Implementation of the Economic Recovery Program

March 5, 2009

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David Gehr
## Legislation Summary

**SELECTED USDOT PROGRAM FUNDING AMOUNTS**

<table>
<thead>
<tr>
<th>Program</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formula Grants</td>
<td></td>
</tr>
<tr>
<td>Highways &amp; Bridges</td>
<td>$27.50 Billion</td>
</tr>
<tr>
<td>Transit (5307, 5311, 5340, &amp; Rail Mod)</td>
<td>$7.55 Billion</td>
</tr>
<tr>
<td>Amtrak</td>
<td>$1.30 Billion</td>
</tr>
<tr>
<td><strong>Discretionary Grants</strong></td>
<td></td>
</tr>
<tr>
<td>OST (New) Multi-Modal Program (Up to $200M TIFIA)</td>
<td>$1.50 Billion</td>
</tr>
<tr>
<td>FTA New Starts / Small Starts</td>
<td>$0.75 Billion</td>
</tr>
<tr>
<td>FTA Transit Grants for Energy Efficiency</td>
<td>$0.10 Billion</td>
</tr>
<tr>
<td>FRA High-Speed and Intercity Pass. Rail “Corridors”</td>
<td>$8.00 Billion</td>
</tr>
<tr>
<td>FAA Airport Improvement Program</td>
<td>$1.10 Billion</td>
</tr>
<tr>
<td>MARAD Small Shipyards Program</td>
<td>$0.10 Billion</td>
</tr>
<tr>
<td><strong>Total USDOT</strong></td>
<td>~$48 Billion</td>
</tr>
</tbody>
</table>
Legislation Summary

ELIGIBILITY NOTES

- All funds limited to capital (no operating assistance)
  - Construction encouraged, but design, planning, etc. also eligible
- Highway formula funds have broad modal eligibility
  - Include all eligible STP uses, pass/freight rail, ports, & transit (flex)
- New multi-modal Secretary’s discretionary program
  - Similar eligibility to the highway funds (includes freight rail)
  - Focused on larger projects ($20M-$300M grant size)
  - Potential increase in TIFIA funding
- FRA Rail “Corridors” eligibility restricted to:
  - FRA-designated 11 high-speed rail corridors;
  - State sponsored intercity passenger rail capital improvements; or
  - “Congestion Grants” as defined in Amtrak authorization (PRIIA)
Surface Transportation Program
ELIGIBLE USES UNDER 23 USC 133

- Construction, reconstruction, rehab, resurfacing, restoration, and operational improvements on roads
- All bridge work, including painting and seismic retrofit
- Transit and intercity bus projects
- Carpool and bike/ped projects
- Highway & transit safety projects
- Research & technology transfer
- Traffic monitoring, management, & control facilities and programs
- Surface transportation planning
- Transportation enhancements
- Clean air transportation control measures
- Section 303 mgmt. systems
- Environmental mitigation
- Intelligent Transportation Systems
- Environmental restoration and pollution abatement
- Control of noxious weeds

*Except for bridge and safety projects, funds must be spent on federal-aid roads classified as something other than local or rural minor collectors*
Legislation Summary

OTHER REQUIREMENTS

- All usual federal-aid requirements apply
  - e.g., Davis-Bacon, 13-C, Buy America, Civil Rights

- New tracking and reporting requirements
  - Applicable to both state-level and sub-allocated funds
  - Recovery funds managed and tracked separately
  - OMB published (and publishing more) detailed guidance

- Transparency
  - Each project’s information will be posted on www.recovery.gov

- Maintenance of effort
  - Required under weaker requirements and penalties than in draft bill
# Legislation Summary

**FUNDING AWARD DEADLINES**

<table>
<thead>
<tr>
<th>Type</th>
<th>First 50% of Funds</th>
<th>Remainder of Funds</th>
<th>Final Obligation Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formula Grants</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highways &amp; Bridges – State DOT Control</td>
<td>120 Days*</td>
<td>360 Days*</td>
<td>Sept 30, 2010</td>
</tr>
<tr>
<td>Highways &amp; Bridges – MPO Control</td>
<td>N/A</td>
<td>360 Days*</td>
<td>Sept 30, 2010</td>
</tr>
<tr>
<td>Transit</td>
<td>180 Days*</td>
<td>360 Days*</td>
<td>Sept 30, 2010</td>
</tr>
<tr>
<td>Amtrak</td>
<td>N/A</td>
<td>30 Days</td>
<td>Sept 30, 2010</td>
</tr>
<tr>
<td>Discretionary Grants</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OST Secretary’s Multi-Modal Program</td>
<td>N/A</td>
<td>360 Days</td>
<td>Sept 30, 2011</td>
</tr>
<tr>
<td>FTA New Starts / Small Starts</td>
<td>N/A</td>
<td>N/A</td>
<td>Sept 30, 2010</td>
</tr>
<tr>
<td>FTA Transit Energy Efficiency</td>
<td>180 Days*</td>
<td>360 Days*</td>
<td>Sept 30, 2010</td>
</tr>
<tr>
<td>FRA HSR / Intercity Rail “Corridors”</td>
<td>N/A</td>
<td>N/A</td>
<td>Sept 30, 2012</td>
</tr>
<tr>
<td>FAA Airport Improvement</td>
<td>120 Days</td>
<td>360 Days</td>
<td>Sept 30, 2010</td>
</tr>
<tr>
<td>MARAD Small Shipyards</td>
<td>N/A</td>
<td>180 Days*</td>
<td>Sept 30, 2010</td>
</tr>
</tbody>
</table>

* Denotes deadlines that reference the time after apportionment (rather than enactment - 2/17/09)
Legislation Summary

OTHER KEY MILESTONES

Timeline:
- Bill Enactment: February 17, 2009
- Within 60 Days of Enactment
- Within 90 Days of Enactment
- Within 120 Days of Enactment
- Within 180 Days of Enactment
- Within 180 Days of Criteria Published
- Within 1 Year of Enactment

Secretary’s Multi-Modal Program:
- Criteria Published
- Applications Due
- Projects Selected

FRA State Rail Grants:
- USDOT “Strategic Plan” for Using the HSR Funds
- Interim Application Guidance for the Three Grant Types
- Maintenance of Effort Certification

Information Reporting*:
- First Periodic Report Due
- Second Periodic Report Due
- Third Periodic Report Due

* Reports also due 2 years and 3 years after enactment
Cooperation and Collaboration

Start work now to develop discretionary grant applications

- Expect intense competition
- Process in development
- Criteria, selections likely to signal policy direction

Local agencies should be proactive

- Engage your State DOT and MPO
- Think about the same things – jobs, accountability, effectiveness
Implementation

KEY STEPS

- Manage the increased project load
- Accelerate project delivery processes
  - Alternative delivery such as design-build
  - Advertise contingent upon final approval
  - Hire project/program management assistance
What Are Some Agencies Doing?

MISSOURI DOT

Starting immediately and showcasing results

Missouri DOT news and information about the First in Nation Economic Recovery Project.

First in Nation
Economic Recovery Project - Create Jobs, Improve roads and save lives.

Missouri is the first state in the nation to begin construction on highway projects funded by the Economic Recovery Act. The minute President Obama signed the economic recovery bill, MoDOT went to work to replace one of the state's oldest River bridges near Rushville. Construction on three other recovery act projects also started immediately:

- New passing lanes on Route 60 in Barry, Lawrence, Christian and Greene counties
- Resurfacing on Interstate 35 in Clinton County
- Improving pavement on Interstate 55 in Pemiscot and New Madrid counties

Additional road, bridge, air, rail, transit, pedestrian and bicycle projects will be underway in the coming weeks and months.

Along the way, MoDOT said we'd be ready to go with critical transportation projects, and we delivered. We are committed to quickly get to work to create jobs, improve roads and save lives!

- Project List (PDF)
- News Release
What Are Some Agencies Doing?

CHICAGO METROPOLITAN AGENCY FOR PLANNING

- Established a dedicated website
- Identified project selection criteria prior to bill’s enactment
- Publishing weekly updates
- Quickly sharing guidance on how to apply for MPO-controlled funds
- Acting on first round of Recovery-funded projects within 2.5 weeks of enactment
What Are Some Agencies Doing?

LA METRO

- Adopt flexible procedures based on principles
- Anticipate federal, state guidance
- Establish deadlines
- Allocate and program funds
  - County-wide
  - City
- Identify candidates for discretionary programs
- Process for re-distribution to avoid loss
What Are Some Agencies Doing?

- Iowa DOT – Feb. 20 awarded contracts on 19 projects ranging from bridge replacements to resurfacing worth $56.6M
- Pennsylvania DOT – working with metropolitan and rural planning groups to finalize list of projects
- Utah DOT – solicited bids for six highway repaving projects that will be awarded in early March and will advertise groups of projects every twice a week for the next six to eight weeks.
- Arizona DOT-advertised and awarded on-call consultant services contracts to assist local governments.
Information Sources

- www.recovery.gov
- www.fhwa.dot.gov/economic/economicrecovery/
- www.fta.dot.gov
- www.pbstimulus.com
Stimulus Implementation:
WILL SET THE TABLE FOR SAFETEA-LU SUCCESSOR

- **7/1/09** – 120-day clock runs out for 50% of state highway Stimulus funds
- **9/1/09** – 180-day clock runs out for 50% of transit formula Stimulus funds
- **9/30/09** – SAFETEA-LU expires
- **3/3/10** – 1-year clock runs out for remaining transit and highway stimulus funds
- **???** – Congress will enact successor to SAFETEA-LU
We need Stimulus success to build momentum for overcoming huge issues in SAFETEA-LU’s successor:

- How can we shore up the Highway Trust Fund?
  - Increased gas tax?
  - New mileage-based fee?
  - PPPs?
- Should we restructure/consolidate programs?
- What are transportation’s responsibilities for climate change?
- How can we make transportation accountable – performance measures?
- Should we enhance the role of MPOs and local governments?
Stimulus Implementation: 
EVERYONE IS WATCHING

- As Congress and the President develop SAFETEA-LU successor, everyone is watching Stimulus implementation
- President, Media, IGs, The Public, Interest Groups
- Watching for mis-steps:
  - “Nowhere projects”
  - Missed deadlines
  - Political infighting over funding
  - “Black box” decisionmaking
  - Excessive project costs
  - Failure to deliver jobs
STIMULUS SUCCESS WILL AUGUR WELL FOR SAFETEA-LU SUCCESSOR IF:

- Projects are solid, resonate with the public
- Job impacts & economic benefits are clear
- Projects are obligated and constructed on schedule
- Project costs are under control
- State DOTs, MPOs, local govts, and transit operators cooperate and collaborate
- Decision making is transparent
- Projects are good for the environment, especially climate change
- Media coverage is positive
Questions and Answers