic, and environmental impacts in order to improve decision-making and investment; and respond to Federal legislative requirements in MAP-21.

The PMDSP supports major applied efforts at the national, State and local level, including:

- The use of vehicle probe data to track real-time truck and passenger vehicle traffic on the National Highway System, which has been valuable in identifying bottlenecks, critical freight corridors, operational impacts, weather impacts and system performance. The establishment of a continued program for this data is critical for national reporting and strategic planning of investments; however, States and MPOs will also be required to utilize this data to meet MAP-21 performance reporting requirements for measures including freight, congestion, and reliability. Without this continued data, States, MPOs and FHWA will be unable to respond to MAP-21 requirements or most accurately assess national freight conditions for the development of national freight efforts. The nature of probe data makes acquisition by the USDOT for use by all State DOTs and MPOs an extremely cost effective approach and prudent use of Federal funds while at the same time providing the opportunity for consistency in the data that these entities will use for performance management of the Federal-aid system.
- Gathering household travel behavior data crossing local jurisdictional boundaries to accommodate external and through travel. The National Household Travel Survey (NHTS) provides the only publicly and privately available national and regional travel behavior data and information. However, the current granularity of the data is not sufficient to support performance management for MPOs as requested by MAP-21. The enhanced NHTS (more samples) will enable MPOs to assess external trips and through trips associated with their region without conducting over 360 separate surveys. This economy of scale can only be accomplished at the Federal level.
- The development of new and enhanced tools to conduct more effective performance analysis, as well as demonstrate the impact of project investments on performance outcomes. These tools help to identify critical performance issues impacting national performance goals and assist FHWA, States and MPOs in communicating these issues to stakeholders.
- Enhancement of critical data and analytical systems such as the Highway Performance Monitoring System (HPMS), Traffic Monitoring and Analysis System (TMAS) and Motor Fuel and Highway Finance Analysis System for Highways (Fuels and FASH) to accommodate new data requirements as a direct result of MAP-21.
- Improvement and adaptation of the existing highway Needs and Investment Analysis software to develop improved performance predictions for the biennial Status of the Nation's Highways, Bridges, and Transit: Conditions and Performance report to Congress.

Through FHWA's use of these data and analytical tools, we can make smarter investments and policy decisions. Additionally, FHWA can be more responsive to public and private sector requests, resulting in better decision-making of a performance-based Federal highway program.

Why Is This Particular Program Necessary?

The PMDSP is necessary for States, MPOs and FHWA to address MAP-21 requirements, as well as to improve policy, operational and capital changes and investments to optimize the national

transportation system. U.S. DOT is in a unique position to develop national-level data sets and tools that provide consistency and cost less than developing the same data at the State or local level, and would eliminate the need for many states to individually purchase the same data. A national-level Performance Management Data Support program would provide an advanced level of capacity for decision-making to guide investments and policy efforts. The ability to have such advanced capacity for decision-making could lead to significant cost savings for States and others by using data and analytics to define an optimal transportation system.

The use of highway performance measures has grown in recent decades and ranges in scope to include site-specific operations analysis, corridor-level alternative investments analysis, and area-wide planning and public information studies. Federal-aid authorizing legislation, such as The Safe, Accountable, Flexible, Efficient Transportation Equity Act for the 21st Century – A Legacy for Users (SAFETEA-LU), and the Moving Ahead for Progress (MAP-21) included performance management requirements. Section 1203 of MAP-21 requires USDOT to establish performance measures for the National Highway Performance Program (NHPP), the Highway Safety Improvement Program (HSIP), the Congestion Mitigation and Air Quality Improvement Program (CMAQ), and the National Freight Movement (Freight) within 18 months after enactment of MAP-21. Additionally, this section also required twelve performance measure categories for carrying out the NHPP, HSIP, CMAQ, and Freight.

We are leading numerous activities to advance the implementation and practice of transportation performance measurement at the Federal, State, and local level. In doing so, we have developed a number of data sets and analytical tools to measure performance and guide decision-making. Our efforts are critically important to States, MPOs, local governments and the private sector, all of which are making decisions on investments by using the information that FHWA provides in various capacities. MAP-21 requires States and MPOs to assess and report on infrastructure condition, safety, freight, congestion management, operations, and air quality. The data and analytical capacity USDOT has developed over the past decade provides stakeholders with a high-quality resource that can be applied consistently for decisional purposes to the extent possible.

As refinement of data and corresponding tools becomes increasingly necessary, it is critical for USDOT to refine our data system so we can obtain and manage higher quality, comprehensive data for implementation of a performance-based Federal highway program. Through the purchase or collection of this data, USDOT can provide unique cost savings and comprehensive coverage to the State DOTs and MPOs. In the growing world of private data, a single purchase by USDOT can replace the need for 50 State DOTs and over 350 MPOs to each individually buy the same data at rates that are notably higher than the national rate the USDOT can negotiate. The complete national coverage the Department brings when it develops a data set allows us to consistently consolidate, analyze, benchmark and provide it to the States in many ways that an individual State or group of States would be unable to do on their own, such as by multi-State corridors, or across all metropolitan areas. These national data sets allow States and MPOs to analyze how they fit in the national picture and understand relationships with other parts of the country, such as trading patterns, that they would be unable to do if they acquired the data at a State or metropolitan level For an investment of $10 million, the PMDSP would coordinate and improve data and analytical needs within FHWA and across operating administrations at

USDOT. This will provide an advanced level of capacity for decision-making to guide investments and policy efforts.

The proposed program would create a robust, comprehensive and high quality data and analytical system for planning and decision-making. It differs from the Bureau of Transportation Statistics (BTS) proposed Intermodal Transportation Data program in that the FHWA proposed program would focus on implementation of the performance-based Federal highway program, while the BTS proposed program would collect data on the use and value of the transportation system rather than on the system's performance. FHWA and BTS would coordinate efforts between both data programs, make available the BTS information on use of the transportation system and the FHWA information on how the system performs to State DOTs and MPOs to support transportation planning, investment analysis, and management at all levels of government.

Good data is critical to performance management. Poor data or old data may not capture the true performance of the transportation network and may provide misleading information when analyzed. While all datasets have limitations, enhancing national data may provide decision-makers with a very different understanding of performance than by using poor data which leads to less efficient investments in the transportation system.

How Do You Know The Program Works?

FHWA has been engaged in performance measurement throughout its history; however, in the past decade, and in response to Federal legislative requirements for use of performance management, FHWA has placed specific emphasis on the growth and development of data and analytical tools for use in performance measurement. Through the application of data and analytical tools, FHWA has been able to identify operational and capital investment needs, as well as policy changes that have effectively optimized the transportation network, reduced cost and guided investment.

FHWA has long partnered with the Transportation Research Board (TRB) and programs, such as the National Cooperative Highway Research Program and National Cooperative Freight Research Program, to identify best practices and implementation of performance analysis. FHWA, BTS. other modes within USDOT, the TRB and State and academic partners continue to refine data, measures and analytical tools that can provide the most accurate picture of performance to guide decision-making. Based on these efforts, transportation decision-makers know best how the system is performing, and only through continuous improvement of data refinement and analytical capability can decision-making improve.

Why Do We Want/Need To Fund The Program At The Requested Level?

By investing $10 million for data and analytical tools, we can yield significant savings to State DOT's and others, well above and beyond the cost of this program. Use of data by USDOT and its operating administrations, as well as States and local governments where applicable, can identify the difference between operational and policy improvements and smart choices about where capital investment is needed. Collection of data and the development of analytical tools at the national level, rather than State or local level, can also create significant economies of scale that reduce the overall investment required to maintain and build the infrastructure.

Executive Summary
Transportation Infrastructure Finance Innovation Act (TIFIA) Program

What Is The Request And What Will We Get For The Funds?
The FY 2015 FHWA budget request includes $1.0 billion for the Transportation Infrastructure Finance and Innovation Act (TIFIA) Program.

What Is The Program?
The TIFIA Program provides Federal credit assistance to surface transportation projects of national or regional significance.

Why Is This Particular Program Necessary?
The TIFIA Program leverages Federal dollars in a time of scarce budgetary resources, facilitating private participation in transportation projects and encouraging innovative financing mechanisms that help advance projects sooner. This program offers flexible repayment terms and attracts private capital to facilitate transportation projects that would otherwise go unfunded.

How Do You Know The Program Works?
The success of the TIFIA Program is evident in three main areas: the strong demand for TIFIA credit support; the active number of projects applying for TIFIA assistance; and the performance of projects financed with TIFIA credit assistance. The Program has accelerated the delivery of critical infrastructure investment providing approximately $14.8 billion in credit assistance to 39 projects.

Why Do We Want/Need To Fund The Program At The Requested Level?
The TIFIA Program funding level of $1.0 billion is the same as provided in MAP-21 and will help meet the demand for TIFIA credit support. By offering flexible repayment terms and attracting private capital, the TIFIA program will stimulate infrastructure investment that would be temporarily or permanently delayed without TIFIA financing. Funding at the requested level will also provide administrative resources to meet TIFIA program staffing needs.

Detailed Justification
Transportation Infrastructure Finance and Innovation (TIFIA) Program

What Do I Need To Know Before Reading This Justification?

The FY 2015 FHWA budget request includes $1.0 billion for the Transportation Infrastructure Finance and Innovation Act (TIFIA) Program, which is equal to the funding level authorized for FY 2014 under MAP-21.

What Is The Request And What Will We Get For The Funds?

FY 2015 – TIFIA Program ($1.0 billion)
($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways			
TIFIA Program (loan program subsidies)	1,000,000	1,000,000	-----
Total	**1,000,000**	**1,000,000**	-----

The FY 2015 budget requests $1.0 billion in TIFIA Program funds to cover the subsidy and administrative costs of providing credit support to surface transportation projects. This funding will help to meet the demand for infrastructure financing options in the United States. TIFIA support will advance projects that could not move forward without Federal financing, thereby accelerating the economic, safety, environmental, and mobility benefits these projects will provide. Additionally, TIFIA funding will leverage Federal dollars, so that a relatively small Federal commitment will stimulate a large amount of State, local, and private investment.

What Is This Program?

Congress created the Transportation Infrastructure Finance and Innovation Act (TIFIA) credit Program as part of its 1998 enactment of the Transportation Equity Act for the 21st Century (TEA-21, P.L. 105-78), as amended by the TEA-21 Restoration Act (Title IX of P.L. 105-206). Codified in Sections 601 through 609 of Title 23, United States Code (23 U.S.C.), the TIFIA Program provides Federal credit assistance to surface transportation projects. MAP-21 increased authorized funding for the TIFIA Program by approximately eight fold to help meet the demand for TIFIA credit assistance.

The Department's CFO oversees the TIFIA program and the TIFIA Joint Program Office on behalf of the Secretary, including the evaluation of individual projects, and provides overall policy direction and program decisions for the TIFIA program.

Through the TIFIA Program, the Department provides Federal credit assistance to highway, transit, rail, and intermodal freight projects including seaports. TIFIA generally will lend up to

33 percent [1] of eligible costs for large infrastructure projects of $50 million or more ($25 million for rural projects and $15 million for Intelligent Transportation System projects). The Program offers three types of financial assistance:

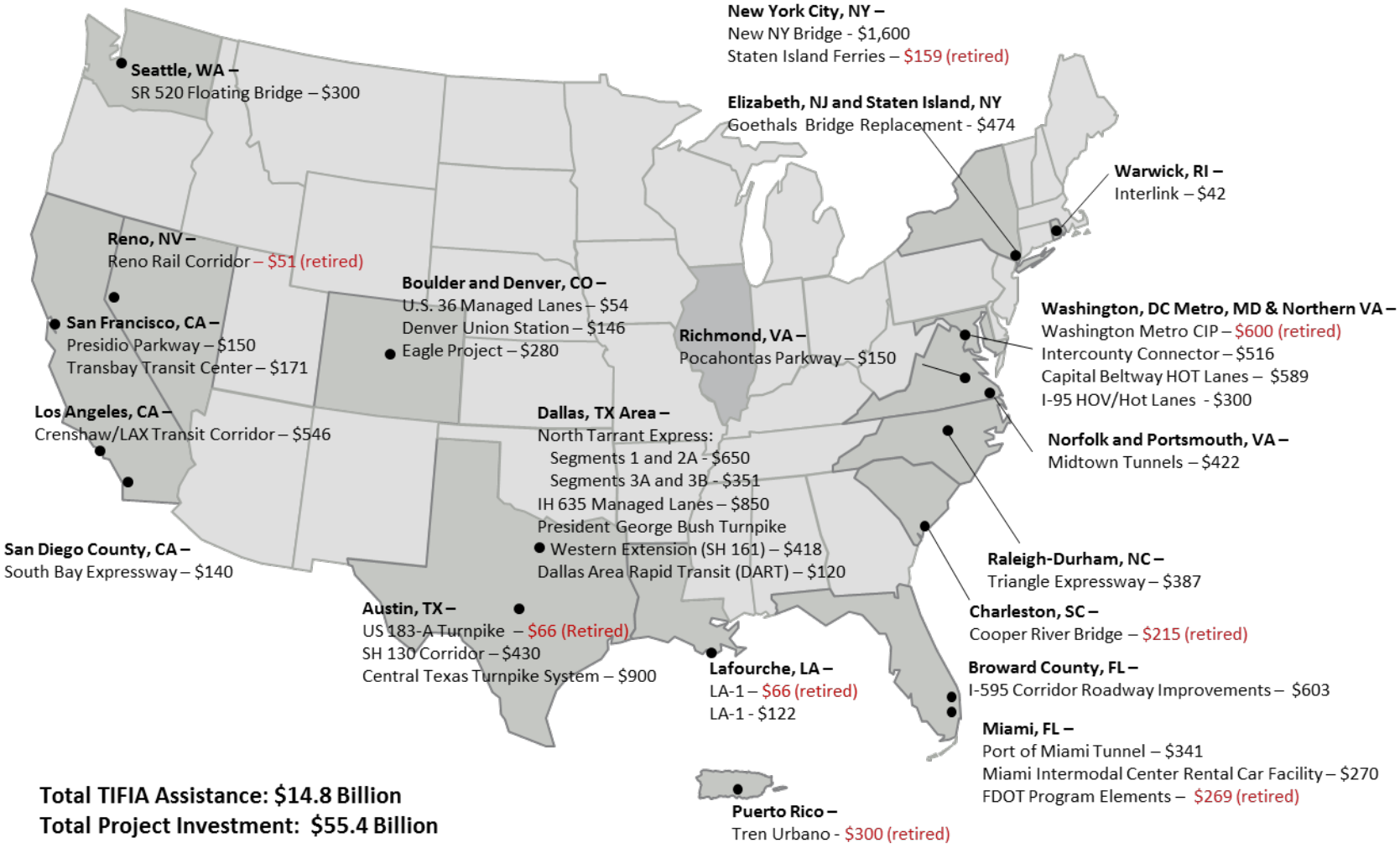
- **Secured loans** are direct Federal loans providing long-term financing of capital costs with flexible repayment terms.
- **Loan guarantees** provide full-faith-and-credit guarantees by the Federal Government of a portion of project loans made by institutional investors.
- **Standby lines of credit** represent secondary sources of funding in the form of contingent Federal loans that can supplement project revenues during the first 10 years of project operations.

The TIFIA Program is designed to fill market gaps and leverage substantial private co-investment by providing supplemental and subordinate capital to projects. 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. TIFIA 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.

As of December 31, 2013, 39 projects have received a credit commitment, including 5 intermodal projects, 27 highway projects, and 7 transit projects. These projects represent approximately $55.4 billion in infrastructure investment spread across the United States. The commitments total nearly $14.8 billion in Federal assistance with a budgetary cost of approximately $1 billion. The map that follows indicates the locations of TIFIA investment across the United States.

[1] MAP-21 increased the level of TIFIA participation from 33 percent of eligible costs to up to 49 percent of eligible costs.

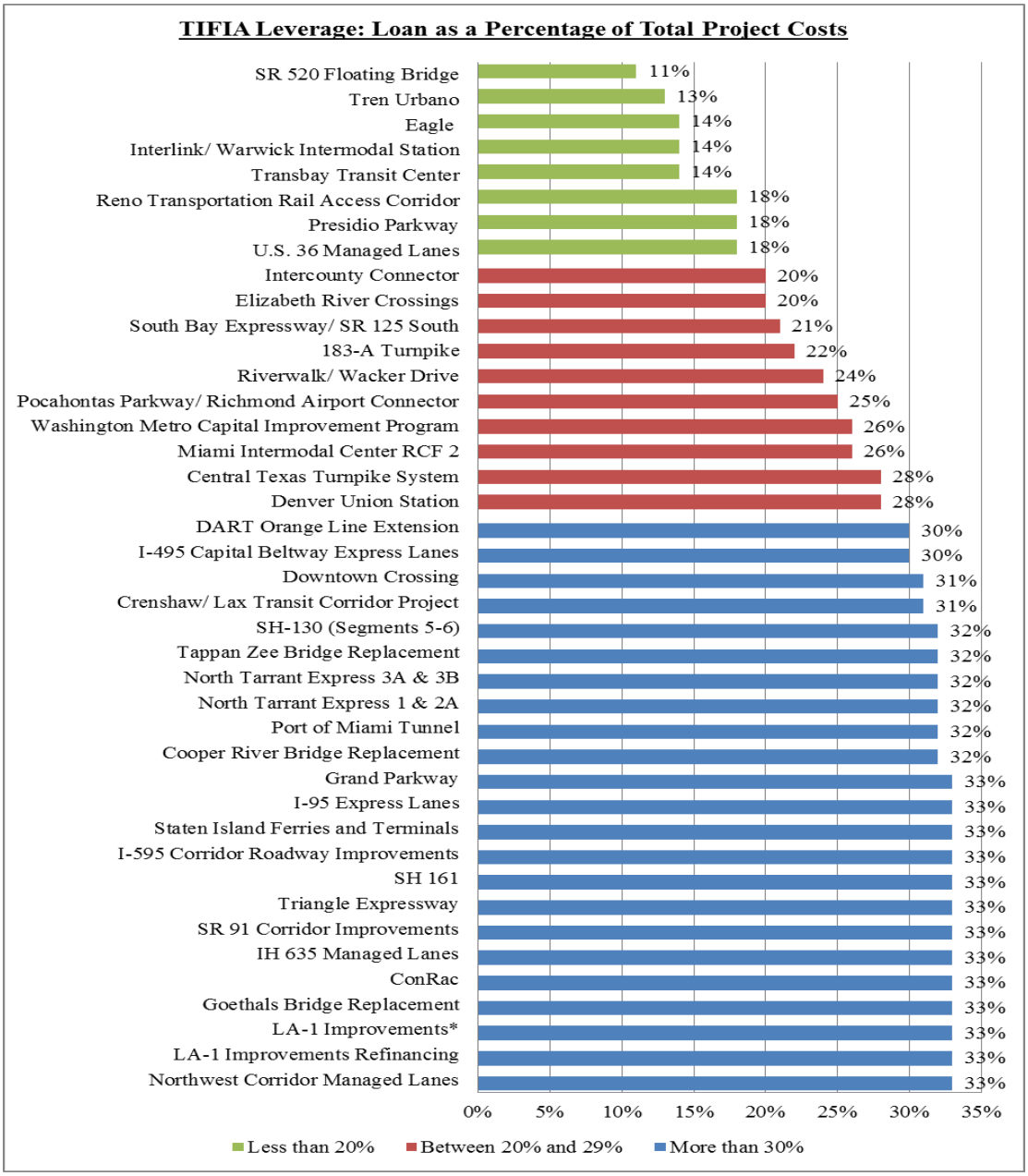
Locations of TIFIA Investment
($ in millions)



Total TIFIA Assistance: $14.8 Billion
Total Project Investment: $55.4 Billion

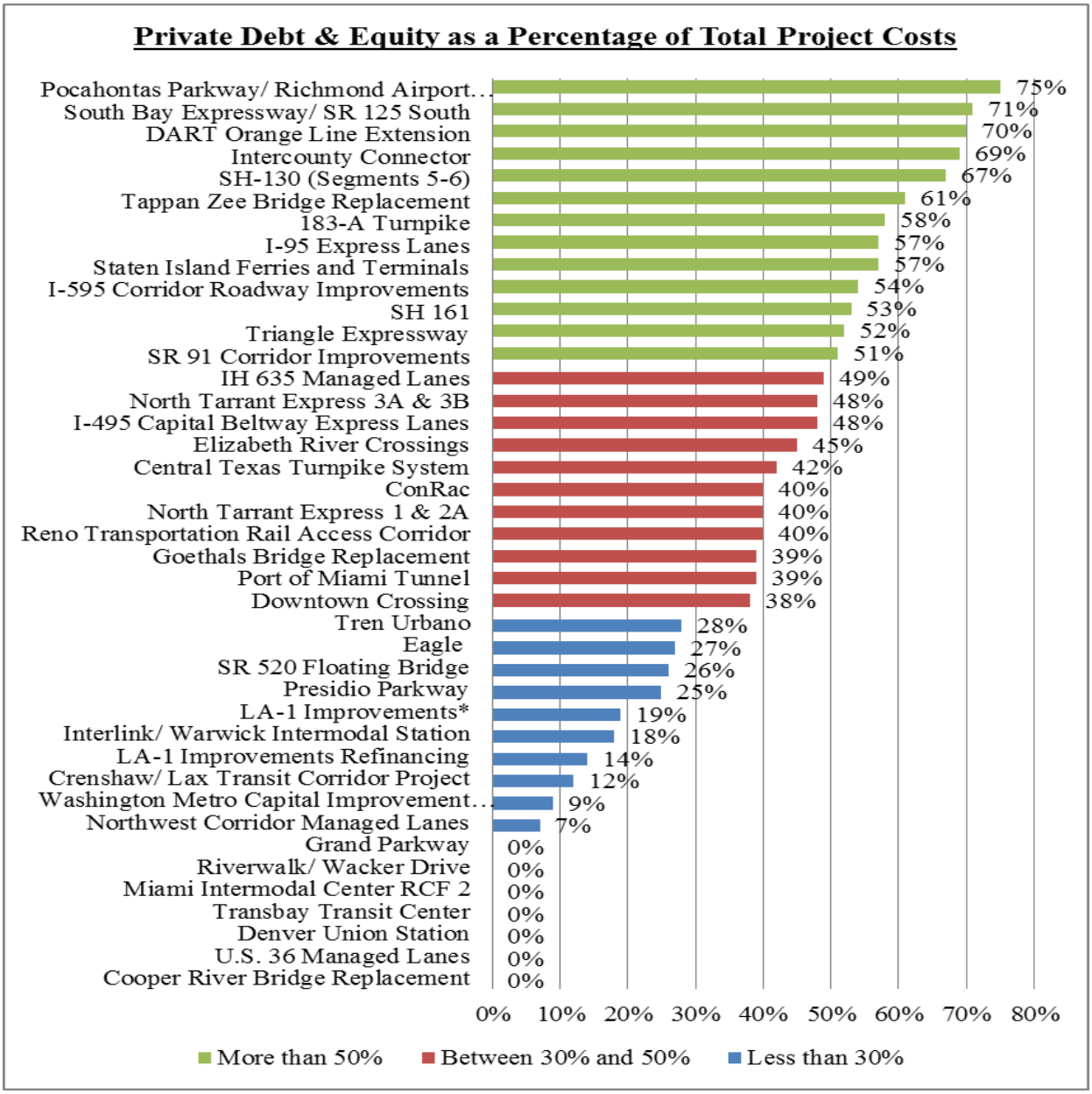
Why Is This Particular Program Necessary?

Through the TIFIA Program, a relatively small amount of Federal budget authority can stimulate large-scale infrastructure investment, thereby creating and maintaining jobs across America. The TIFIA Program leverages Federal funds by attracting private and other non-Federal co-investment in critical improvements to the nation's surface transportation system, often playing an integral role in a project's financial plan. TIFIA Program funds cover the Federal government's estimated cost of providing credit assistance, or the subsidy cost. The subsidy cost reflects estimated losses on a present value basis, and is a fraction of the face value of the loan, calculated on a loan-by-loan basis. TIFIA generally finances up to 33 percent of eligible costs and cannot lend more than 49 percent of project costs. Thus, in simple dollar terms, one dollar of TIFIA Program funds can support a loan of approximately 10 dollars and result in infrastructure investment of 20 to 30 dollars. As shown on the chart below, historically TIFIA has leveraged 3 to 4 times its loan amount.



TIFIA credit assistance can often provide more advantageous terms than are available in the financial market, making it possible to obtain financing for needed projects when it might not otherwise have happened. TIFIA was created because State and local governments often had difficulty financing large-scale transportation projects with innovative revenue streams at reasonable rates due to the uncertainties associated with these non-traditional repayment sources. Tolls and other project-based revenues are difficult to predict, particularly for new facilities because it is hard to estimate how many transportation users will pay fees during the initial ramp-up years after construction. Similarly, innovative revenue sources, such as proceeds from tax increment financing, are difficult to predict. TIFIA's flexible terms help project sponsors manage this forecasting risk.

TIFIA credit assistance can help attract private debt and equity participation in transportation projects. Thirteen projects financed with TIFIA were advanced as public private partnerships and the private equity committed to those projects exceeds $3.2 billion. On the debt side, TIFIA has been combined with other debt sources including Private Activity Bonds (PABs), bank debt, and GARVEE Bonds, that total over $11.8 billion in financing for surface transportation. The chart below evidences the level of private participation in TIFIA financed projects.



TIFIA credit assistance can also facilitate the introduction of new revenue streams for transportation projects. The Capital Beltway Hot Lanes, North Tarrant Express, and IH 635 projects were the first U.S. projects advanced as managed lanes facilities. The I-595 and Port of Miami Tunnel projects were the first U.S. availability payment projects. Transbay Transit Center and Denver Union Station both used tax increment financing, an uncommon funding source for transportation projects, as part of the repayment pledge. These projects could not have moved forward with only private financing and pay-as-you-go funding because of their innovative nature. By acting as a patient investor – with the flexibility to backload debt repayment and accept a junior lien on project revenues – TIFIA facilitated delivery of these critical infrastructure investments.

How Do You Know The Program Works?

The success of the TIFIA Program is evident in three main areas: the strong demand for TIFIA credit support; the active pipeline of projects applying for TIFIA assistance; and the performance of projects financed with TIFIA credit assistance.

Demand for TIFIA

In the past several years, there has been a high level of interest in TIFIA credit assistance due to the growing need for additional infrastructure investment relative to other existing sources of transportation funding. From FY 2010 until the passage of MAP-21, the TIFIA Program was oversubscribed (more demand than funds available), with far more project sponsors seeking TIFIA credit assistance than TIFIA's budget authority could provide. The funding level authorized under MAP-21 along with the $1 billion requested in FY 2015 will help the Department meet the continuing demand for TIFIA credit assistance.

TIFIA Demand from FY 2010 through FY 2014				
	SAFETEA-LU Projects			**MAP-21 Projects**
	2010	2011	2012	2013 & 2014
Number of letters of interest	39	34	26	38 (as of 12/31/2031)
TIFIA lending capacity based on enacted levels	$1 billion	$1 billion	$1 billion	$17.5 billion
TIFIA credit support requested by project sponsors	$12.5 billion	$14 billion	$13 billion	$18.5 billion
Total investment	$41 billion	$48 billion	$38.5 billion	$51.5. billion

Since the enactment of MAP-21, the Department moved quickly to issue a Notice of Funding Availability and has been accepting letters of interest (LOIs) from project sponsors on a rolling basis beginning July 31, 2012. More than a year into the new MAP-21 authorization period, the Department has received 38 LOIs for 39 projects seeking about $18.5 billion in credit assistance to finance approximately $51.5 billion in infrastructure investment around the United States. These credit requests would utilize all of TIFIA's lending capacity for the MAP-21 authorization period. The Department has developed a comprehensive process to review requests for TIFIA credit assistance aimed at ensuring project eligibility and creditworthiness. Out of all submitted LOIs, many have been approved or are in final approval stages, while others are undergoing credit reviews. These projects are discussed further in the next section.

Pipeline of Projects

The success of the TIFIA Program is also evident in the in the Department's active pipeline of projects seeking assistance. In FY 2013, the Department closed an unprecedented seven loans and provided over $2 billion in credit assistance, stimulating more than $8 billion in additional infrastructure investment across the United States.

Approved in July 2013, the $1.3 billion SR-91 project is a good example of the positive impact a TIFIA loan can have for our nation's infrastructure needs. The project will reduce congestion and delay, improve long-term efficiency, cost, strengthen the regional economy, and positively impact employment in the area.

A TIFIA loan of $420 million was provided to the Riverside County Transportation Commission (RCTC) for the SR-91 project. The project will extend the SR-91 Express Lanes and construct one general purpose lane in each direction from the Orange County line to I-15 in Riverside County, a distance of approximately eight miles. The TIFIA loan will leverage more than $174.2 million in senior toll revenue bonds, $500.5 million in sales tax bonds, $5.8 million in investment earnings, and $208.1 million in sales tax to support the project's estimated cost of $1.3 billion. Without TIFIA financing and the flexibility provided by the program, this project and other projects like this that closed in FY 2013 could have been delayed.

Project Closed in FY 2013				
Project Name	Location	Project Type	Project Cost (millions)	Loan Amount (millions)
SR 520 Floating Bridge and Landings	Washington	Highway	$ 2,736	$ 300
I-95 HOV/ HOT Lanes	Virginia	Highway	$ 923	$ 300
DART Orange Line	Texas	Transit	$ 397	$ 120
Riverwalk/Wacker Drive	Illinois	Highway	$ 419	$ 99
SR-91	California	Highway	$ 1,279	$ 421
ConRac	Illinois	Intermodal	$ 876	$ 288
NTE 3a & 3b	Texas	Highway	$ 1,638	$ 531
		Totals	**$ 8,268**	**$ 2,059**

The Department has made even greater progress towards closing loans in FY 2014. As of December 31, 2013, the Department has already extended close to $3 billion in credit assistance for five loans that will stimulate an additional $9.0 billion in transportation infrastructure investment across the United States. Many of these projects submitted letters of interest under MAP-21. In fact, four out of the five closed loans were requested under MAP-21.

One of the loans closed was the Downtown Crossing project in Kentucky. The project provides a great example of how TIFIA's innovative financing and flexibility was used to support an economic partnership between two states (Kentucky and Indiana) working together to strengthen their shared financial interests to promote significant cost savings. In December 2013, the Department approved a MAP-21 TIFIA loan of $452 million to the Kentucky Public Transportation Infrastructure Authority (KPTIA) for the Downtown Crossing project. The $1.4 billion project will include construction of a new tolled Downtown Bridge parallel to the existing Kennedy Bridge spanning the Ohio River; improve the Kennedy Bridge, and reconstruct the Kennedy Interchange at the convergence of interstates 64, 65, and 71. The TIFIA loan will leverage $479 million in federal funds, $336 million in Grant Anticipation Revenue Vehicle (GARVEE) bonds, and $492 million in toll revenue bonds to support the project's estimated cost of $1.4 billion. The project is expected to increase transportation choices, reduce congestion, provide safety enhancements and encourage regional economic competitiveness in two states.

Project Closed in FY 2014				
Project Name	Location	Project Type	Project Cost (millions)	Loan Amount (millions)
Goethals Bridge	New York/ New Jersey	Highway	$ 1,436	$ 474
LA-1 Refinancing	Louisiana	Highway	$ 371	$ 122
Northwest Corridor	Georgia	Highway	$ 834	$ 275
Downtown Crossing	Kentucky	Highway	$ 1,436	$ 452
Tappan Zee	New York	Highway	$ 4,959	$ 1,600
		Totals	**$ 9,036**	**$ 2,923**

In addition to the five projects already closed in FY 2014, the Department is positioned to close eight or more additional projects totaling over $5 billion in credit assistance to support more than $18 billion in infrastructure investment. In total, the Department has requested further information from or is actively reviewing 20 MAP-21 projects that will add over $33 billion in infrastructure investment when closed.

The Department's active pipeline of projects supports its budgetary need for FY 2015. The active pipeline also indicates that the Department is making good progress towards its goals set under the MAP-21.

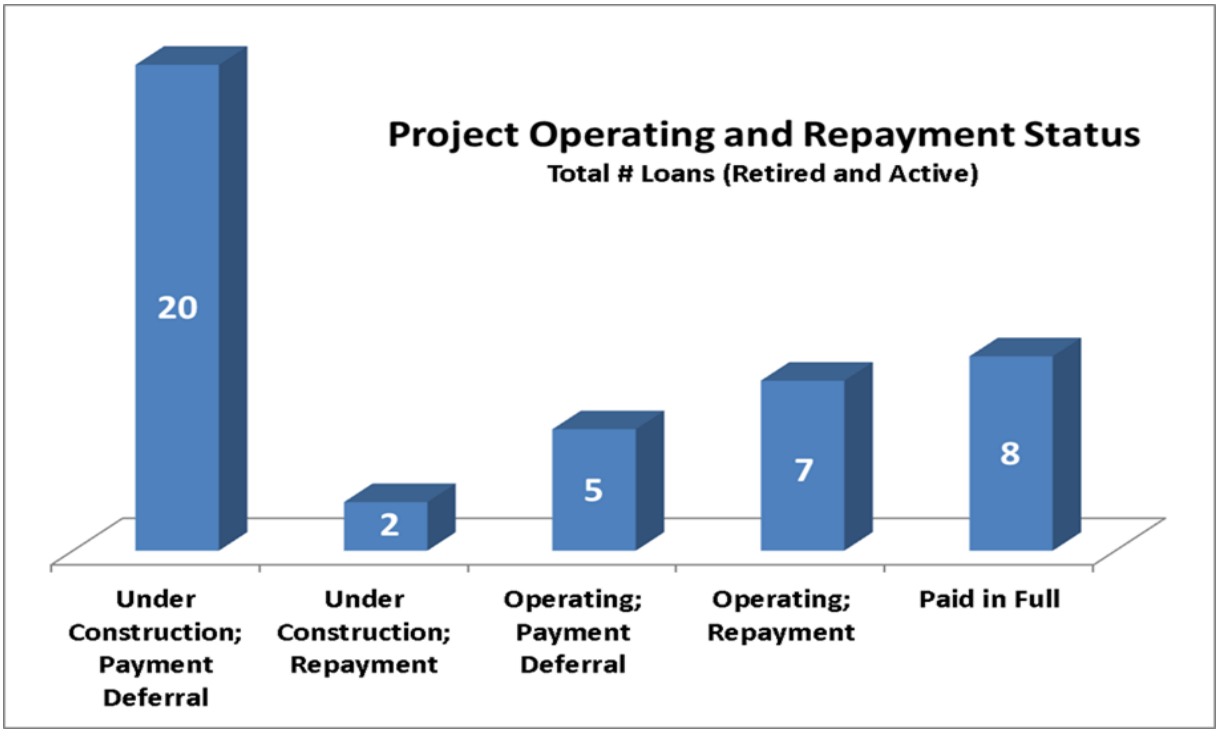
Loan Performance:

In addition to the demand for TIFIA credit support and the active pipeline of projects seeking assistance, the TIFIA Program's strong loan performance also supports its budget request in FY 2015. Many projects financed with TIFIA credit support were constructed ahead of schedule and/or at a lower cost than otherwise would have been possible.

The TIFIA Program's loan performance is exemplified by the Central Texas Turnpike System (CTTS) project. In FY 2001, the Texas Department of Transportation (TxDOT) received a TIFIA direct loan of $900 million for the CTTS project. The project consisted of a 65-mile system of toll highways in the Austin-San Antonio corridor. The TIFIA loan leveraged $1.4 billion in proceeds from first tier revenue bonds/notes, $520.1 million in State funding, $286.5 million in local contributions/commission funds for right of way, and $185.2 million in interest earnings to support the $3.3 billion project. The combination of low interest rate short term debt taken out with the low interest rate TIFIA loan saved the project millions of dollars. The project reached substantial completion in September 2007, with portions of the system constructed ahead of schedule and under budget. Traffic and revenue generated on the facility has been in line with expectations and the TIFIA program has been collecting payments since February 2010.

Out of the 42 credit agreements, eight projects have retired their TIFIA debt. Seven projects are open for use, generating revenue as expected, and have begun to repay the TIFIA debt. Five

projects have opened to traffic but are not yet required to begin repaying their loans. Two projects are under construction and have begun repaying their loans. Twenty other projects are under construction and are in payment deferral during construction. The TIFIA program's overall portfolio status can be seen in the chart below:



Why Do We Want/Need To Fund The Program At The Requested Level?

The requested $1.0 billion in funding will enable the TIFIA Program to provide almost $10 billion in direct loans, loan guarantees, and lines of credit.

The FY 2015 funding level of $1.0 billion for the next reauthorization will help meet the demand for TIFIA credit support and stimulate infrastructure investment that would be temporarily or permanently delayed without TIFIA financing. The budget request will provide credit assistance for a substantial pipeline of projects. Funding the program at $1.0 billion will allow DOT to continue to meet the robust demand for TIFIA credit support from projects across the country, accelerate project delivery, and stimulate important infrastructure investment.

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Executive Summary
Multimodal Freight Investment Program

What Is The Request And What Will We Get For The Funds?
FHWA requests $10 billion over 4 years, including $1 billion in FY 2015, for a new multi-modal freight program that will improve goods movement and advance export and economic development opportunities in the United States (U.S.). Funding will advance critically-needed, yet complex, multi-modal or multi-jurisdictional projects to improve goods movement, economic competitiveness and sustainability.

What Is This Program?
The Multimodal Freight Investment Program (MFIP) includes a discretionary grant program (National Freight Infrastructure Program) and an incentive grant program (Multimodal Freight Incentive Grants) based on distributions to States that account for state freight infrastructure and activity. Funding for the program would be provided from the Transportation Trust Fund (TTF) and begin in FY15 at $1 billion, rising to $2 billion in FY16, $3 billion in FY17 and $4 billion in FY18. In each year, no less than half the authorized funding will be allocated for the discretionary grants portion of the program. Incentive funding not earned by States would be transferred to the discretionary program at the end of each fiscal year.

Why Is This Particular Program Necessary?
Freight projects are often multimodal, multi-jurisdictional, complex, or involve partnership with the private sector, making them difficult to administer under current federal and state funding programs. As a consequence, critical freight investment is not advancing sufficiently to keep pace with our nation's goods movement needs.

How Do You Know The Program Works?
The establishment of a multi-modal freight program with multi-year authorization offering public-sector agencies and their private-sector partners a path forward to make real improvements in freight infrastructure and operations would be unprecedented and yield a high rate of return on federal investment for the economy and for public benefits in safety, mobility, health and the environment. Investments in freight infrastructure have a profoundly positive effect on the national economy, create jobs, and support economic growth and competitiveness

Why Do We Want/Need To Fund The Program At The Requested Level?
Expansion of the U.S. population, coupled with increasing consumer demand for goods, will continue to drive high levels of freight growth. Congestion in the freight network severely impedes the ability of U.S. industries to efficiently manage their supply chains, in order to remain competitive and thrive in the global marketplace. Increased congestion due to freight growth will negatively impact the U.S. economy. The proposed program will benefit both the producers and transporters of goods in order to meet the growth in demand in a responsible, effective and sustainable way.

Detailed Justification
Multimodal Freight Investment Program

What Do I Need To Know Before Reading This Justification?

This is a request to fund the Multimodal Freight Investment Program (MFIP). It is proposed as two-part program: 1) Multimodal Freight Incentive Grants - an incentive grant distribution program; and 2) National Freight Infrastructure Program - a discretionary competitive grant program. The purpose is to advance the development of complex, multi-modal or multi-jurisdictional projects to improve goods movement and economic competitiveness and to meet national performance goals.

This proposal is informed by DOT's work on the National Freight Policy, as well as FHWA's experience with both TIGER and the Projects of National and Regional Significance (PNRS) program. While both TIGER and PNRS were instrumental in proving the need and opportunity for success in meeting freight goals, a consistent multi-year grant program would accomplish a more diverse range of projects, more widely, and could help in the realization of National Freight Policy goals articulated in MAP-21. While TIGER has been a success story for freight, with nearly a third of the funding ($1 Billion) going to freight projects of all sizes, to public/private partnerships, and to multi-modal, multi-jurisdictional initiatives, a dedicated freight program could better meet future freight needs by providing a stable, multi-year authorization with contract authority and, without competition from non-freight sectors.

The economy depends on efficient, reliable freight transportation to link businesses with suppliers and markets throughout the nation and the world. American farms and mines can market their goods to customers across and beyond the continent, using inexpensive transportation to compete against farming and mining industries in other countries. Domestic manufacturers increasingly use remote sources of raw materials and other inputs to produce goods for local and distant customers, all of which require efficient and reliable transportation to maintain a competitive advantage in a global marketplace. Wholesalers and retailers depend on fast and reliable transportation to obtain inexpensive or specialized goods through extensive supply chains. In the expanding world of e-commerce, households increasingly rely on freight transportation to deliver purchases directly to their door. Service providers, public utilities, construction companies, and government agencies also depend on freight transportation to get needed equipment and supplies from sources around the world.

Disruptions to the speed and reliability of freight transportation add directly and indirectly to the cost of doing business, the cost of exports, and the cost of consumer goods. Businesses must compensate for anticipated and unexpected additional travel time and reduced reliability from congestion, circuitous routing, or delays at inspection stations and intermodal transfer facilities by making redundant investments in equipment and facilities, paying higher labor expenses, and utilizing more costly forms of expedited transportation.

Freight projects to eliminate bottlenecks, expand capacity, and improve efficiency can offer public benefits in terms of job creation, improved safety and environmental impacts; and contributions to the economic growth of a region or the nation. The relationship between federal investment for goods movement and the impact on the economy has been the subject of

numerous federally supported studies, state studies, and academic projects. Studies and prior project results have demonstrated that public capital has a positive effect on freight and private economic productivity and output. As an example, the Alameda Corridor East project, a program of grade separation projects in the San Gabriel Valley of California where train traffic to and from the Ports of Los Angeles and Long Beach is projected to increase by 160 percent by 2020, has been leveraging public funding to build safety improvements or grade separations at 39 rail/road crossings. The benefits include reducing a projected 300 percent increase in auto delays at rail crossings and reduced train horn noise. As result, commercial development has increased and quality of life for local residents is improving. The program of projects is yielding efficiencies in the distribution of what is projected to be $314 billion in trade by 2020, and will protect 634,000 existing jobs and 192,000 new jobs in the region. The economic growth enabled by this work has a positive effect at the local, state and national level.

The implementation of freight projects are often challenged, however, by their complexity involving:

- Multiple modes (for trucks, trains, airplanes, barges and ships);
- Multiple stakeholders (state and local governments; the private sector);
- Funding sources and structures with different timelines, sizes, and constraints;
- Limited eligibilities in existing programs (especially for multi-modal projects);
- A lack of funding to support multi-state, corridor-based planning organizations and activities;
- Administrative hurdles in managing multi-jurisdictional, multimodal projects; and,
- A lack of freight data.

While public- and private-sector freight proponents have identified these characteristics as challenges to implementing freight solutions, the most significant impediment to advancing projects in the public interest is a lack of sufficient funds in existing federal programs to address new projects that span multiple modes or jurisdictions. As such, these projects may never progress to planning or delivery.

What Is The Request And What Will We Get For The Funds?

The request is to create a new multimodal freight program that will provide $10 billion over 4 years, including $1 billion in FY 2015, to improve goods movement and advance export and economic development opportunities in the United States (U.S.). The program includes a discretionary grant program and an incentive grant program based on distributions to States that account for state freight infrastructure and activity. Funding will advance critically-needed yet complex, multi-modal or multi-jurisdictional projects to improve goods movement, economic competitiveness and sustainability.

FY 2015 – Multimodal Freight Investment Program ($1.0 billion)

($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways			
Multimodal Freight Investment Program			
Multimodal Freight Investment Program	-----	1,000,000	1,000,000
Total	**-----**	**1,000,000**	**1,000,000**

What Is This Program?

This program will provide $10 billion over 4 years to improve goods movement in the U.S. The program includes a discretionary grant program (National Freight Infrastructure Program) and an incentive grant program (Multimodal Freight Incentive Grants) based on distributions to States that account for state freight infrastructure and activity.

The program seeks to foster partnerships, streamline the administration of freight transportation projects and incorporate key MAP-21 freight provisions of planning, performance measurement and prioritization of projects to advance the nation's freight network. Eligible investments include planning, construction, or operational improvements for a multimodal project with a freight component; a corridor-based, single-mode project on a freight facility; initiatives yielding improved freight operation; or the development of multi-state freight plans.

Funding for the program would be provided from the Transportation Trust Fund (TTF) and begin in FY15 at $1 billion, rising to $2 billion in FY16, $3 billion in FY17 and $4 billion in FY18. In each year, no less than half the authorized funding will be allocated for the discretionary grants portion of the program. Incentive funding not earned by States would be transferred to the discretionary program at the end of each fiscal year.

Administration

Incentive Program - For the purpose of administering the incentive grants, funds authorized may be transferred within the Department and administered in accordance with the requirements of title 23 or 49 of the United States Code applicable to the agency to which the funds are transferred and any other requirements applicable to the project.

Discretionary Program - For the discretionary grant program, the Secretary may retain up to one-half of one percent of the amounts authorized for the discretionary program each fiscal year for administration and oversight of the discretionary grants. Additionally, the Secretary may choose to transfer portions of the retained funds from the one-half or one percent retainer to the modes under USDOT for the purpose of administering and providing oversight of the grants.

Incentive Grant Program: Multimodal Freight Incentive Grants

The incentive grant program would distribute funds to the State Departments of Transportation upon completion of certain milestones to advance state-based planning and multi-state coordination for investment in critical freight infrastructure. Potential four-year (FY 2015-2018)

incentive funding amounts for each State would be determined by the State's proportion of freight infrastructure (ports, highway and rail facilities, and cargo handling airports) and freight activity (measured by tonnage and value) to the national total for these factors. The minimum share for each State would be 0.5 percent of the total available incentive funding.

The ability to use incentive funding is determined by a tiered approach. The percent of funding a state may access will rise as the state achieves higher tiers of planning and coordination. Funds may only be used for capital projects, equipment and operational improvements on highways, rail, ports, airports, and connectors eligible under Titles 23 and 49 that are prioritized and programmed for funding in a freight investment plan developed in coordination with a State Freight Advisory Committee (as defined under Section 1117 of MAP-21 and amended to require participation from Metropolitan Planning Organizations and representatives of all of modes active in a given State) and approved by the Secretary. Funds associated with these incentive grants may not be transferred to any other Federal-aid program. Routine repair and preventative maintenance activities would not be eligible.

Discretionary Program: National Freight Infrastructure Program

The discretionary grant program would provide funds for an annual competition with the goal of implementing projects to reduce the cost of freight transportation, improve the safety of freight transportation, reduce congestion in the freight transportation system, improve the functioning of the freight transportation system, and reduce the adverse environmental and community impacts of freight transportation. Eligible applicants are States, U.S. Territories, local governments, MPOs, public transportation authorities including port authorities, tribal governments or groups of these eligible applicants. Eligible projects are capital investments for a transportation infrastructure facility or operational improvements or equipment that is significantly used for the movement of freight, that the Secretary has determined will help to achieve the goals of the program and for which funding committed by State and local governments and other public and private partners, along with the federal funding requested, will be sufficient to complete the capital investment, and that upon completion will have independent utility. Selection of projects is based on criteria that include a project's cost benefit ratio, the advancement of the goals of the program, innovative technologies, strategies and practices, impact to increase U.S. exports, and coordination with national and state freight planning.

Eligibilities

The following describes project eligibilities for the incentive program:

- the development of corridor freight plans or regional freight plans; or
- one or more phases of capital projects, equipment or operational improvements on roads, rails, ports, airports, and connectors included in a State freight plan that:
    - maintain or improve the efficiency and reliability of freight supply chains;
    - demonstrate public and freight benefits;
    - improve modal components of a trade lane or corridor that is critical to a State or region;
    - address freight needs to facilitate a regionally or nationally significant economic development issue;

- are multimodal, multi-jurisdictional, or corridor-based and address freight needs;
- relieve freight or non-freight access, congestion, or safety issues; or
- address first and last mile connectors between facilities and modes of transport.

The following describes project eligibilities for the discretionary program:

- for a transportation infrastructure facility or for an operational improvement or equipment for such a facility, that is significantly used for the movement of freight, and that is:
  - a road, rail, air, water, or pipeline facility;
  - an intermodal facility such as a seaport or port on the inland waterway system, an airport, or a highway/rail intermodal facility; or
  - a facility related to an international border crossing;
- will help to achieve the goals of the program;
- funding committed by state and local governments and other public and private partners, along with the federal funding requested, will be sufficient to complete the capital investment; and
- The project will have independent utility upon completion.

Considerations for Funding

The $10 billion will be available over four fiscal years (FY 2015-2018). The funding is divided equally between the incentive distribution and the discretionary program and at the end of each fiscal year unearned incentive funding would be made available for the discretionary program.

Multimodal Freight Incentive Program

To be eligible for the distribution funding under the incentive program, States must meet criteria under two tiers. Funding levels are determined depending on whether or not a State meets the criteria for each tier. Each Tier requires an increasing degree of freight planning and coordination with freight advisory committees, regional and private-sector partners. A State meeting the criteria for the tiers may access a percentage of the funding determined by the distribution of funding for States based on the apportionment described above.

National Freight Infrastructure Program

To be eligible for a discretionary grant, projects must meet criteria related to how the project will advance the freight goals of the program, demonstrate the benefits of the project relative to the costs, demonstrate innovative technology, strategies and practices, the effect of the project on improving U.S. exports, and consistency with national and state freight plans.

Why Is This Program Necessary?

Freight projects are often multimodal, multi-jurisdictional, complex, or involve partnership with the private sector, making them difficult to administer under current federal and state funding programs. Public- and private-sector freight proponents identify these issues along with a lack of predictable federal funds as challenges to implementing freight solutions despite widespread

need and a significant backlog of projects (over $65 billion in a review of five multimodal state freight plans). In work undertaken by FHWA, the agency identified over 200 bottlenecks that result in significant truck hours of delay and lost productivity. The delay from these bottlenecks total upwards of 243 million hours annually, with direct costs to the trucking industry from these bottlenecks of almost $8 billion per year. States have long requested federal assistance to advance their most significant projects, many of which have benefits beyond the improvement of freight flow. Of the State freight plans showing project needs, nearly one-third of the projects identified involve non-highway modes.

During the last reauthorization efforts, numerous public- and private- sector stakeholders called for federal funding of both formula and discretionary programs for freight. Freight program proposals included, AASHTO's National Freight Corridors Investment Fund, an investment fund for freight related projects on national freight corridors that included funding freight system multimodal investments such as bottlenecks, improved access, freight transportation to/from gateways, freight routes, truck only lanes, and freight rail; ARTBA's Critical Commerce Corridors Program that would have provided funding for new surface transportation system capacity and operational improvements exclusively focused on securing the safe and efficient movement of freight; AMPO's National Program for Freight Mobility and Transparent Borders; Freight Stakeholders Coalition's dedicated fund for freight mobility/goods movement, and the Bi-Partisan Policy Center Sustaining National Connectivity and Improving Federal Connections programs. The program proposed here will help in achieving national export goals, as well as national performance goals in many sectors (reduced emissions and energy use, reduced VMT, improved efficiency, improved safety, etc.).

This program is designed to address the following:

- ***Competition*** – Freight improvements to grow our economy often must wait behind a backlog of system preservation and other projects. Existing formula and grant programs are not sized to handle the backlog of multi-modal or transformational freight infrastructure projects.
- ***Eligibility*** – Current formula programs are limited to specific modes or types of projects and do not relate directly to other MAP-21 freight goals.
- ***Comprehensiveness*** – The variety of freight needs demand both a robust predictable funding stream for advancing public sector freight plans and a high impact discretionary program to address one-time freight projects in the national and regional interest.
- ***Multi-jurisdictional*** – A discretionary component will advance corridor projects and initiatives with multi-party participation that are vital to meeting supply chain needs across political subdivisions.
- ***Private-Sector Investment*** – The private sector will be attracted by the certainty of distribution funding and/or by a robust freight discretionary program with multi-modal eligibilities and will partner with public entities to realize priorities set out in State freight plans.

This program will:

- Allow freight projects, that are often complex, involving numerous modes, public and private owners and operators, and diverse funding sources, which do not neatly fit into the design of current funding programs to be more easily funded.
- Address the lack of a funding program that encompasses the ability to fund multi-jurisdictional planning and corridor development, operational improvements and construction efforts.
- Address the lack of sufficient funds in existing federal programs for freight projects as challenges to implementing freight solutions.
- Generate a high rate of return on federal dollars due to a highly positive correlation between federal (and non-federal) investment in freight and economic growth.

How Do You Know The Program Works?

Investments in freight improve the economy - Investments in freight infrastructure have had a profoundly positive effect on the national economy. Research has documented a highly positive correlation between federal investment in freight and economic growth. Further, these analyses confirm that an efficient, reliable transportation system enables the economic competitiveness that is vital to maintaining economic health and supporting employment for the Nation, States, and localities. For example, disruptions to the speed and reliability of freight transportation add directly and indirectly to businesses costs, export costs, the cost of consumer goods and the ability of industry to support jobs.

Freight Projects Create Jobs and Supports Growth and Sustainability - Investment in freight projects creates jobs, supports economic growth and competitiveness, and can improve safety and the environment. However, freight projects are often complex, involving numerous modes, public and private owners and operators, and diverse funding sources, and do not neatly fit into the design of current funding programs. Public- and private- sector freight proponents identify these characteristics along with a lack of sufficient funds in existing federal programs for freight projects as challenges to implementing freight solutions. As such, these projects struggle to progress.

Freight Projects Yield a High Rate of Return - The establishment of a multi-modal freight program with multi-year authorization offering public-sector agencies and their private-sector partners a path forward to make real improvements in freight infrastructure and operations would be unprecedented and yield a high rate of return on federal investment for the economy and for public benefits in safety, mobility, health and the environment. The demand for freight investment through the individual TIGER program years has not waned, and the private sector continues to come to the table as funding and project delivery partners, reflecting a belief in the return on investment of these projects.

Why Do We Want/Need To Fund The Program At The Requested Level?

The establishment of a multi-modal freight program with multi-year authorization offering public sector agencies and their private sector partners a path forward to make real improvements in freight infrastructure and operations would be unprecedented and yield a high rate of return on

federal investment for the economy and for public benefits in safety, mobility, health and the environment. There is a significant unmet need in the nation for freight investment, and during the last reauthorization process, numerous public- and private-sector stakeholders called for federal funding of both formula and discretionary programs for freight. The proposed program will help in achieving national export goals, as well as national performance goals in many sectors (reduced emissions and energy use, reduced vehicle miles traveled, improved efficiency, improved safety, etc.). The U.S. population growth, coupled with consumer demand for goods, will continue to drive freight growth. Today, that demand is 57 tons of freight, per person, per year. The proposed program will have a significant effect on the ability of the U.S. freight industry to meet the growth in demand in a responsible, effective and sustainable way.

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Executive Summary
Administrative Expenses

What Is The Request And What Will We Get For The Funds?
FHWA requests $442 million to provide for administrative expenses, consisting of $439 million for FHWA General Operating Expenses (GOE) and an additional $3 million for Appalachian Regional Commission (ARC) operating expenses. Other programs previously authorized by MAP-21 within Administrative Expenses are now included in the Other Programs section of the budget request. This includes On-The-Job Training Support Services, Disadvantaged Business Enterprises, Highway Use Tax Evasion, and Other Safety-Related Programs.

What Is The Program?
This account provides the resources necessary to maintain the Agency's general administrative operations. GOE funds salaries and benefits, travel, rent, communications, utilities, printing, contractual services, supplies, and equipment for most of the Federal-aid Highway Program, as well as ARC.

Why Is This Particular Program Necessary?
This program provides the resources necessary to maintain the Agency's extensive administrative and oversight functions. The GOE request will help ensure FHWA is properly resourced to maintain its leadership and oversight role as the Federal highway program continues a new era of complexity, accountability, and transparency under a new reauthorization.

Why Do We Want/Need To Fund The Program At The Requested Level?
FHWA requests baseline increases for foundational items that are essential to our ongoing operations, such as rent and salaries for staff. FHWA also requests adequate resources to continue the implementation of our financial management and reporting system upgrade and data integration initiatives, as well as necessary information technology (IT) initiatives that will increase operational efficiency, security of data, and access to critical information.

FHWA continues to carefully scrutinize its current operating costs, especially in the areas of travel, transportation, supplies, printing, and advisory contracts, and will prioritize GOE spending on activities critical to the agency's operation.

Detailed Justification
Limitation on Administrative Expenses

What Is The Request And What Will We Get For The Funds?

FY 2015 – Limitation on Administrative Expenses ($442.2 million)

($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways			
Limitation on Administrative Expenses (LAE)			
FHWA General Operating Expenses (GOE) (CA)	403,752	439,000	35,248
Unobligated of CA for Administrative Expenses (GOE)	12,348	-----	- 12,348
Subtotal, FHWA General Operating Expenses	416,100	439,000	22,900
Appalachian Regional Commission	3,248	3,248	-----
Subtotal, LAE	419,348	442,248	22,900
Other Administrative Expenses [1/]			
On-the-Job Training	10,000	11,000	1,000
Disadvantaged Business Enterprise	10,000	11,000	1,000
Highway Use Tax Evasion Projects	10,000	10,000	-----
Other Programs from Administrative Expenses	3,000	3,000	-----
Total	**452,348**	**477,248**	**24,900**

1/ Programs relocated to Federal Allocation Programs. FY15 amounts included for comparison purposes.

FHWA requests a $442 million Limitation on Administrative Expenses (LAE) consisting of $439 million for FHWA Federal-Aid General Operating Expenses (GOE) and $3 million for the Appalachian Regional Commission (ARC). In accordance with section 104 of title 23, United States Code, funding is appropriated to FHWA and transferred to ARC. The table that follows summarizes the requested FY 2015 obligation limitation changes from FY 2014 requested levels.

Summary of Requested FY 2015 Funding Changes from FY 2014 Enacted Level	
GOE Activity	**Amount ($000)**
President's 2015 pay raise	2,286
Annualization of 2014 pay raise	3,018
GSA Rent	751
Working Capital Fund	250
Inflation	295
Subtotal, adjustments to base	**6,600**
IT Support Services	6,500
Training	1,500
Financial Management and Reporting System	1,500
Enhanced IT Security	1,500

Cloud Computing Pilot	1,000
Expanded IT Communication Capabilities	500
Data and Reporting Systems Integration	1,900
Enterprise Architecture	600
Workforce Mobility – Mobile Device Optimization	1,300
Subtotal, FY 2015 program changes	**16,300**
Total	**$22,900**

Of the increased funding requested, $4.3 million is adjustments to baseline funding and other increases that are required to maintain current level of agency operations. These increased costs include:

- President's 2015 pay raise of 1.0 percent ($2.3 million)

- Annualization of 2014 pay raise ($3.0 million)— In FY 2014, FHWA had to absorb a 1% pay raise for 9 months of the fiscal year without any additional GOE funding. Totaling over $3 million, the costs associated with this pay raise will continue to be incurred in FY 2015 since pay raises are permanent and have a cumulative effect. Without an increase in funding to cover this enacted payraise, approximately 20 positions will be unfunded in FY 2015.

- GSA Rent increase based on standard escalation contract clauses ($0.8 million)

- Inflation ($0.3 million)

FHWA seeks additional funding to improve data and reporting systems capabilities to ensure the appropriate infrastructure support for the organization. It is critical to fund these initiatives in FY 2015 at the requested level to ensure that FHWA has the technology and information systems, as well as a well-trained workforce necessary to carry out its essential management and oversight activities. Below are detailed descriptions of these critical areas:

IT Support Services ($6.5 million):
This funding increase is requested to allow FHWA to continue to provide mission-critical IT support services at the levels required to meet the needs of FHWA and other external stakeholders. These support services include program management, design and improvement, installation, configuration, customization, testing, training, and maintenance of the FHWA's nationwide IT systems (video, voice, and data) to both headquarters and all field offices. Additionally, there are a number of state and local users that are reliant on FHWA systems, and therefore are greatly impacted by the agency's IT performance and support.

As IT continues to assume a more significant role in agencies across the government, and as Federal rules and guidance require additional reporting and more stringent security, strong IT support is more crucial than ever to an agency's ability to execute its mission. Since FY 2010, FHWA has reduced GOE travel costs by approximately 15%. In order to continue travel cost reduction, FHWA requires this additional IT support funding to support video teleconferencing; maintain software, hardware, and systems support to ensure that FHWA employees have the

tools to effectively do their jobs; and provide the appropriate level of systems security support to prevent security incidents that could affect the organization.

This request is not to provide new services, but rather to fund existing services at their required levels in FY 2015. This request is necessary in order for FHWA to provide the needed level of critical IT support services.

Learning & Development ($1.5 million):
FHWA's training dollars as a percentage of salaries have decreased in recent years. Investment in learning and professional development in FY 2013 was one-third of what it was in 2002 ($6 million versus $2 million, dropping from 2.9 percent to less than 1 percent of total salaries), while retirements and staff departures are reducing expertise in key positions.

FHWA faces a significant key challenge ahead in the learning and development arena as we develop and enhance leadership and supervision skills, and the professional capabilities of FHWA future leaders. Even as our attrition rate has remained stable, the percentage of separations due to retirements has increased from 35% in 2007 to 48% in 2013. We anticipate that trend to continue as more than 34% of our senior leadership (GS,-14, 15 and SES) will be eligible to retire within the next five years.

In order for FHWA to maintain its national leadership position in the transportation arena, it is critical to have a well-trained workforce. MAP-21 statutory requirements demand additional training in the areas of innovative program delivery, planning, freight delivery, and performance management so that FHWA employees can provide the level of program management and oversight that our stakeholders have come to expect from us.

This relatively modest increase would provide additional critical learning and development opportunities to FHWA employees in three core program areas as follows:

1) To continue efforts to shorten project delivery,
2) To provide enhanced program oversight and stewardship to the states, and
3) To effectively utilize transportation resources through improved program performance management resulting in a better decision making process.

Results from the recent Federal Employee Viewpoint Survey confirm FHWA's ongoing commitment to ensuring that first-line supervisors receive the training and experience they need to effectively manage their employees. FHWA is also committed to providing pre-supervisor and refresher courses to employees considering becoming a supervisor as well as those who have been in the position for a number of years.

Providing opportunities for our employees to gain additional professional and technical skills will continue to ensure staff are keeping up with their private-sector engineers and other industry experts. This will help to ensure that FHWA employees remain current in the rapidly changing transportation industry.

Financial Management and Reporting System ($1.5 million):
By October 1, 2014, FHWA will upgrade its Financial Management and Reporting System (FMIS) to a newer, more modern platform. The modernized version will allow for a more user-friendly, robust system, especially in the area of reporting. This will enable users to more efficiently enter and extract data from the system. Currently, the system does not allow much flexibility for ad hoc reports, forcing users to rely on pre-defined reports. This upgrade will enable FHWA to better track and report on existing data, and provide more timely responses to reporting requests from stakeholders such as OMB, Congress, the public, and others, going forward.

However, since FHWA did not receive any additional GOE funding for this effort, several key initiatives were not able to be included as part of this upgrade. FHWA is requesting $1.5 million in FY 2015 to fund these key initiatives.

- Once the new, modernized platform goes live, there will be a need for elevated systems support at the outset. This will be to handle any unanticipated systems issues, as well as provide enhanced user support—always necessary when a new system comes on-line.

- Additionally, FHWA is requesting funding for a project execution module, enabling users to track the performance of Federal-aid projects. This module will allow FHWA and the states to capture key project data such as contracts, vendors, projects status, schedule and cost variance, and payment irregularities. This module will not only allow states to be more efficient and effective project managers, but will provide key project management information to FHWA.

- Also, FHWA requests funding for enhanced FMIS reporting. As the need for financial information grows, especially in the wake of ARRA and MAP-21 requirements, FHWA needs the systems capability to meet these requirements. This funding will allow FHWA and states to produce a variety of map-based reports, as well as provide dashboards so that users have instant access to critical information that is relevant to their area of responsibility.

Enhanced IT Security ($1.5 million):
Security of an agency's data and systems is critical to the success and operation of the organization. As such, the Department has recognized IT security as a critical priority. This includes the continuous monitoring of the system configuration, expansion of Trusted Internet Connections (TICs), and enabling additional systems to use Personal Identity Verification (PIV) cards. All of these initiatives will strengthen FHWA's existing IT security, and better protect its data and systems.

Specifically, this requested funding will allow FHWA to increase the number of relay points and expand the capacity of existing servers, which will improve FHWA's ability to store and deploy necessary security patches and increase security log capacity. Also, FHWA would expand its use of Trusted Internet Connection (TIC) sites so that 11 additional states could communicate with FHWA via this more secure connection. And, FHWA would modify additional systems to make them PIV-card compliant, creating a greater level of security for users across more systems.

All of these efforts, taken together, will increase the security of FHWA's data and systems, making it less vulnerable to attacks or systems interruptions, and increasing the efficiency of its employees.

Cloud Computing Pilot ($1.0 million):
The cloud computing pilot would accelerate FHWA's movement towards a cloud systems architecture, enabling the agency to host multiple systems on a shared, virtual platform. This initiative is part of the Federal government's "25 Point Implementation Plan To Reform Federal Information Technology Management" and has also been identified as a key Departmental priority.

The pilot would involve the virtualization of current IT applications and services, shifting them to a managed, encrypted service. The funding requested for FY 2015 would enable FHWA to identify, plan, and migrate a subset of FHWA IT infrastructure resources to a cloud environment as a pilot program.

Expanded IT Communication Capabilities ($0.5 million):
With an increasingly mobile workforce, and the continuing need to reduce travel and conference attendance costs, FHWA has experienced an increased demand for collaboration tools such as videoconferencing, web conferencing, and SharePoint service support. This has created a capacity issue for the agency as demand of these services is exceeding supply, creating a situation where FHWA cannot fully support these communications needs. This problem is magnified by the fact that FHWA serves as the videoconference executive agent for all DOT modes with the exception of the Federal Aviation Administration (FAA).

FHWA will use this additional FY 2015 funding to expand videoconferencing capabilities to allow for more simultaneous and larger sessions, support for workers out of the office (e.g., job sites, other locations), and expansion of the web conference room to support larger meetings.

Through these efforts, FHWA will be able to make the best use of its technology, allowing mission critical functions to continue, while reducing travel and related costs. FHWA has reduced GOE travel costs by approximately 15% since FY 2010, and this expanded IT communication funding will enable FHWA to continue to operate efficiently.

Data and Reporting Systems Integration ($1.9 million):
The Federal Highway Administration (FHWA) is a data-driven organization that depends on vast amounts of information to fulfill oversight and regulatory responsibilities, conduct administrative processes, develop transportation policy, and conduct research. FHWA data are an enterprise resource that must be managed from an enterprise perspective. The Data Integration Project resulted in the development and establishment of an enterprise data-based platform and processes that provide staff with the means to seamlessly access and use integrated data captured from four of FHWA's major data systems -- Fiscal Management Information System (FMIS); Highway Performance Monitoring System (HPMS); National Bridge Inventory (NBI); and the Recovery Act Data System (RADS) -- to address various work programs.

The initial Data Integration Project produced a comprehensive resource which greatly enhanced FHWA's ability to perform cross-cutting analysis, ultimately improving information and data flow, minimizing duplication of effort, and providing for comprehensive analyses. This follow-on project aims to increase the platform's functionality, bring in additional data sources, and introduce new analytical and reporting components, which align with DOT's Open Government initiative.

The data platform, in its current state, provides users with basic tools to view and analyze the data. As FHWA's data needs change due to evolving Stewardship and Oversight roles and new initiatives such as system performance management, the platform also needs to change to meet the needs of the growing user base. It is anticipated that the platform's functionality will need to be increased and simplified to provide users with a broader set of tools along with new and enhanced management dashboards. Additional changes may also be need to ensure compliance with FHWA's Data Governance initiative and to address requirements resulting from external IT efforts such as the government wide push for more open data. The GIS capabilities will also be enhanced to allow users to easily create themed maps for dashboards and presentations as well as stewardship and oversight purposes. This increase in functionality will enable all data in the integrated systems to be probed, viewed, displayed geographically and analyzed in a comprehensive manner, by all users.

By adding additional data sources to the data integration platform, FHWA will enhance its ability to perform comprehensive analysis. For instance, by adding the Fatality Analysis Reporting System (FARS) data to the platform, FHWA will be able to better influence project and program decisions by giving consideration to these mission critical safety data. Other data sources to be added include: Traffic Monitoring and Analysis System (TMAS); Weigh-in-Motion (WIM); Freight Analysis Framework (FAF); and Fuels and FASH, which includes motor fuel, licensed driver, registered vehicle, and State highway finance data.

Enterprise Architecture (EA) ($0.6 million):
Recent Presidential and other Federal memoranda ("Open Data Policy-Managing Information as an Asset" and "Increasing Access to the Results of Federally Funded Scientific Research") have highlighted the need for Federal agencies to establish strong data governance programs. Furthermore, MAP-21 emphasizes transparency of public data and decision-making, as well as greater accountability of public spending. In order to achieve these goals, FHWA must strengthen its information sharing and data governance programs.

The requested funding will allow FHWA to establish data metrics such as quality, consistency, frequency and ownership; recommend improvements for transparency of public data; and implement other standards that support an enterprise-wide approach to data management and stewardship.

The second component of the Enterprise Architecture (EA) initiative is to establish an EA tool that will support the collection, storage, performance/configuration management, reporting, and information sharing requirements that are necessary for a well-functioning EA program. FHWA plans to implement its EA tool consistent with the Department's Shared Services goal so that other Operating Administrations can use the toolset.

FHWA has evaluated commercial off-the-shelf (COTS) products that would meet its requirements. The requested funding would allow FHWA to purchase the software, implement the program, and maintain it during FY 2015.

Enhancing Workforce Mobility Through Information Technology Optimization ($1.3 million): The President's directive, *Building a 21st Century Digital Government*, calls for developing a strategy to support an increasingly mobile workforce, enabling secure access to government information to more effectively accomplish the agency mission. As employees increasingly work in remote or off-site locations, and as the nature of the work moves beyond the standard 9-to-5 requirements, a fully supported mobile workforce is essential.

In alignment with DOT, FHWA has developed a strategy to enhance the capability of the FHWA workforce to accomplish business objectives, increase productivity and improve customer service regardless of physical location. This initiative expands FHWA's current workforce mobility initiative, and provides users with secure access to government information on smartphones, tablets and other approved devices. The budget request of $1.3 million will enable FHWA to purchase, secure, and support additional devices, allowing employees to more effectively and efficiently manage and oversee FHWA's programs.

Appalachian Regional Commission ($3.2 million):
The FY 2014 budget request for ARC is $3.2 million. This is the same amount as their requested FY 2014 funding level.

What Is This Program?

The Limitation on Administrative Expenses funds salaries and benefits, travel, rent, communications, utilities, printing, contractual services, supplies and equipment.

Why Is This Particular Program Necessary?

This account provides the resources necessary to maintain the Agency's administrative operations. Funding will support activities related to the FHWA goals, and meeting other Federal mandates.

Why Do We Want/Need To Fund The Program At The Requested Level?

The scope and complexity of FHWA's responsibilities have greatly expanded and evolved over the last 10 years, but its enacted obligational authority levels to carry out essential management and oversight has not kept up.

SAFETEA-LU amended Title 23 U.S.C. to include comprehensive Federal approval and oversight requirements, and these requirements have been carried forward into MAP-21. Project design and development has become more complicated as States and partners are increasingly turning to Public-Private-Partnerships (PPPs), innovative contracting and project delivery mechanisms (e.g. design-build), as a means for our partners and others to deliver large complex and higher cost projects. These methods require extensive FHWA involvement on issues ranging from contracting, project development, financing, tolling, construction, maintenance, and operations.

FHWA proposes to continue the performance based framework authorized under MAP-21. This will require the continued development and expansion of systems and processes to support a more robust performance management structure. The organization must dedicate both human and systems resources to fulfill the performance management requirements.

Also, the planning process has become more complicated, with new requirements to discuss and consider, such as environmental mitigation, safety, operations and management, asset management, freight movement, fiscal constraint, land use and multi-modal issues. Finally, the operations and freight program areas, which largely did not exist 10 years ago, are now integral parts of the Federal-aid program and FHWA's role in transportation security and in preparing for and responding to manmade and natural disasters has grown significantly as a result of events such as 9/11 and Hurricane Katrina.

FHWA continues to proactively adjust, as it has over the last 10 years, to changing requirements and economic conditions, in order to best manage its limited GOE resources. We have staffed at reduced levels, refocused staff on new oversight responsibilities and de-emphasized lower risk activities, evaluated and implemented resource sharing to gain staff efficiencies, cut back to all but essential travel and training activities, and performed an increasing amount of our work virtually (through teleconferencing, videoconferencing, and web-conferencing).

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Executive Summary
Fixing and Accelerating Surface Transportation (FAST)

What Is The Request And What Will We Get For The Funds?
We request $500.0 million for the Fixing and Accelerating Surface Transportation (FAST) program to reform transportation policy and investment, and encourage innovation.

What Is The Program?
FAST is a competitive grant program, jointly managed by FHWA and the Federal Transit Administration (FTA), designed to spur major reform in the way States and metropolitan regions make transportation policy and investments, and to encourage new and innovative solutions to transportation challenges. FAST will use competition and a sizable grant incentive to reward long-term, systematic innovation and reform in our Nation's transportation system.

Why Is This Particular Program Necessary?
FAST is necessary to incentivize innovative reform by States and metropolitan planning organizations (MPOs) that benefit national priorities, including reducing transportation fatalities, improving efficiency, strengthening economic competitiveness, improving state of good repair of the transportation system, and providing access to jobs and opportunity. Because the majority of transportation funds are distributed by formula to states, the decisions on which projects to fund are made at the state level. The FAST competitive grant program would supplement these formula funds, and would provide additional resources designed to encourage states and localities to work across jurisdictional lines to address national transportation priorities, with awardees chosen based on the boldness of their proposal and the outcomes expected to follow.

How Do You Know The Program Works?
FAST is based on the U.S. Department of Education's Race to the Top concept, which spurred unprecedented competition, innovation and reform in our Nation's education system. Competition in transportation has proven to be a powerful incentive for States and local governments to tackle long-standing barriers to making performance-based, outcome-driven investment decisions and policies that best achieve national goals.

Why Do We Want/Need To Fund The Program At The Requested Level?
A $500.0 million program is needed to provide a strong incentive for States and MPOs to take on ambitious, innovative reforms that lead to large-scale adoption.

Detailed Justification for the Fixing Accelerating Surface Transportation Program

What Do I Need To Know Before Reading This Justification?

- This is a new program request for FY 2015-FY 2018 reauthorization.
- The program is requested to be funded by the Transportation Trust Fund. It would encourage new and innovative solutions to transportation challenges.

What Is The Request And What Will We Get For The Funds?

FY 2015 – Fixing and Accelerating Surface Transportation (FAST) ($500.0 million)

($000)

PROGRAM ACTIVITY	FY 2014 ENACTED	FY 2015 REQUEST	Difference From FY 2014 ENACTED
Federal-aid Highways			
Fixing and Accelerating Surface Transportation			
Fixing and Accelerating Surface Transportation	-----	500,000	500,000
Total	-----	**500,000**	**500,000**

What Is This Program/Activity?

The Fixing and Accelerating Surface Transportation (FAST) program is a $500.0 million competitive grant program, jointly managed by FHWA and FTA, designed to spur major reform in the way States and metropolitan regions make transportation policy and investments, and to encourage new and innovative solutions to transportation challenges. Based on the U.S. Department of Education's current "Race to the Top" concept, the FAST program will use competition and a sizable grant incentive to reward long-term, systematic innovation in our Nation's transportation system. It will be jointly administered by the Federal Highway Administration and Federal Transit Administration.

Why Is This Particular Program Necessary?

FAST is necessary because long-term, systematic reforms usually requiring difficult change to established, customary practices. Often change to these practices requires legislation, regulation or broad restructuring of traditional programs. The FAST program offers an opportunity to effect near-term change by encouraging states and localities to move away from established practice.

There is general agreement that transportation should be a seamless, intermodal network designed to move people and goods to their destination. However, our transportation programs at the Federal, State and local level continue to operate in siloes; with separate funds, rules and systems for each mode of transportation. For example, many States have legislative or

constitutional prohibitions against using gas tax funds for non-roadway projects, resulting in inflexible transportation solutions and moving further from multimodal and systematic solutions. Current practice for selecting projects within Metropolitan Planning Organizations (MPOs) also offers opportunities for improvement. Some urban areas are represented by as many as four or five MPOs, which can inhibit regional strategies for transportation problems. Other MPOs fail to coordinate with other infrastructure and economic development activities in the region.

The Department of Transportation is pursuing multiple strategies for rectifying deficiencies in current practice for selecting projects—including seeking changes to authorizing language for transportation programs, and developing regulations and performance measures for states and localities where appropriate. The FAST program complements these efforts by offering a mechanism for inducing rapid change, through incentives rather than enforcement. As a competitive grant program, FAST will choose awardees based on the boldness of the proposal and the expected outcomes in the form of transportation benefits. Awards will be made based on the extent to which a project benefits national priorities, including reducing transportation fatalities, improving efficiency, strengthening economic competitiveness, improving state of good repair of the transportation system and providing access to jobs and opportunity.

How Do You Know The Program Works?

FAST is based on the U.S. Department of Education's Race to the Top concept, which spurred unprecedented competition, innovation and reform in our Nation's education system. Race to the Top brought significant change to our education system, particularly in raising standards and aligning policies and structures to the goal of college and career readiness. Race to the Top has helped drive states nationwide to pursue higher standards, improve teacher effectiveness, use data effectively in the classroom, and adopt new strategies to help struggling schools.

Similar to the education sector, competition in transportation has proven to be a powerful incentive for States and local governments to tackle long-standing barriers to making performance-based, outcome-driven investment decisions and policies that best achieve national goals such as economic competitiveness, safety, and environmental sustainability.

Why Do We Want/Need To Fund The Program At The Requested Level?

As with Race to the Top, FAST needs to be a large enough program that the grant awards can incentivize States and MPOs to break from current practice. A $500 million program within FHWA provides sufficient funding to encourage states and localities to generate bold, regional-scale project proposals. Past attempts to provide minor monetary incentives to make improvements, such as encouraging investment in freight projects with a higher Federal match, have not proven large enough to incentivize transformative project proposals.

With the funding level requested for FAST, states and localities will compete to build multimodal, regional transportation projects that achieve national goals and provide superior transportation benefits.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
HIGHWAY INFRASTRUCTURE INVESTMENT, RECOVERY ACT

BACKGROUND

Enacted on February 17, 2009, the American Recovery and Reinvestment Act of 2009 (Recovery Act) provided $27.5 billion from the General Fund to the Federal Highway Administration (FHWA), of which $26.6 billion was apportioned to States based on formulas described in the Recovery Act and $0.9 billion was allocated to programs identified in the Recovery Act, including the Indian Reservation Roads Program, Park Roads and Parkway Program, Forest Highway Program, Refuge Roads Program, Disadvantaged Business Enterprise Bonding Assistance, Territorial Highway Program, Puerto Rico Highway Program, and the Ferry Boat Discretionary Program. Administrative oversight funds were available through September 30, 2012 and all other funds were available through September 30, 2010.

The FHWA Recovery Act funds have been used to invest in transportation, environmental protection, and other infrastructure that will provide longer term economic benefits to the Nation. The Recovery Act funds augmented existing investments, authorized by the Safe, Accountable, Flexible, Efficient Transportation Equity Act of 2005: A Legacy for Users, enabled States, regional, and local governments to accelerate to completion a number of highway infrastructure projects planned or underway. Since the Recovery Act was enacted in February 2009, more than 42,000 miles of pavement across the United States have been improved. Of the 12,914 highway projects for which Recovery Act funds were obligated, 1,294 projects are under construction and 11,620 projects have been completed.

BUDGETARY RESOURCES

No new budget authority is requested for FY 2015.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
HIGHWAY INFRASTRUCTURE INVESTMENT, RECOVERY ACT

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-0504-01-401		FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
	Budgetary Resources:			
	Budget authority			
	Appropriations, discretionary:	.....	.....	.....
11.60	Appropriation, discretionary (total)	.....	.....	.....
	Spending authority from offsetting collections, discretionary:	.....	.....	.....
17.50	Spending authority from offsetting collections, disc (total)	.....	.....	.....
Change in obligated balance				
	Unpaid obligations:			
30.00	Unpaid obligations, brought forward, Oct 1	1,562	383	107
30.01	Adjustment to unpaid obligations, brought forward, Oct 1	3	.....	.....
30.11	Obligations incurred, expired accounts	109	.....	.....
30.20	Outlays (gross)	-1,118	-276	-107
30.41	Recoveries of prior year unpaid obligations, expired	-173	.....	.....
30.50	Unpaid obligations, end of year	383	107	.....
	Uncollected payments:			
30.60	Uncollected payments, Federal sources, brought forward, Oct 1	-5	-2	.....
30.71	Change in uncollected payments, Federal sources, expired	3	2	.....
30.90	Uncollected payments, Federal sources, end of year	-2	.....	.....
	Memorandum (non-add) entries:			
31.00	Obligated balance, start of year	1,560	381	107
32.00	Obligated balance, end of year	381	107	.....
Budget authority and outlays, net				
	Discretionary:			
	Outlays, gross:			
40.11	Outlays from discretionary balances	1,118	276	107
	Offsets against gross budget authority and outlays:			
	Offsetting collections (collected) from:			
40.30	Federal sources	-2	.....	.....
	Additional offsets against gross budget authority only:			
40.52	Offsetting collections credited to expiring accounts	2	.....	.....
40.70	Budget authority, net (discretionary)	.....	.....	.....
40.80	Outlays, net (discretionary)	1,116	276	107
41.90	Outlays, net (total)	1,116	276	107

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
EMERGENCY RELIEF

BACKGROUND

The Emergency Relief program receives $100 million annually in mandatory funds in the Federal-aid Highways account. The Safe, Accountable, Flexible, Efficient Transportation Equity Act of 2005: A Legacy for Users; and the Moving Ahead for Progress in the 21st Century Act (MAP-21), enacted July 6, 2012, authorized the program to receive additional General Fund discretionary funding as needed. In 2012, $1,662 million was enacted to remain available until expended, and in 2013, $2,022 million was enacted to remain available until expended, both for necessary expenses resulting from major disasters declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

BUDGETARY RESOURCES

No further appropriations are requested for this account in FY 2015.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
EMERGENCY RELIEF

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-0500-0		FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
New obligations:				
Obligations by program by activity:				
00.01	Direct program activity	1,075	1,659	.....
09.00	Total new obligations (object class 41.0)	1,075	1,659	.....
Budgetary resources:				
Unobligated balance:				
10.00	Unobligated balance brought forward, Oct 1	641	1,659	.....
10.21	Recoveries of prior year unpaid obligations	172	.....	.....
10.50	Unobligated balance (total)	813	1,659	.....
Budget authority:				
Appropriations, discretionary:				
11.00	Appropriation	2,022	.....	.....
11.30	Appropriations permanently reduced	-101		
11.60	Appropriation, discretionary (total)	1,921	.....	.....
19.30	Total budgetary resources available	2,734	1,659	.....
	Memorandum (non-add) entries:			
19.41	Unexpired unobligated balance, end of year	1,659	.....	.....
Change in obligated balances				
Obligated balance, start of year (net):				
30.00	Unpaid obligations, brought forward, Oct 1	811	948	1,560
30.10	Obligations incurred, unexpired accounts	1,075	1,659	.....
30.20	Outlays (gross)	-766	-1,047	-919
30.40	Recoveries of prior year unpaid obligations, unexpired	-172	.....	.....
30.50	Unpaid obligations, end of year	948	1,560	641
	Memorandum (non-add) entries:			
31.00	Obligated balance, start of year	811	948	1,560
32.00	Obligated balance, end of year	948	1,560	641
Budget authority and outlays, net:				
Discretionary:				
40.00	Budget authority, gross	1,921	.....	.....
40.10	Outlays from new discretionary authority	166	.....	.....
40.11	Outlays from discretionary balances	600	1,047	919
40.20	Outlays, gross (total)	766	1,047	919
40.70	Budget authority, net (discretionary)	1,921	.....	.....
40.80	Outlays, net (discretionary)	766	1,047	919
41.80	Budget authority, net (total)	1,921	.....	.....
41.90	Outlays, net (total)	766	1,047	919

OBJECT CLASSIFICATION
In millions of dollars

Identification code: 69-0500-0		FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
Direct Obligations:				
14.10	Direct obligations: Emergency Relief Backlog	1,075	1,659	.....

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

BACKGROUND

Funding for this program is used for the necessary expenses relating to construction of, and improvements to, corridors of the Appalachian Development Highway System as distributed to the following states: Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia. This schedule shows the obligation and outlay of amounts made available in prior years.

BUDGETARY RESOURCES

No new budget authority is requested for FY 2015.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-0640-0-1-401		FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
New obligations:				
Obligations by program by activity:				
00.01	Appalachian Development Highway System	3	.....	.....
09.00	Total new obligations (object class 41.0)	3	.....	.....
Budgetary resources:				
Unobligated balance:				
10.00	Unobligated balance brought forward, Oct 1	59	58	58
10.21	Recoveries of prior year unpaid obligations	2	.....	.....
10.50	Unobligated balance (total)	61	58	58
Budget authority:				
11.60	Appropriation, discretionary (total)	.....	.....	.....
19.30	Total budgetary resources available	61	58	58
	Memorandum (non-add) entries:			
19.41	Unexpired unobligated balance, end of year	58	58	58
Change in obligated balances				
Obligated balance, start of year (net):				
30.00	Unpaid obligations, brought forward, Oct 1	23	20	11
30.10	Obligations incurred, unexpired accounts	3	.....	.....
30.20	Outlays (gross)	-4	-9	-5
30.40	Recoveries of prior year unpaid obligations, unexpired	-2	.....	.....
30.50	Unpaid obligations, end of year	20	11	6
	Memorandum (non-add) entries:			
31.00	Obligated balance, start of year	23	20	11
32.00	Obligated balance, end of year	20	11	6
Budget authority and outlays, net:				
Discretionary:				
40.11	Outlays, gross			
	Outlays from discretionary balances	4	9	5
40.80	Outlays, net (discretionary)	4	9	5
41.80	Budget authority, net (total)	.....	.....	.....
41.90	Outlays, net (total)	4	9	5

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

OBJECT CLASSIFICATION
In millions of dollars

Identification code: 69-0640-0-1-401		FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
Direct Obligations:				
14.10	Direct obligations: Grants, subsidies, and contributions	3	.....	.....

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-8072-0-1-401	FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
Budgetary resources:			
Unobligated balance:			
10.00 Unobligated balance brought forward, Oct 1	3	3	3
Budget authority:			
Spending authority from offsetting collections, discretionary:			
17.50 Spending auth from offsetting collections, disc (total)	.....	.....	.....
19.30 Total budgetary resources available	3	3	3
Memorandum (non-add) entries:			
19.41 Unexpired unobligated balance, end of year	3	3	3
Change in obligated balances			
Unpaid obligations:			
30.00 Unpaid obligations, brought forward, Oct 1	3	1	1
30.20 Outlays (gross)	-2	.....	.....
30.50 Unpaid obligations, end of year	1	1	1
Memorandum (non-add) entries:			
31.00 Obligated balance, start of year	3	1	1
32.00 Obligated balance, end of year	1	1	1
Budget authority and outlays, net:			
Discretionary:			
Outlays, gross:			
40.11 Outlays from discretionary balances	2	.....	.....
40.80 Outlays, net (discretionary)	2	.....	.....
41.80 Budget authority, net (total)	.....	.....	.....
41.90 Outlays, net (total)	2	.....	.....

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DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
MISCELLANEOUS APPROPRIATIONS

BACKGROUND

This consolidated schedule shows the obligation and outlay of amounts appropriated from the General Fund for miscellaneous programs. The schedule reflects a Transportation Infrastructure Finance and Innovation (TIFIA) Act program upward interest re-estimate of $5 million for 2012 and $63 million for 2013. The Moving Ahead for Progress in the 21st Century Act (MAP-21), enacted July 6, 2012, includes the TIFIA Act program upward subsidy re-estimate with this account instead of its previous inclusion in the Federal-aid Highways account.

BUDGETARY RESOURCES

No further discretionary appropriations are requested for 2015.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
MISCELLANEOUS APPROPRIATIONS

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-9911-01-401		FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
New obligations:				
	Obligations by program by activity:			
00.02	Surface Transportation Priorities	38	44	44
00.03	Miscellaneous highway projects	12	16	16
00.83	Interest on TIFIA Upward Reestimate	64	389	.....
09.00	Total new obligation (object class 41.0)	114	449	60
Budgetary resources:				
	Unobligated balance:			
10.00	Unobligated balance brought forward, Oct 1	260	213	152
10.10	Unobligated balance transferred to other accounts [69-9911]	-7	.....	.....
10.11	Unobligated balance transferred from other accounts [69-9911]	.....	.....	.....
10.21	Recoveries of prior year unpaid obligations	11	.....	.....
10.50	Unobligated balance (total)	264	213	152
Budget authority:				
	Appropriations, discretionary:			
11.60	Appropriation (total discretionary)	.....	.....	.....
	Appropriations, mandatory:			
12.00	Appropriation	63	388	.....
12.60	Appropriations, mandatory (total)	63	388	.....
19.00	Budget authority (total)	63	388	.....
19.30	Total budgetary resources available	327	601	152
	Memorandum (non-add) entries:			
19.41	Unexpired unobligated balance, end of year	213	152	92
Change in obligated balance:				
	Unpaid obligations:			
30.00	Unpaid obligations, brought forward, Oct 1	142	121	113
30.10	Obligations incurred, unexpired accounts	114	449	60
30.20	Outlays (gross)	-124	-457	-65
30.40	Recoveries of prior year obligations, unexpired	-11	.....	.....
30.50	Unpaid obligations, end of year	121	113	108
	Memorandum (non-add) entries:			
31.00	Obligated balance, start of year	142	121	113
32.00	Obligated balance, end of year	121	113	108
Budget authority and outlays, net:				
	Discretionary:			
	Outlays, gross:			
40.11	Outlays from discretionary balances	61	69	65
40.80	Outlays, net (discretionary)	61	69	65
	Mandatory:			
40.90	Budget authority, gross	63	388	.....
	Outlays, gross:			
41.00	Outlays from new mandatory authority	63	388	.....
41.60	Budget authority, net (mandatory)	63	388	.....
41.70	Outlays, net (mandatory)	63	388	.....
41.80	Budget authority, net (total)	63	388	.....
41.90	Outlays, net (total)	124	457	65

OBJECT CLASSIFICATION
In millions of dollars

Identification code: 69-9911-01-401		FY 2013 ACTUAL	FY 204 ENACTED	FY 2015 REQUEST
Direct obligations:				
14.10	Direct obligations: grants, subsidies, and contributions	114	449	60

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
MISCELLANEOUS TRANSPORTATION TRUST FUNDS

BACKGROUND

This account contains miscellaneous appropriations from the Transportation Trust Fund. Obligations and outlays result from prior year appropriations. In FY 2013 and FY 2014 no new budget authority was appropriated.

BUDGETARY RESOURCES

No new budget authority is requested for FY 2015.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
MISCELLANEOUS TRANSPORTATION TRUST FUNDS

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-9972-0-7-401		FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
New obligations:				
Obligations by program activity:				
00.27	Miscellaneous highway projects	2	26	26
09.00	Total new obligations (object class 41.0)	2	26	26
Budgetary resources:				
Unobligated balance:				
10.00	Unobligated balance brought forward, Oct 1	87	86	64
10.21	Recoveries of prior year unpaid obligations	1	4	……
10.50	Unobligated balance (total)	88	90	64
Budget authority:				
Appropriations, discretionary:				
11.60	Appropriations, discretionary (total)	……	……	……
17.00	Spending authority form offsetting collections, disc (total)	……		
19.30	Total budgetary resources available	88	90	64
	Memorandum (non-add) entries:			
19.41	Unexpired unobligated balance, end of year	86	64	38
Change in obligated balances				
Unpaid obligations				
30.00	Unpaid obligations, brought forward, Oct 1	55	40	26
30.10	Obligations incurred, unexpired accounts	2	26	26
30.20	Outlays (gross)	-16	-36	-31
30.40	Recoveries of prior year unpaid obligations, unexpired	-1	-4	……
30.50	Unpaid obligations, end of year	40	26	21
	Memorandum (non-add) entries:			
31.00	Obligated balance, start of year	55	40	26
32.00	Obligated balance, end of year	40	26	21
Budget authority and outlays net:				
Discretionary:				
40.11	Outlays, gross			
	Outlays from discretionary balances	16	36	31
40.30	Offsetting collections (collected) from: Federal Sources	……	……	……
40.80	Outlays, net (discretionary)	16	36	31
41.90	Outlays, net (total)	16	36	31

OBJECT CLASSIFICATION
In millions of dollars

Identification code: 69-9972-0-7-401		FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
Direct Obligations:				
14.10	Direct obligations: Grants, subsidies, and contributions	2	26	26

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
MISCELLANEOUS TRUST FUNDS

BACKGROUND

Funds received by this account come completely from entities (governmental and non-governmental) outside of FHWA. FHWA holds these funds in trust until they outlay. The following programs are included in this fund:

1. Cooperative work, forest highways (Proprietary Receipts) – Contributions are received from States in connection with cooperative engineering, survey, maintenance, and construction projects for forest highways.

2. Technical assistance, U.S. dollars advance from foreign governments (Proprietary Receipts) – FHWA renders technical assistance and acts as agent for the purchase of equipment and materials for carrying out highway programs in foreign countries.

3. Advances from State cooperating agencies (Proprietary Receipts) – Funds are contributed by the State highway departments or local subdivisions thereof for construction and/or maintenance of roads and bridges. The work is performed under the supervision of FHWA.

4. Contributions for highway research programs (Governmental Receipts) – Contributions are received from various sources in support of FHWA transportation research programs. The funds are used primarily in support of pooled-funds projects.

BUDGETARY RESOURCES

The budget estimates that $29 million of new authority will be available from non-Federal sources in FY 2015.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
MISCELLANEOUS TRUST FUNDS

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-9971-0-7-999		FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
New obligations:				
	Obligations by program by activity:			
00.01	Cooperative work, forest highways 69-X-8265	5	6	6
00.02	Cooperative work, international highway transportation 69-X-8371	7	8	8
00.03	Advances from State cooperating agencies 69-X-8054	28	31	31
00.04	Contributions for highway research programs 69-X-8264	1	1	1
09.00	Total new obligations	41	46	46
Budgetary resources:				
	Unobligated balance:			
10.00	Unobligated balance brought forward, Oct 1	46	38	21
10.21	Recoveries of prior year unpaid obligations	4	……	……
10.50	Unobligated balance (total)	50	38	21
Budget authority:				
	Appropriations, mandatory:			
12.01	Appropriation (trust fund)	29	29	29
12.60	Appropriations, mandatory (total)	29	29	29
19.00	Budget authority (total)	29	29	29
19.30	Total budgetary resources available	79	67	50
	Memorandum (non-add) entries:			
19.41	Unexpired unobligated balance, end of year	38	21	4
Change in obligated balance:				
	Obligated balance, start of year (net):			
30.00	Unpaid obligations, brought forward, Oct 1	27	26	21
30.10	Obligations incurred, unexpired accounts	41	46	46
30.20	Outlays (gross)	-38	-51	-52
30.40	Recoveries of prior year unpaid obligations, unexpired	-4	……	……
30.50	Unpaid obligations, end of year	26	21	15
	Memorandum (non-add) entries:			
31.00	Obligated balance, start of year	27	26	21
32.00	Obligated balance, end of year	26	21	15
Budget authority and outlays, net:				
	Mandatory:			
40.90	Budget authority, gross	29	29	29
	Outlays (gross)			
41.00	Outlays form new mandatory authority	16	23	23
41.01	Outlays from mandatory balances	22	28	29
41.10	Outlays, gross (total)	38	51	52
41.60	Budget authority, net (mandatory)	29	29	29
41.70	Outlays, net (mandatory)	38	51	52
41.80	Budget authority, net (total)	29	29	29
41.90	Outlays, net (total)	38	51	52

OBJECT CLASSIFICATION
In millions of dollars

Identification code: 69-9971-0-7-999		FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
Direct obligations:				
	Personnel compensation:			
11.1	Personnel Compensation: Full-time permanent	2	2	2
12.1	Civilian personnel benefits	1	1	1
25.1	Advisory and assistance services	1	1	1
25.2	Other services from non-Federal sources	13	16	16
25.3	Other goods and services from Federal sources	11	12	12
44.0	Refunds	12	13	13
99.0	Subtotal, obligations	40	45	45
99.5	Below reporting threshold	1	1	1
99.9	Total new obligations	41	46	46

EMPLOYMENT SUMMARY

Identification code: 69-9971-0-7-999		FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
10.01	Direct civilian full-time equivalent employment	21	21	21

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT
FINANCING ACCOUNTS

BACKGROUND

Federal-aid Highways

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records cash flows to and from the Government resulting from direct loans made under the Transportation Infrastructure Finance and Innovation Act (TIFIA) Program. The amounts in this account are a means of financing and are not included in the budget totals.

The Safe, Accountable, Flexible, Efficient Transportation Equity Act of 2005: A Legacy for Users; and the Moving Ahead for Progress in the 21st Century Act (MAP-21), enacted July 5, 2012, have provided contract authority for the TIFIA Program to assist in the funding of nationally or regionally significant transportation projects. The subsidy costs and administrative expenses associated with this program are included in the Federal-aid Highway schedules.

National Infrastructure Investment

The Office of the Secretary of Transportation (OST) received appropriations totaling $1,127 million for TIGER Discretionary Grants as part of the 2010 and 2011 Department of Transportation (DOT) Appropriations Acts. The appropriations authorized DOT to pay subsidy and administrative costs, not to exceed $300 million, of projects eligible for Federal credit assistance under Chapter 6 of Title 23 United States Code. In 2012, $45 million was provided for TIGER discretionary grants as part of the 2012 DOT Appropriation Act to pay subsidy and administrative costs. OST has delegated the authority to negotiate and administer Transportation Infrastructure Finance Innovation Act of 1998 loans under this program to the Federal Highway Administration.

American Recovery and Reinvestment Act of 2009

OST received a FY 2009 appropriation of $1.5 billion into its Supplemental Discretionary Grants for a National Surface Transportation System as part of the American Recovery and Reinvestment Act of 2009 (ARRA). The ARRA appropriation authorized the DOT to pay subsidy and administrative costs not to exceed $200 million, of projects eligible for Federal credit assistance under chapter 6 of title 23, United States Code. The Office of the Secretary of Transportation (OST) has delegated the authority to negotiate and administer TIFIA loans under this program to the FHWA.

BUDGETARY RESOURCES

No further amounts are requested for 2015.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION
FINANCING ACCOUNT - DIRECT LOAN

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-4123-0-3-401	FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
Obligations by program activity:			
Credit program obligations:			
07.10 Direct loan obligations	1,639	13,083	9,706
07.13 Payment of interest to Treasury	231	275	376
07.42 Downward reestimate paid to receipt account	100	100	……
07.43 Interest on downward reestimate	35	66	……
09.00 Total new obligations	2,005	13,524	10,082
Budgetary Resources:			
10.00 Unobligated balance brought forward , Oct 1	30	25	……
Financing authority:			
Borrowing authority, mandatory:			
10.21 Recoveries of prior year unpaid obligations	6		
10.50 Unobligated balance (total)	36	25	……
14.00 Borrowing authority	1,768	12,578	8,991
14.20 Borrowing authority permanently reduced	-5		
14.40 Borrowing authority, mandatory (total)	1,763	12,578	8,991
Spending authority from offsetting collections, mandatory:			
18.00 Collected	328	759	509
18.01 Change in uncollected payments, Federal sources	54	749	582
18.25 Spending Authority from offsetting collections to repay debt	-151	-587	……
18.50 Spending authority from offsetting collections, mandatory (total)	231	921	1,091
19.00 Financing authority (total)	1,994	13,499	10,082
19.30 Total budgetary resources available	2,030	13,524	10,082
Memorandum (non-add) entries:			
19.41 Unexpired unobligated balance, end of year	25	……	……
Change in obligated balances			
Unpaid obligations;			
30.00 Unpaid obligations, brought forward, Oct 1	2,891	3,305	13,987
30.10 Obligations incurred, unexpired accounts	2,005	13,524	10,082
30.20 Financing disbursements (gross)	-1,585	-2,842	-4,481
30.40 Recoveries of prior year unpaid obligations, enexpired	-6	……	……
30.50 Unpaid Obligations, end of year	3,305	13,987	19,588
Uncollected payments:			
30.60 Uncollected pymts, Fed sources, brought forward, Oct 1	-205	-259	-1,008
30.70 Change in uncollected pymts, Fed sources, unexpired	-54	-749	-582
30.90 Uncollected pymts, Fed sources, end of year	-259	-1,008	-1,590
Memorandum (non-add) entries:			
31.00 Obligated balance, start of year	2,686	3,046	12,979
32.00 Obligated balance, end of year	3,046	12,979	17,998
Financing authority and disbursements, net:			
Mandatory:			
40.90 Financing authority, gross	1,994	13,499	10,082
41.10 Financing disbursements, gross	1,585	2,842	4,481
Offsets against gross financing authority and disbursements:			
Offsetting collections (collected) from:			
41.20.01 Federal sources: Subsidy from program account	-91	-176	-343
41.20.02 Federal sources: Upward Reestimate	-45	-318	…….
41.20.03 Federal sources: Interest on upward reestimate	-18	-71	…….
41.22.01 Interest on uninvested funds	-19	-25	-44
41.23.01 Non-Federal Sources - Interest payments	-155	-75	-108
41.23.02 Non-Federal Sources - Principal payments	…….	-94	-14
41.30 Offsets against gross financing authority and disbursements (total)	-328	-759	-509
Additional offsets against financing authority only (total):			
41.40 Change in uncollected payments, Federal Sources, unexpired	-54	-749	-582
41.60 Financing authority, net (mandatory)	1,612	11,991	8,991
41.70 Financing disbursements, net (mandatory)	1,257	2,083	3,972
41.80 Financing authority, net (total)	1,612	11,991	8,991
41.90 Financing disbursements, net (total)	1,257	2,083	3,972

STATUS OF DIRECT LOANS
In millions of dollars

Identification code: 69-4123-0-3-401	FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
Position with respect to appropriations act limitation on obligations:			
11.31 Direct loan obligations exempt from limitation	1,639	13,083	9,706
11.50 Total direct loan obligations	1,639	13,083	9,706
Cumulative balance of direct loans outstanding:			
12.10 Outstanding, start of year	4,697	6,346	9,433
12.31 Disbursement: Direct loan disbursements	1,585	2,842	4,481
12.51 Repayments: Repayments and Prepayments	-93	-94	-14
12.61 Adjustments: Capitalized interest	157	339	594
12.90 Outstanding, end of year	6,346	9,433	14,494

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION
FINANCING ACCOUNT - DIRECT LOAN

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-4347-0-3-401	FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
Budgetary resources:			
Financing authority:			
Spending authority from offsetting collections, mandatory:			
18.00 Collected	16	1	3
18.01 Change in uncollected payments, Federal sources	-7	-1	-3
18.50 Spending authority from offsetting collections, mandatory (total)	9	……	……
19.00 Financing authority (total)	18	122	14
19.30 Total budgetary resources available	18	122	14
Change in obligated balance:			
Unpaid obligations:			
30.00 Unpaid obligations, brought forward, Oct 1	472	73	165
30.10 Obligations incurred, unexpired accounts	18	122	14
30.20 Financing disbursements (gross)	-417	-30	-50
30.50 Unpaid obligations, end of year	73	165	129
Uncollected payments:			
30.60 Uncollected pymts, Fed sources, brought forward, Oct 1	-12	-5	-4
30.70 Change in uncollected pymts, Fed sources, unexpired	7	1	3
30.90 Uncollected pymts, Fed sources, end of year	-5	-4	-1
Memorandum (non-add) entries:			
31.00 Obligated balance, start of year	460	68	161
32.00 Obligated balance, end of year	68	161	128
Financing authority and disbursements, net:			
Mandatory:			
40.90 Financing authority, gross	18	122	14
Financing disbursements:			
41.10 Financing disbursements, gross	417	30	50
Offsets against gross financing authority and disbursements:			
Offsetting collections (collected) from:			
41.20 Federal sources	-7	-1	-3
Additional offsets against financing authority only (total):			
41.40 Change in uncollected pymts, Fed sources, unexpired	7	1	3
41.60 Financing authority, net (mandatory)	9	122	14
41.70 Financing disbursements, net (mandatory)	401	29	47
41.80 Financing authority, net (total)	9	122	14
41.90 Financing disbursements, net (total)	401	29	47

STATUS OF DIRECT LOANS
In millions of dollars

Identification code: 69-4347-0-3-401	FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
Cumulative balance of direct loans outstanding:			
12.10 Outstanding, start of year	……	418	453
12.31 Disbursement: Direct loan disbursements	417	17	36
12.61 Adjustments: Capitalized interest	1	18	20
12.90 Outstanding, end of year	418	453	509

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION
FINANCING ACCOUNT - DIRECT LOAN

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-4348-0-3-401	FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
Obligations by program activity:			
Credit program obligations:			
07.10 Direct loan obligations	499	.....	.....
07.13 Payment of interest to Treasury	1	12	15
09.00 Total new obligations	500	12	15
Budgetary resources:			
10.00 Unobligated balance brought forward, Oct 1	.....	1	31
Financing authority:			
Borrowing authority, mandatory:			
14.00 Borrowing authority	463	6	5
14.40 Borrowing authority, mandatory (total)	463	6	5
Spending authority from offsetting collections, mandatory:			
18.00 Collected	1	36	20
18.01 Change in uncollected payments, Federal sources	37	.....	.....
18.50 Spending authority from offsetting collections, mandatory (total)	38	36	20
19.00 Financing authority (total)	501	42	25
19.30 Total budgetary resources available	501	43	56
Change in obligated balances			
Unpaid obligations:			
30.00 Unpaid obligations, brought forward, Oct 1	546	1,000	670
30.10 Obligations incurred, unexpired accounts	500	12	15
30.20 Financing disbursements (gross)	-46	-342	-476
30.50 Unpaid obligations, end of year	1,000	670	209
Uncollected payments:			
30.60 Uncollected pymts, Fed sources, brought forward, Oct 1	-6	-43	-43
30.70 Change in uncollected pymts, Fed sources, unexpired	-37	.....	.....
30.90 Uncollected pymts, Fed sources, end of year	-43	-43	-43
Memorandum (non-add) entries:			
31.00 Obligated balance, start of year	540	957	627
32.00 Obligated balance, end of year	957	627	166
Financing authority and disbursements, net:			
Mandatory:			
40.90 Financing authority, gross	501	42	25
41.10 Financing disbursements, gross	46	342	476
Offsets against gross financing authority and disbursements:			
Offsetting collections (collected) from:			
41.20 Federal sources	.....	-30	-10
41.22 Interest on uninvested funds	-1	-4	-7
41.23 Non-Federal sources		-2	-3
41.30 Offsets against gross financing auth and disbursements (total)	-1	-36	-20
Additional offsets against financing authority only (total):			
41.40 Change in uncollected pymts, Fed sources, unexpired	-37	0	0
41.60 Financing authority, net (mandatory)	463	6	5
41.70 Financing disbursements, net (mandatory)	45	306	456
41.80 Financing authority, net (total)	463	6	5
41.90 Financing disbursements, net (total)	45	306	456

STATUS OF DIRECT LOANS
In millions of dollars

Identification code: 69-4348-0-3-401	FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
Position with respect to appropriations act limitation on obligations:			
11.31 Direct loan obligations exempt from limitation	499	.....	.....
11.50 Total direct loan obligations	499	.....	.....
Cumulative balance of direct loans outstanding:			
12.10 Outstanding, start of year	.....	.....	333
12.31 Disbursement: Direct loan disbursements	.....	330	461
12.61 Adjustments: Capitalized interest	.....	3	8
12.90 Outstanding, end of year	.....	333	802

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION
TIFIA GENERAL FUND PROGRAM ACCOUNT

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-0542-0	FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
Obligations by program activity:			
00.01 Unused subsidy sent back to OST	12	.....	.....
Credit program obligations:			
07.01 Direct loan obligations	37	.....	.....
07.09 Administrative expenses	1	.....	.....
07.91 Direct program activities, subtoal	38		
09.00 Total new obligations	50	.....	.....
Budgetary resources:			
Unobligated balance:			
10.00 Unobligated balance brought forward, Oct 1	45	.....	.....
Budget authority:			
Spending authority from offsetting collections, discretionary:			
17.00 Collected	5	.....	.....
17.50 Spending authority from offsetting collections, disc (total)	5	.....	.....
19.30 Total budgetary resources available	50	.....	.....
Memorandum (non-add) entries:			
19.41 Unexpired unobligated balance, end of year	.....	.....	.....
Change in obligated balances			
Unpaid obligations:			
30.00 Unpaid obligations, brought forward, Oct 1	6	43	13
30.10 Obligations incurred, unexpired accounts	50	.....	.....
30.20 Outlays (gross)	-13	-30	-10
30.50 Unpaid obligations, end of year	43	13	3
Memorandum (non-add) entries:			
31.00 Obligated balance, start of year	6	43	13
32.00 Obligated balance, end of year	43	13	3
Budget authority and outlays, net:			
Discretionary:			
40.00 Budget authority, gross	5	.....	.....
Outlays, gross:			
40.10 Outlays from new discretionary authority	.....	.....	.....
40.11 Outlays from discretionary balances	13	30	10
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
40.30 Federal sources	-5	.....	.....
40.70 Budget authority, net (discretionary)	.....	.....	.....
40.80 Outlays, net (discretionary)	8	30	10
41.80 Budget authority, net (total)	.....	.....	.....
41.90 Outlays, net (total)	8	30	10

OBJECT CLASSIFICATION
In millions of dollars

Identification code: 69-0542-0	FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
Direct Obligations:			
12.51 Advisory and assistance services	.....	.....	.....
14.10 Grants, subsidies, and contributions	50	.....	.....
99.99 Total new obligations	50	.....	.....

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DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
RIGHT-OF-WAY REVOLVING FUND

BACKGROUND

The Federal-Aid Highway Act of 1968 authorized the establishment of a right-of-way revolving fund. This fund was used to make cash advances to States for the purpose of purchasing right-of-way parcels in advance of highway construction and thereby preventing the inflation of land prices from significantly increasing construction costs. The purchase of right-of-way is an eligible expense of the Federal-aid program.

This program was terminated by the Transportation Equity Act for the 21st Century of 1998 but will continue to be shown for reporting purposes as loan balances remain outstanding.

BUDGETARY RESOURCES

No new budgetary resources are requested in FY 2015.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
RIGHT-OF-WAY (ROW) REVOLVING FUND
LIQUIDATING ACCOUNT

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-8402-0-8-401		FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
	Budgetary resources:			
	Unobligated balance:			
10.00	Unobligated balance brought forward, Oct 1	.....	.....	.....
10.21	Recoveries of prior year unpaid obligations	2	.....	.....
10.22	Capital transfer of unobligated balances to general fund	-2	.....	.....
10.50	Unobligated balance (total)	.....	.....	.....
	Budget authority:			
	Spending authority from offsetting collections, mandatory:			
18.00	Collected	16	.....	.....
18.20	Capital transfer of spending authority form offsetting collections to genera	-16	.....	.....
18.50	Spending authority from offsetting collections, mandatory (total)	.....	.....	.....
19.30	Total budgetary resources available	.....	.....	.....
	Change in obligated balance:			
	Unpaid obligations:			
30.00	Unpaid obligations, brought forward, Oct 1	6	4	.....
30.20	Outlays (gross)	.....	-4	.....
30.40	Recoveries of prior year unpaid obligations, unexpired	-2	.....	.....
30.50	Unpaid obligations, end of year	4	.....	.....
	Memorandum (non-add) entries:			
30.01	Obligated balance, start of year	6	4	.....
32.00	Obligated balance, end of year	4	.....	.....
	Budget authority and outlays, net:			
	Mandatory:			
	Outlays, gross			
41.01	Outlays from mandatory balances	.....	4	.....
	Offsets against gross budget authority and outlays:			
	Offsetting collections (collected) from:			
41.23	Non-Federal sources	-16	.....	.....
41.60	Budget authority, net (mandatory)	-16	.....	.....
41.70	Outlays, net (mandatory)	-16	4	.....
41.80	Budget authority, net (total)	-16	.....	.....
41.90	Outlays, net (total)	-16	4	.....

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
STATE INFRASTRUCTURE BANKS

BACKGROUND

In FY 1997, FHWA received an appropriation from the General Fund for the State Infrastructure Banks (SIBs) program. This schedule shows the obligation and outlay of that funding.

All of the funds have been provided to the States to capitalize the infrastructure banks. Because the funding was provided as grants, and not loans, FHWA will not receive reimbursements of amounts expended for the SIBs program.

BUDGETARY RESOURCES

No new budgetary resources are requested in FY 2015.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
STATE INFRASTRUCTURE BANKS
DIRECT LOAN FINANCING ACCOUNT

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-0549-0-1-401		FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
	Budgetary Resources:			
	Unobligated balance:			
10.00	Unobligated balance brought forward, Oct 1	1	1	1
19.30	Total budgetary resouces available	1	1	1
	Memorandum (non-add) entries:			
19.41	Unexpired unobligated balance, end of year	1	1	1
41.80	Budget authority, net (total)	……	……	……
41.90	Outlays, net (total)	……	……	……

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
HIGHWAY INFRASTRUCTURE PROGRAMS

BACKGROUND

In FY 2010, the Federal Highway Administration received a General Fund appropriation of $650 million for the restoration, repair, and construction of highway infrastructure and other activities eligible under paragraph (b) of section 133 of title 23, United States Code. The authority for this appropriation is Division A, Title I of P.L. 111-117 (Consolidated Appropriations Act, 2010), Section 122 and was available through FY 2012.

BUDGETARY RESOURCES

No new budget authority is requested for FY 2015.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
HIGHWAY INFRASTRUCTURE PROGRAMS

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-0548-0	FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
Budgetary resources:			
Budget authority:			
Appropriations, discretionary:			
11.60 Appropriation, discretionary (total)	……	……	……
Change in obligated balance:			
Unpaid obligations			
30.00 Unpaid obligations, brought forward, Oct 1	241	104	30
30.20 Outlays (gross)	-133	-74	-24
30.41 Recoveries of prior year unpaid obligations, expired	-4	……	……
30.50 Unpaid obligations, end of year	104	30	6
Memorandum (non-add) entries:			
31.00 Obligated balance, start of year	241	104	30
32.00 Obligated balance, end of year	104	30	6
Budget authority and outlays, net:			
Discretionary:			
40.11 Outlays form discretionary balances	133	74	24
40.80 Outlays, net (discretionary)	133	74	24
41.80 Budget authority, net (total)	……	……	……
41.90 Outlays, net (total)	133	74	24

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
PAYMENT TO THE TRANSPORTATION TRUST FUND

BACKGROUND

Section 40251 of Public Law 112-141, *Moving Ahead for Progress in the 21st Century Act* (MAP-21) authorized additional appropriations from the General Fund of the Treasury to the Highway Account in the Highway Trust Fund in the amount of $6,200,000,000 for FY 2013. This funding was subject to a 5.1% permanent reduction in accordance with Presidential Sequestration Order dated March 1, 2013, pursuant to sections 251A and 256(k) of the Balanced Budget and Emergency Deficit Control Act, as amended (BBEDCA), 2 U.S.C. 901a, 2 U.S.C. 906(k)(1), which resulted in a total transfer of $5,883,800,000 in FY13.

For FY 2014, MAP-21 authorized additional appropriations from the General Fund of the Treasury to the Highway Trust Fund in the amount of $12,600,000,000. Of this amount $10,400,000,000 was designated for the Highway Account in the Highway Trust Fund, and $2,200,000,000 was designated for the Mass Transit Account in the Highway Trust Fund. This funding was subject to a 7.2% permanent reduction in accordance with Presidential Sequestration Order dated April 10, 2013 (corrected May 20, 2013), pursuant to the Budget Control Act of 2011, Public Law 112-25, which resulted in a total transfer of $11,692,800,000 in FY14. Of this amount, $9,651,200,000 went to the Highway Account and $2,041,600,000 went to the Mass Transit Account.

BUDGETARY RESOURCES

The FY 2015 payment to the Transportation Trust Fund is comprised of $25 billion to the Highway Account, $9 billion to the Mass Transit Account, $3 billion to the Rail Account, and $500 million to the Multimodal Account.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
PAYMENT TO THE TRANSPORTATION TRUST FUND

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-0534-0		FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
New obligations:				
Obligations by program by activity:				
00.01	Direct program activity	5,884	11,693	37,500
09.00	Total new obligations	5,884	11,693	37,500
Budget authority:				
Appropriations, mandatory:				
12.00	Appropriation	6,200	12,600	37,500
12.30	Appropriations and/or unobligated balance of appropriations permanently reduced	-316	-907	……
12.60	Appropriation, mandatory (total)	5,884	11,693	37,500
19.30	Total budgetary resources available	5,884	11,693	37,500
Change in obligated balances				
Unpaid obligations				
30.00	Unpaid obligations, brought forward, Oct 1	……	……	……
30.10	Obligations incurred, unexpired accounts	5,884	11,693	37,500
30.20	Outlays (gross)	-5,884	-11,693	-37,500
30.50	Unpaid obligations, end of year	……	……	……
Budget authority and outlays, net:				
Mandatory:				
40.90	Budget authority, gross	5,884	11,693	37,500
41.00	Outlays from new mandatory authority	5,884	11,693	37,500
41.60	Budget authority, net (mandatory)	5,884	11,693	37,500
41.70	Outlays, net (mandatory)	5,884	11,693	37,500
41.80	Budget authority, net (total)	5,884	11,693	37,500
41.90	Outlays, net (total)	5,884	11,693	37,500

OBJECT CLASSIFICATION
In millions of dollars

Identification code: 69-0548-0		FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST
Direct Obligations:				
14.10	Direct obligations: Grants, subsidies, and contributions	5,884	11,693	37,500

EXHIBIT IV-1

RESEARCH, TECHNOLOGY & EDUCATION
DEPARTMENT OF TRANSPORTATION
Budget Authority
(in thousands of dollars)

FEDERAL HIGHWAY ADMINISTRATION Research, Technology & Education Program	FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST	FY 2015 APPLIED	FY 2015 DEVELOP.
A. Highway Research and Development	**110,064**	**109,135**	**130,000**	**114,400**	**15,600**
B. Technology and Innovation Deployment Program (T)	**59,818**	**59,313**	**70,000**	**0**	**0**
C. Training and Education (T)	**22,970**	**22,776**	**27,000**	**0**	**0**
D. Intelligent Transportation Systems 1/	**95,708**	**94,900**	**113,000**	**94,540**	**0**
ITS Multi-Modal Research - Applications:	***55,938***	***51,700***	***66,700***	***66,700***	
1. *Connected Vehicle*	*0*	*0*	*0*	*0*	
Connected Vehicle - V-V and V-I Communications for Safety	*31,728*	*23,300*	*35,300*	*35,300*	
Real-Time Data Capture & Management	*5,460*	*6,900*	*6,900*	*6,900*	
Dynamic Mobility Applications	*15,500*	*17,000*	*20,000*	*20,000*	
Road Weather Research and Development	*0*	*0*	*0*	*0*	
Clarus/Road Weather Management (Earmark)	*0*	*0*	*0*	*0*	
Environment/AERIS	*3,250*	*4,500*	*4,500*	*4,500*	
ITS Multi-Modal Research Technology:	***9,400***	***13,150***	***13,250***	***13,250***	
Human Factors for Connected Vehicle	*2,900*	*2,550*	*2,550*	*2,550*	
Connected Vehicle Test Environment	*2,500*	*5,000*	*5,000*	*5,000*	
Harmonization of International Standards and Architecture	*700*	*700*	*700*	*700*	
Connected Vehicle Certification	*3,300*	*4,900*	*5,000*	*5,000*	
Connected Vehicle Systems Engineering	*0*	*0*	*0*	*0*	
ITS Multi-Modal Research Policy:	***6,000***	***6,000***	***6,000***	***6,000***	
Connected Vehicle Policy	*6,000*	*6,000*	*6,000*	*6,000*	
Short-Term Intermodal:	***1,000***	***1,000***	***1,000***	***1,000***	
FHWA - Active Traffic Management	*0*	*0*	*0*	*0*	
FTA/FHWA-Multi-Modal Integrated Payment Syst./E-Payment	*0*	*0*	*0*	*0*	
Next Generation E-Payment	*0*	*0*	*0*	*0*	
Mode Specific Research	*1,000*	*1,000*	*1,000*	*1,000*	
Multi-Modal Mobility	*0*	*0*	*0*	*0*	
Exploratory Research:	***670***	***0***	***0***	***0***	
Exploratory Solicitation	*670*	*0*	*0*	*0*	
Other ITS Research:	***2,290***	***2,590***	***2,590***	***2,590***	
Next Generation 911	*0*	*0*	*0*	*0*	
Mobility Services for All Americans	*0*	*0*	*0*	*0*	
Integrated Corridor Management	*0*	*300*	*300*	*300*	
Small Business Innovative Research	*1,640*	*1,640*	*1,640*	*1,640*	
I-95 Corridor Coalition (T)	*0*	*0*	*0*	*0*	
Legacy ITS Projects (Including Congestion Initiatives)	*650*	*650*	*650*	*650*	
Technology Transfer and Evaluation:	***15,410***	***15,460***	***18,460***	***0***	
ITS Architecture and Standards (T)	*6,750*	*6,500*	*6,500*		
Professional Capacity Building (PCB) (T)	*3,160*	*3,400*	*3,900*		
ITS Program Assessment (T)	*0*	*0*	*0*		
ITS Outreach and Policy (T)	*2,000*	*2,260*	*2,760*		
Outreach/Stakeholder Development (T)	*900*	*900*	*900*		
Evaluation (T)	*2,600*	*2,400*	*4,400*		
ITS Program Support:	***5,000***	***5,000***	***5,000***	***5,000***	

EXHIBIT IV-1

RESEARCH, TECHNOLOGY & EDUCATION
DEPARTMENT OF TRANSPORTATION
Budget Authority
(in thousands of dollars)

FEDERAL HIGHWAY ADMINISTRATION	FY 2013 ACTUAL	FY 2014 ENACTED	FY 2015 REQUEST	FY 2015 APPLIED	FY 2015 DEVELOP.
Research, Technology & Education Program					
E. University Transportation Centers (UTC) 1/	**69,388**	**68,803**	**82,000**	**0**	**0**
University Transportation Research (T)	*69,388*	*68,803*	*82,000*		
F. State Planning and Research (SP&R) 2/	**184,693**	**186,285**	**188,555**	**146,017**	**19,911**
State Planning and Research (SP&R)	*162,530*	*163,931*	*165,928*	*146,017*	*19,911*
State Planning and Research (SP&R) (T)	*22,163*	*22,354*	*22,627*		
G. Administrative Expenses	**18,932**	**18,932**	**19,027**	**12,436**	**3,927**
Administrative Expenses	*16,281*	*16,281*	*16,363*	*12,436*	*3,927*
Administrative Expenses (T)	*2,651*	*2,651*	*2,664*		
Subtotal, Research and Development 3/	369,173	368,787	406,831	367,393	39,438
Subtotal, Technology Investment (T) 3/	192,400	191,357	222,751		
	561,573	**560,144**	**629,582**	367,393	39,438
Add: Bureau of Transportation Statistics	25,948	26,000	29,000		
Less: Administrative Expenses	-18,932	-18,932	-19,027		
Less: State Planning and Research (SP&R)	-184,693	-186,285	-188,555		
Less: Future Strategic Highway Research Program-SHRP 2					
Total Title V Programs 3/	**383,896**	**380,926**	**451,000**		

Footnotes:

1/ Details for this program are contained in the Office of the Assistant Secretary for Research and Technology FY 2014 budget.

2/ Title 23 USC 505(b) requires State DOT's to expend no less than 25 percent of their annual SP&R funds on RT&E activities. Total SP&R funding represents 2 percent of apportioned programs. Of the total 2 percent SP&R funds, each State is also required to make 4 percent (as agreed to by more than 3/4 of the States) available to the Secretary to carry out SHRP 2 activities.

FEDERAL HIGHWAY ADMINISTRATION
RESEARCH, TECHNOLOGY, AND EDUCATION (RT&E)

PROGRAM: HIGHWAY RESEARCH AND DEVELOPMENT PROGRAM
AMOUNT REQUESTED FOR FY 2015: $130,000,000

Projects

Safety

Objectives: Conduct research and development activities to support immediate and emerging safety needs, to achieve greater longer-term safety gains, and to fill knowledge gaps.

Description: To develop safety assessment and decision-making tools, data collection and analysis tools, and to assist state and local agencies analyze crash and essential data elements to support safety plan initiatives. To evaluate and provide information on roadway safety improvement countermeasures and crash reduction projections. To identify and evaluate innovative designs and roadway/roadside features that improve safety while reducing congestion and construction costs. Research and develop safety assessments and decision-making tools to assist State DOTs, MPOs and local/rural agencies in support of State Strategic Highway Safety Plan initiatives.

Outputs:

- Develop analysis tools and procedures to support better highway, intersection, roadside, pedestrian, and bicyclist safety design.
- Develop and evaluate countermeasures to keep vehicles on the road, to reduce the severity of crashes when motorists depart the lane or road, to reduce crash frequency and severity at intersections, to reduce pedestrian and bicycle crashes, and to reduce speed-related crashes.
- Promote appropriate use of new technologies to reduce roadway departure, intersection-related, pedestrian- and bicyclist-involved, and speed-related crashes including outreach, training course development, implementation materials, and demonstrations.

RT&E Partners: NHTSA, FMCSA, the Human Factors Coordinating Council, UTCs, Academia, industry, AASHTO, TRB, NACE, State DOTs, ITS Institute, Society of Automotive Engineers.

Infrastructure

Objective: To develop and improve state-of-the-art and state-of-practice knowledge, specifications, tools, technologies and techniques to: enhance the safety, sustainability, longevity, performance and reliability of the Nation's infrastructure (pavements, bridges and tunnels, and other structures), and enable sound and effective management of the National Highway System infrastructure so as to maximize the current and future condition of the system.

Description: Conduct research and development activities to develop and improve knowledge, specifications, design methods, guidance, tools, technologies, and other products that will enable:

- Improvement in the safety-related attributes and characteristics of highway infrastructure, such as improved pavement friction.
- More durable highway infrastructure constructed in ways that:
    - Minimize the duration and frequency of lane closures for both initial construction and future maintenance and rehabilitation measures.
    - Minimize life-cycle costs of the infrastructure from both economic and environmental perspectives.
- More effective management of infrastructure assets through the application of accurate performance prediction, comprehensive condition assessment, and data-driven decision-making.

This includes both short- and long-term research addressing pavements, bridges, tunnels, and other structures, including the hydraulic and geotechnical aspects thereof and the constituent materials. Conduct research and development activities in support of innovative approaches and technologies that will significantly improve design methodologies, accelerate and improve the quality of construction, improve the impact on the environment, and result in higher levels of durability and resilience for highway pavements and structures.

Outputs:

- Enhanced safety and mobility.
- Enhanced quality and durability of pavements, bridges, tunnels, and other highway structures.
- Improved design systems, materials selection, and performance prediction technologies to optimize infrastructure performance for new and recycled materials.
- Expanded guidance on environmentally sound highway construction practices.
- Advanced materials and accelerated construction technologies for new construction and in the repair and rehabilitation of existing highway infrastructure.
- Improved tools, technologies, and models for infrastructure management, including assessment and monitoring of infrastructure condition.
- To provide a publicly available data set documenting the performance of a well-characterized set of pavement test sections and bridges, which represent the majority of the Nation's highways.

RT&E Partners: AASHTO, TRB, state Transportation Agencies, the American Concrete Pavement Association, National Steel Bridge Alliance, Portland Cement Association, the National Asphalt Pavement Association, National Stone Sand and Gravel Association, National Concrete Bridge Council, American Concrete Institute, other US DOT agencies, such as the Federal Aviation Administration and the Federal Transit Administration, other industry groups, academia.

Planning and Environment

Objectives: To carry out short- and long-term livability initiatives to improve project delivery and enhance communities impacted by surface transportation projects, developing comprehensive strategies to minimize the impact of transportation investment on the environment. To provide assistance and information on best practices, tools, and training to enhance surface transportation, planning, environment, and realty decision-making processes.

Description: Undertake research activities to develop a better understanding of the complex relationship between surface transportation and the environment. Assist states, MPOs, and Local Public Agencies in planning and delivering environmentally-sound surface transportation projects.

Outputs:

- Conduct research to develop climate change mitigation, adaptation, and livability strategies.
- Develop and/or support accurate models and tools for evaluating transportation measures and developed indicators of economic, social, and environmental performance of transportation systems to facilitate alternative analysis.
- Develop and deploy research to address congestion reduction efforts.
- Develop transportation safety planning strategies for surface transportation systems and improvements.
- Improve planning, operation, and management of surface transportation systems and rights of way.
- Enhance knowledge of strategies to improve transportation in rural areas and small communities.
- Strengthen and advance State/local and tribal capabilities regarding surface transportation and the environment.
- Improve transportation decision-making and coordination across borders.
- Improve state of the practice regarding the impact of transportation on the environment.
- Conduct research to promote environmental streamlining/stewardship and sustainability.
- Promote streamlining the project delivery process in the acquisition of realty for Federal-Aid projects.
- Disseminate research results and advances in state of the practice through peer exchanges, workshops, conferences, etc.

RT&E Partners: State DOTs, Metropolitan Planning Organizations (MPOs), Local Public Agencies, AASHTO, the Association of Metropolitan Planning Organizations (AMPO) and the National Association of Regional Councils (NARC), TRB, academia, non-governmental organizations, and the Federal Transit Administration.

Operations

Objectives: Develop tools that improve congestion management processes at the State and local level, improve freight movement and reduce freight-related congestion throughout the transportation network.

Description: Conduct research and development activities focusing on proactive traffic management and operations, congestion relief solutions, and freight management.

Outputs:

- Develop techniques to measure congestion when it occurs and assess the performance of the highway system.
- Develop techniques to measure the role freight movement plays in congestion, the effects of congestion on interstate commerce, and the effectiveness of strategies for reducing freight operations during congested periods without disrupting the economy.
- Develop techniques and tools to strengthen routine traffic operations and control practices.
- Develop techniques and tools to proactively manage the transportation system during disruptions such as traffic incidents, work zones, adverse weather, special events, and emergency situations
- Provide useful, real-time information to travelers.
- Provide guidance materials and tools to decision-makers and senior officials that help them implement regional coordination and collaboration activities
- Explore innovative techniques to better balance transportation supply and demand through congestion pricing.

RT&E Partners: State DOTs, AASHTO, local transportation agencies, first responder community, freight community, academic community.

Policy

Objective: To provide information to policy- and decision-makers on emerging transportation issues.

Description: Conduct analysis on emerging issues in the transportation community from a policy perspective, such as climate change, public-private partnerships, highway revenues, and performance measurement. Inform the U.S. highway community of technological innovations in foreign countries; promote U.S. highway transportation expertise, goods, and services; and facilitate information and technology exchanges on topics of priority interest to FHWA. Develop mutually beneficial technology exchange and information sharing, and facilitate partnering relationships between the US and foreign governments.

Outputs:

- Infrastructure investment needs report
- Background and option papers regarding a variety of policy issues
- Acquire knowledge on new technology advances and best practices abroad
- Activities promoting U.S. technologies, products, and best practices
- Partnerships among U.S. and foreign agencies and experts

RT&E Partners: AASHTO, TRB, International transportation groups, state divisions, foreign ministries and departments responsible for road transportation; other U.S. Federal agencies and departments; United States highway transportation community, including State and local Departments of Transportation, academic institutions, professional organizations and industry associations and their members; and international technical, financial and development agencies.

Innovative Finance

Objective: To expand the capacity of State and local governments to evaluate and implement alternative strategies for funding and financing transportation infrastructure in the public interest.

Description: Conduct analysis on project finance tools such as debt financing strategies, procurement options including public-private partnerships, and revenue generation options including tolling and pricing. Inform the U.S. highway community of innovative finance and program delivery strategies that can extend fiscal resources.

Outputs:

- Annual report on innovative finance options for critical projects
- Reports and analytical tools addressing innovative finance and program delivery strategies
- Analyses of the benefits and costs of public private partnerships
- Capacity building and technical assistance for public sponsors of innovative finance and program delivery strategies

RT&E Partners: AASHTO, TRB, State and local Departments of Transportation, academic institutions, professional organizations and industry associations and their members.

Next Generation Research & Technology

Objectives: To provide leadership, coordination, and support in the development of a national highway research agenda, and to foster and promote enhanced coordination of highway research among all stakeholders; to conduct long-term, cross-cutting and exploratory advanced research, and to operate the Turner-Fairbank Highway Research Center, a federally-owned and operated research facility in McLean, Virginia.

Description: The Next Generation Research & Technology (R&T) program is a key means for leading the development and coordination of a national highway research agenda to provide policy-makers and the research community information needed to address critical knowledge gaps, collaboration opportunities, and accelerate innovation and technology deployment to meet future highway transportation needs. The FHWA provides the unique national leadership and support required to accomplish this goal and meet the collective needs and national priorities recognized by highway research and technology stakeholders. Under this program, FHWA operates and supports research conducted at the Turner-Fairbank Highway Research Center (TFHRC), a federally owned and operated research facility that conducts the most advanced research and development related to highways.

The Exploratory Advanced Research program (EAR) is conducted under this program area. The EAR conducts higher-risk, longer-term research with the potential for dramatic breakthroughs in surface transportation.

Outputs:

- To achieve coordination and enhanced collaboration of a highway research agenda.
- To produce exploratory advanced research results that could lead to potentially transformational advances in the durability, efficiency, environmental impact, productivity, and safety aspects of highway and intermodal transportation systems.
- To conduct research that supports in-house priorities, addresses problems identified by State DOTs and local governments, and focuses on national challenges.

RT&E Partners: AASHTO, State DOT Research Managers, UTCs, TRB, Forum of European Highway Research Labs.

PROGRAM: TECHNOLOGY AND INNOVATION DEPLOYMENT PROGRAM (TIDP)
AMOUNT REQUESTED FOR FY 2015: $70,000,000

Projects

Technology and Innovation Deployment Program

Objectives: To accelerate the adoption of proven innovative practices and technologies as standard practices to significantly improve safety, system efficiency, infrastructure health, reliability and performance, and livable and sustainable communities. To identify high-payoff, currently under-utilized market-ready technologies, conduct market research to understand critical needs and audience, develop and deliver implementation plans, monitor, document, and openly disseminate results. To implement the results of the Strategic Highway Research Program 2 (SHRP2); which focuses on solving top problems in the areas of highway safety, reliability, capacity, and renewal. To accelerate the implementation and deployment of pavement technologies.

Description: Accelerate the delivery and deployment of innovation and technology to shorten project planning and delivery time, accomplish the fast construction of efficient and safe highways and bridges, improve safety during and after construction, reduce recurring and non-recurring congestion, improve freight movement, and enhance the quality of the highway infrastructure. This program shall include but not be limited to innovative technologies, manufacturing practices, construction practices, equipment, processes, operating arrangements, plan reviews, decision-making tools, designs, financing, contracting methods, performance measures, preservation practices, rehabilitation practices, and project delivery practices. This program shall monitor the performance of the innovations, determine effectiveness, document results, and communicate to stakeholders and the public. The program shall include an active program of technology transfer, information dissemination, and outreach to stakeholders and the public. For example, FHWA is working with AASHTO, the States, the Transportation Research Board, and others on the implementation of SHRP2 products.

Outputs:

- Significantly accelerate the adoption of market-ready, high payoff innovative practices and technologies as standard practice.
- Improved highway performance and safety for U.S. highway users.
- Increase understanding of crash-causing driver behavior.
- Increase consideration and use of innovative methods for planning, financing and constructing highways and connections to intermodal facilities.
- Support proven methods and technologies that reduce disruption of traffic in highway construction zones.
- Provide incentive funding to construction projects that implement new proven technologies.

RT&E Partners: AASHTO, State DOTs, MPOs, local jurisdictions, TRB, industry, academia.

PROGRAM: TRAINING AND EDUCATION (T&E)
AMOUNT REQUESTED FOR FY 2015: $27,000,000

Projects

Training and Education (T&E)

Objectives: To train the current and future transportation workforce, transferring knowledge quickly and effectively to and among transportation professionals; to foster a safe, efficient, and environmentally sound surface transportation system by improving skills and increasing the knowledge of the transportation workforce and decision makers through training, technology transfer, and information exchange activities. To attract qualified students to the field of transportation education and research, and advance transportation workforce development to help upgrade the scope of knowledge of the entire transportation community in the United States.

Description: Provide leadership, training, educational materials and resources for the development and delivery of training, professional development and education programs to improve the quality of our highway system and its intermodal connections. Provide training, resource materials, and educational opportunities to the surface transportation community to develop both core competencies and new skills, enable technology transfer, and share best practices.

Outputs:

- Provide training resources to customers, partners, and learners in every State.
- Provide information, professional development, training, and facilitate technology transfer to local governments and tribal agencies.
- Provide scholarships, fellowships, and educational grants.
- Provide courses and workshops for professionals.
- Provide grants to educational pipeline organizations for educational materials and innovative practices in the development of a well-educated transportation workforce.
- Advance state, local, and tribal capabilities regarding the complex relationships in surface transportation.
- Establish centers for surface transportation excellence to address the areas of environment, surface transportation safety, rural safety, and project finance.

RT&E Partners: State DOTs, MPOs and local governments, academia, educational institutions, professional organizations, Local and Tribal Technical Assistance Program Centers.

PROGRAM: STATE PLANNING & RESEARCH (SP&R)
AMOUNT REQUESTED FOR FY 2015: $188,555,000 (non-add)

Projects – Various

Objectives: To solve transportation problems identified by the States. To encourage cooperation among states to leverage funds and conduct research of relevance to multi-state regions.

Description: States are required to set aside 2 percent of the apportionments they receive from four of the major Federal-aid apportioned programs authorized in MAP-21 for their State Planning and Research Program. The four core programs are: National Highway Performance Program, Surface Transportation Program, Congestion Mitigation & Air Quality Program, and Highway Safety Improvement Program. At least 25 percent of the total SP&R has to be used for research, development, and technology transfer purposes. Activities involve research on new areas of knowledge, adapting findings to practical applications by developing new technologies, and the transfer of these technologies. Each state must develop, establish, and implement a research program that ensures effective use of available SP&R funds for research and development activities on a statewide basis, and each state may tailor its RT&E program to meet local needs. High priority is given to applied research on state or regional problems, transfer of technologies

from researchers to users, and research for setting standards and specifications. Major research and development subject areas include infrastructure renewal (including pavement, structures, and asset management), safety activities, operations and management, environmental, and policy analysis. States can contribute SP&R research funds to cooperative research programs such as the National Cooperative Highway Research Program and transportation pooled fund studies.

The States agreed to provide 4 percent of their FY 2013 and 2014 SP&R allocation to the Secretary for the implementation of SHRP2 results and products.

Outputs:

- To conduct research and development activities aimed at obtaining solutions to foresee and solve State transportation problems.
- To adapt findings to practical applications by developing and transferring new technologies.
- To contribute to cooperative research programs such as the National Cooperative Highway Research Program, Transportation Research Board, and Transportation Pooled Fund projects.

RT&E Partners: State DOTs, TRB, AASHTO.

PROGRAM: INTELLIGENT TRANSPORTATION SYSTEMS (ITS)
AMOUNT REQUESTED FOR FY 2015: $113,000,000

Project and activity summaries are contained in the Office of the Secretary of Transportation (OST) -- Office of the Assistant Secretary for Research and Technology FY 2015 budget submission.

PROGRAM: UNIVERSITY TRANSPORTATION CENTERS (UTC)
AMOUNT REQUESTED FOR FY 2015: $82,000,000

Project and activity summaries are contained in the Office of the Secretary of Transportation (OST) -- Office of the Assistant Secretary for Research and Technology FY 2015 budget submission.

PROGRAM: BUREAU OF TRANSPORTATON STATISTICS (BTS)
AMOUNT REQUESTED FOR FY 2015: $29,000,000

Project and activity summaries are contained in the Office of the Secretary of Transportation (OST) -- Office of the Assistant Secretary for Research and Technology FY 2015 budget submission.

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