Michigan Department of Transportation's Positions on the Next Federal Surface Transportation Authorization

The next Federal Surface Transportation Authorization should be:

Fair

Achieve Real Equity to Bring $100 Million More Back to Michigan Each Year
Authorizing Legislation Should Cover No Less Than a Six-Year Period

Funded Adequately

Ensure Adequate Funding for Needed Infrastructure Investments
Provide Adequate Financial Stability
Explore New Federal Revenue Opportunities
Provide Greater Certainty and More Opportunities for Tolling and Private Sector Participation
Protect Transportation Funding Firewalls
Create a Dedicated, Multi-Year Funding Source for Intercity Passenger Rail

Focused on Priorities

Focus Federal Resources on Core Programs
Sharpen Focus on Border Issues and Funds
Focus New Starts Funding on Filling Urban Transit Gaps
Consolidate Federal Transit Programs
Continue Focus on Safety
If You Earmark, Choose Effective Earmarks

Flexible

Consolidate Federal Funding Programs to Encourage Asset Management
Take a Sensible Approach to Performance Management and Accountability

Forward Thinking

Develop a National Intercity Passenger Rail Policy
Continue Investment in Intelligent Transportation Systems (ITS)
Continue Research Program Funding
Take a Unified Approach to Global Climate Change
Create an Adverse Weather Allocation
Reinvest Greenhouse Gas Revenue from Transportation Back Into Transportation

Achieve Real Equity to Bring $100 Million More Back to Michigan Each Year

What's Best for Michigan

Given Michigan's current economic crisis, our status as a donor state must end with this federal surface transportation authorization. Basing the allocation of federal transportation funding on national goals and priorities for transportation and the economy is one way to rectify this ongoing problem.

Why

The federal highway program is supported by dedicated user fees – motor fuel taxes and excise taxes. Motorists pay for the roads they drive on each time they refuel their vehicles. These fees should be used to repair the roads Michigan motorists use, not sent to other states.

Since the inception of the Federal Highway Program, Michigan has been a donor state, contributing a greater percentage of funds generated by federal user fees to the Federal Highway Trust Fund (HTF) than it receives in allocations. The rationale was that additional funds were needed for those large western states with low population densities that could not generate sufficient revenue to support the needs of their Interstate Highway System. The nation's interest continues to be served by supporting a national highway system in these states, but these are no longer the only states receiving greater than 100% return on their contributions to the HTF.

Of the 30 states that contribute a greater percentage share to the HTF than is returned to them, 21 receive the minimum 92% return, including Michigan. But the average rate of return for HTF funds distributed to all states is 119%, which means that some are getting far more than 100%, and that Michigan and the other 92% donor states still lag far behind the rest.

The federal highway program has evolved into a hodge-podge of programs and project earmarks with little vision, direction or cohesiveness, and the illogic in rates of return is one result. For example, compare Michigan to Pennsylvania, a state which, from a transportation standpoint, is comparable in every way but one: the rate of return from the HTF.

STATE	Highway Lane Miles (Urban & Rural)	Total Annual Vehicle Miles of Travel (Millions)	Freight Shipments by Value (Millions)	Population (1,000s)	% change in Population 2000-2007	Toll Revenue (1,000s)	2008 RATE OF RETURN
MICHIGAN	255,796	104,614	$231,954	10,072	1.17%	$32,636	92.00%
PENNSYLVANIA	253,412	108,699	$167,312	12,433	1.07%	$802,461	113.00%

If the federal-aid highway program is to be more goal oriented and performance-driven, the allocation of highway funds must be reengineered to focus on addressing national priorities, and funding formulas should be reconfigured to reflect those goals. Such an approach has the potential to rationalize the rate of return for donor states.

The table below further demonstrates that basic transportation, demographic, and economic goals are not reflected in the rate of return calculation. Donor states are disproportionately represented in almost every category. It would be reasonable to expect, for example, that states with a larger number of lane miles, that handle large amounts of freight, or that are growing rapidly, would have a greater share of the transportation revenue returned to them so that they have a greater opportunity to meet their significant transportation needs.

It is also telling that donor states are over-represented in states with higher unemployment and a lower increase in per capita income, but make up only about half of states with higher per capita income.

Transportation Considerations	**Number of Donor States in the Top 15**	**% of Donor States in the Top 15**
Largest Number of Lanes Miles*	11	73%
Largest Vehicle Miles Traveled*	13	87%
Largest Number of Registered Commercial Vehicles*	8	53%
Most Freight by Weight*	10	67%
Most Freight by Value*	12	80%
Demographic Considerations		
Largest Population*	12	80%
Fastest Growing (by Percent)	13	87%
Fastest Growing (by Number)	15	100%
Demographic Considerations		
Highest Per Capita Income	8	53%
Lowest Increase in Per Capita Income, 2000-2006*	13	87%
Highest Unemployment Rate*	12	80%

* Michigan is among the donor states in this category

Authorizing Legislation Should Cover No Less Than a Six Year Period

What's Best for Michigan

Ensure the next surface transportation authorizing legislation covers a period of at least six full fiscal years from the date of enactment.

Why

Delays in enacting SAFETEA-LU resulted in a bill that covered little more than four full fiscal years.

Despite the best efforts of the modal administrations, there are still some regulations required in SAFETEA-LU that have yet to be put in place.

When new programs are created, or when funding levels are shifted between programs to address new priorities as typically occurs in each authorizing statute, it takes time for state and local programs to adjust.

Ensure Adequate Funding for Needed Infrastructure Investments

What's Best for Michigan

Increase the level of federal transportation investment to maintain and improve system operations, safety and mobility, provide more transportation options, and improve our global competitiveness.

Identify and enact new revenue to allow a higher level of investment to help meet our growing transportation needs, and to allow a modest balance to build up in the HTF to avert the potential for future program cuts.

Restore the purchasing power of the dedicated revenues supporting the HTF to 1993 levels with revenue sources indexed to account for future inflation of construction costs.

Diversify the revenue sources supporting the Mass Transit Account and promote the development of new, innovative financing mechanisms to supplement current revenue streams (i.e., public private partnerships, tolling, congestion pricing, and revenue generated from changes in federal energy and climate change policies).

Preserve, at a minimum, the current 20% general fund contribution necessary to support the federal transit program. In addition, continue to credit the Mass Transit Account with 20% of each future year increase in the motor fuel tax (or successor).

Why

Unless new revenue is identified immediately, the federal highway program will need to be cut by $20 billion in FY 2010. The federal transit program will face a similar fate in FY 2011 when the investment level will need to be more than cut in half.

The current level of federal funding is simply insufficient to meet the needs of the transportation system. This point has been shown over and over in the last few years through research and reports as shown in the table that follows.

Report	Total Capital Funding from all Sources	Estimated Annual Investment Needs 2008-2035	Estimated Federal Share of Investment Needs
FHWA Conditions and Performance	$76 Billion	$189 Billion	$85 billion
National Surface Transportation Infrastructure Financing Commission	$76 Billion	$214 Billion	$96 billion
National Surface Transportation Policy and Revenue Study Commission	$76 Billion	$262 Billion	$118 billion

Source: "Paying Our Way" Report of the National Surface Transportation Infrastructure Financing Commission

These needs estimates were reinforced in a state-level study examining the needs of the transportation system in Michigan. The study found annual infrastructure needs of between $7 and $14 billion.

Investment levels need to increase over time to help meet these documented needs.

The federal government should continue to play a significant role in investing and maintaining an integrated national transportation system.

Provide Adequate Financial Stability

What's Best for Michigan

Place the HTF on solid financial ground once again, and maintain that status.

Match transportation revenue with identified transportation needs and allow an appropriate balance to build up in the HTF to avert the potential for future program cuts.

Address the longer-term structural issues of the HTF. Resolving these issues will require either additional revenue sources or a reduction in the size of the federal program. Regardless of the direction taken, investments in transportation should be financed through a dedicated, long-term, stable, and reliable source of funding.

Why

The balance in the HTF, which exceeded $30 billion less then 10 years ago, has been exhausted to the point where an $8 billion cash infusion was necessary in 2008 to keep the fund balance from dropping below zero.

SAFETEA-LU was able to increase highway funding without increasing user fees only because it spent down the HTF balance (which totaled nearly $11 billion at the start of SAFETEA-LU). This is no longer an option.

Proper and effective planning requires that transportation agencies have some reasonable idea of future funding levels. The uncertainty caused by the precarious financial condition of the HTF can confound the planning process.

Explore New Federal Revenue Opportunities

What's Best for Michigan

Diversify the portfolio of funds available for investment in transportation to provide increased funding, improve the stability of the overall funding stream, and reduce dependence on the gas tax.

Continue to explore the viability of replacing motor fuel taxes with a fee on Vehicle Miles Traveled (VMT) as a means of improving the long-term stability of infrastructure funding. One idea for furthering our base of knowledge on VMT fees is to look at funding a study that includes a broader area than previous studies, such as a metropolitan area that crosses state lines.

Why

Increasing gasoline prices in recent years has exposed a fundamental weakness in our reliance on motor fuel taxes as the source of funding for our transportation infrastructure investments.

- High fuel prices have shifted the demand for motor vehicles away from larger, less fuel efficient vehicles toward smaller, more fuel efficient models.
- Policy makers have also responded by legislating higher fuel efficiency.
- The U.S. Environmental Protection Agency predicts that fuel efficiency for light-duty vehicles on the road will increase by 42% by 2030, and the fuel efficiency for freight trucks will increase by 15% over this time period.
- The significant decline in VMT over the last year has shown that demand for motor fuel is not as inelastic as was once thought.

Projected motor fuel tax revenue under current tax rates shows that while revenue may once again grow in future years, revenue growth will not be high enough to keep pace with inflation.

The concept of assessing a fee on VMT is being considered as a viable replacement for motor fuel taxes. Some of the benefits of a VMT fee include improved revenue raising potential, the ability to send market signals to users, and better targeting of investments. Questions still remain about the concept that require more research, including a closer look at the cost of shifting to a VMT fee and how to address privacy concerns.

Beyond the motor fuel tax and VMT fee, the reports generated by the two commissions created by SAFETEA-LU contain considerable information on other sources of revenue that can be used to supplement existing taxes to raise more revenue and/or diversify the revenue stream. The options and recommendations of these commissions should be considered.

Provide Greater Certainty and More Opportunities for Tolling and Private Sector Participation

What's Best for Michigan

Establish federal policies regarding tolling and road pricing that provide states with maximum flexibility for toll financing of transportation projects.

Promote and encourage private sector participation in infrastructure projects to expand financing options and accelerate project delivery while ensuring that appropriate controls are place to preserve the public interest. In addition, create incentives to increase state, local, and private investment levels in public transportation.

Why

The documented needs of the transportation system far surpass revenue currently available, and revenue likely to be available in the foreseeable future. Providing those states that wish to make greater use of toll financing more opportunities to do so will help fill a small portion of the gap between revenues and system needs.

There are currently four different tolling or pricing programs authorized by federal law that are either pilot or demonstration programs with limited access to slots within each program. Project development takes time and states need more certainty than these pilot programs offer in order to more effectively plan projects and programs.

Advances in toll collection technology have laid to rest many of the issues and concerns related to mobility and safety surrounding toll collection gantries.

Tolling, and particularly road pricing, has proven to be a viable mechanism for sending market signals to road users, which can lead to less congestion on priced facilities. In areas where viable modal choice exists, environmental benefits may result as well.

Greater opportunities for private sector involvement in project financing, development, construction and operations can provide many benefits beyond simply supplying capital for financing. Public Private Partnerships (P3s) can also benefit states and ultimately travelers by improving life-cycle investing, providing incentives for more efficient operations and maintenance, and transferring risk to the private sector.

Protect Transportation Funding Firewalls

What's Best for Michigan

Preserve existing firewalls that ensure that revenues generated by transportation users remain in the HTF and are invested in transportation systems.

Maintain a separate Mass Transit Account within the HTF and preserve the existing federal transit program funding guarantees.

Ensure that any new revenue source used for transportation, whether it accrues to the HTF or to a newly created fund, is also protected by firewalls.

Why

Budgetary firewalls, which are intended to protect transportation funds from spending pressures in other areas of the federal budget, recognize the unique nature of these trust-funded programs.

Continuing to protect transportation funds with firewalls will also ensure that we continue to maintain a commitment to taxpayers that the user fees they pay will go toward improving our nation's infrastructure.

Create a Dedicated, Multi-Year Federal Funding Source for Intercity Passenger Rail

What's Best for Michigan

Identify and implement a dedicated funding source to address the capital and operating assistance needs of the intercity passenger rail system, including proper maintenance of infrastructure and rolling stock.

Provide funding from a variety of sources, including a user fee, in a manner which would not adversely affect funding for the other modes.

Create a national oversight entity responsive to the needs of states to play a national role in establishing design criteria, providing the needed funding, and monitoring system development and operations.

Why

Intercity passenger rail is the only transportation mode without a dedicated source of long term funding.

A multi-year funding authorization with a dedicated funding stream, similar to highways and transit, would allow for adequate budgeting for maintenance, infrastructure improvements, equipment acquisition, and sustainable operating schedules.

When coupled with a reasonable state/local match, a dedicated federal funding source will help preserve, improve, and expand intercity passenger rail services.

Focus Federal Resources on Core Programs

What's Best for Michigan

Limit or eliminate funding for discretionary programs. Take steps to ensure that the type of projects or work funded through discretionary programs are eligible for funding under existing core programs.

Why

Michigan would benefit from an increase in the share of highway funding distributed through existing core formula programs.

If discretionary funds were distributed by existing formulas for the period covering FY 2005-07, Michigan would have received an additional $278 million. Some examples of discretionary funds include:

- Interstate Maintenance Discretionary Program
- Bridge Discretionary Program
- Transportation, Community, and System Preservation Program
- Truck Parking Facilities Program
- Ferry Boat and Ferry Terminal Facilities Program

Increasing funds for discretionary programs causes corresponding decreases in formula programs, which reduces Michigan's overall percentage of funds received.

During the first three years of SAFETEA-LU, Michigan received an average of less than 1.8% of funds distributed through discretionary programs. This is far less than the 3.1% of funds Michigan received from formula-based programs, which are included in the equity calculation that guarantees all states at least a 92% rate of return.

To maximize use of funds during the next surface transportation authorization period, targeted dollars should be directed to projects that are already planned or programmed. When a project is funded outside of existing plans, the transportation agency must shift funds from an approved and fully vetted project to the project receiving the discretionary award.

Sharpen Focus on Border Issues and Funds

What's Best for Michigan

Move the Coordinated Border Infrastructure Program "above the line" and outside the calculation of the Equity Bonus to ensure that the nation's critical border facilities are truly treated as national priorities, and allocate funding based on trade and traffic volumes, security, and infrastructure needs.

Why

International border crossings are unique national resources that not only benefit the northern and southern border states, but benefit the entire United States by providing improved trade connections with Canada and Mexico.

Michigan is essentially a pass-through state for international border trade. Despite the benefit that our border crossings provide to states across the country, most of the funding for their upkeep and improvement comes from Michigan's highway allocation.

- At the Blue Water Bridge, approximately 50% of the incoming commercial traffic passes on to other states including Illinois, Indiana, and Ohio, while 30% of the outgoing traffic originates in other states.
- The Ambassador Bridge sees 60% of the incoming commercial trade passing through to destinations such as Illinois, Indiana, Kentucky, and Texas, while 68% of the outgoing Ambassador Bridge commercial traffic originates in other states such as Ohio, Indiana, Illinois, Kentucky and Tennessee.

Our borders should be treated as projects of national significance and should be funded in a manner consistent with other nationally significant projects.

Michigan needs funding for border projects that does not come out of formula programs. The current border program simply diverts funds to border infrastructure that would otherwise be available for important road and bridge projects elsewhere in Michigan. Michigan carries a disproportionately larger share of the funding burden for ensuring that the goods crossing the border are safe, sufficient, and efficient. Many other states benefit while Michigan foots the bill.

Focus New Starts Funding on Filling Urban Transit Gaps

What's Best for Michigan

Revise the New Starts program to use a portion of the funds specifically to establish fixed guideway systems in metropolitan areas lacking local rapid transit. Add criteria for New Starts funding that consider economic development benefits, including special consideration for economic distressed areas, and land use benefits.

Why

Currently, both expansion transit projects and new transit projects compete for the same discretionary New Starts funds. Based on existing criteria, system expansion projects have a significant advantage. As a result, Michigan metropolitan areas cannot compete effectively and they continue to fall behind, creating gaps in the nation's passenger transportation system and hurting Michigan's ability to compete for business, workers, and tourism.

Separating project evaluations for the two categories will help provide a more balanced approach to the allocation of funding. It will facilitate development of new fixed guideway systems in U.S. metropolitan areas currently lacking these systems, ensuring that light and commuter rail will generate the significant economic, environmental, and mobility benefits that our current bus-only systems cannot achieve.

Developing fixed guideway systems in Michigan's urban areas is also essential to achieve the vision of high-speed rail in America. As the Michigan terminus of Detroit-Chicago high-speed rail corridor, the Detroit metropolitan area must establish a local rapid transit system to capture the economic benefits that high-speed rail will bring to the Midwest. Without it, high-speed intercity rail will result in travel from Michigan to other Midwestern cities, such as Chicago and Minneapolis, where business travelers or tourists can easily complete trips using high-frequency, high-performing local transit. Southeast Michigan is the largest region in the U.S. without high capacity rapid transit service in place and lacks a metro transit system with a transit connection to the Detroit Metropolitan Airport.

In addition, the criteria for New Starts funding should include special consideration (preference) projects in economic distressed areas. This would be in addition to the current economic and land use benefits criteria. New Starts projects in areas with high unemployment and economic distress associated with reductions in the car industry can achieve both transportation and economic recovery benefits.

Michigan has a number of fixed guideway projects in development. New Starts criteria that ensure Michigan's proposal will only compete against proposals from other metropolitan areas that have yet to establish a fixed guideway system, are essential to Michigan's economic growth and to ensuring a fully integrated national high-speed rail system.

Consolidate Federal Transit Programs

What's Best for Michigan

Consolidate federal transit programs into the following six areas:

1. Operations and Access
2. System Preservation and Renewal
3. Congestion Relief and Metro Mobility
4. Enhancements/Quality of Life
5. Research and Planning
6. Administration

Why

With the passage of SAFETEA-LU there are now 53 federal transit programs, many of which focus on smaller specialized services. The expansion of these specialized services limits the flexibility of state and local governments to deliver other public transportation projects and services. In addition, the next federal transportation authorization needs to take action to address the cost of compliance with the numerous federal transit reporting requirements and provide capital and operating assistance to meet those requirements and to help transit providers address costs that are beyond their ability to control.

The consolidation of smaller specialized services into broader categories will expedite program implementation, improve overall user services, and allow recipients to leverage funding for similar purposes. Examples of recommended changes include:

- Streamline the current federal grant approval process to expedite project delivery and reduce routine project costs. Streamline the reporting process by making all reports due annually instead of quarterly.

- Preserve the 80% federal match for capital investments, New Starts, and transit formula funding.

- For federal transit programs, preserve the "needs based" approach and increase funding to address unmet needs.

- Provide operating assistance for urbanized transit systems (5307) that operate less than 100 buses in urbanized areas with a population greater than 200,000.

- Retain core programs (5307 and 5311), but consolidate the Job Access and Reverse Commute, New Freedom funding, and eligible program activities into Section 5307 and 5311 formula programs. Allow the states to transfer Job Access and Reverse Commute and New Freedom funding and eligible program activities to Section 5310 if needed.

- Retain and streamline the Fixed Guideway Modernization program (replace the seven-tier apportionment formula with a two-tier formula).

- Streamline and simplify the New Starts program (see Broaden New Starts Qualifications position paper).

- Retain separate set asides from the research program.

Continue Focus on Safety

What's Best for Michigan

Adopt an ambitious national goal of reducing the number of highway fatalities by half over two decades, and support that goal by providing the overall level of transportation funding necessary to give agencies a real opportunity to achieve this goal.

Encourage partnerships at all levels of government to ensure cooperation and collaboration that continues to create synergies and results in improved safety.

Provide states maximum flexibility to pursue programs and projects that are best suited to meet the unique safety needs that exist in individual states.

Why

The nation's heightened focus on highway safety -- including higher funding levels and a more strategic examination of where improvements can be made -- has resulted in a declining fatality rate. Building on this success can further reduce the societal cost of traffic fatalities and debilitating injuries that currently still exceed $300 billion annually.

Over 70 different agencies and organizations in Michigan participated in the development and implementation of Michigan's Strategic Highway Safety Plan. In the five years the plan has been in existence, it has contributed to the impressive safety gains the state has experienced. The cooperation and collaboration that made the plan possible should continue to be encouraged, and safety funding should focus on flexibility and simplicity to allow Michigan to utilize available resources for the most pressing identified safety needs.

Michigan's Strategic Highway Safety Plan includes the specific goals of reducing traffic fatalities from 1,084 in 2007 to 850 in 2012, and reducing serious traffic injuries from 7,485 in 2007 to 5,900 in 2012. These are specific and measurable goals that serve to focus the efforts of the agencies and organizations involved in improving traffic safety. A national safety agenda that includes ambitious national goals and is supported by an appropriate level of resources can focus efforts nationwide.

If You Earmark, Choose Effective Earmarks

What's Best for Michigan

Based on MDOT's experience at putting highway and transit earmarks to work, some earmarks can be used more effectively and immediately than others.

Transit earmarks are among the most effective. Transit earmarks are often used to fund large capital projects that otherwise would not be possible. Earmarks for transit do not negatively impact other agencies or program operating funds.

Highway earmarks, for projects developed in partnership with local road agencies and other stakeholders, can also be effective, provided a few key factors are true:

- Clear, concise legislative language that clearly states project intent, but is flexible enough to allow implementation over time (i.e., avoid the need for Congress to pass future amendments).
- Sufficient funding to advance at least one key project phase, with an eye toward fully-funded project completion. If $500,000 is secured for a $100 million dollar project, it may be many years before visible work on the project can begin.
- Sufficient available non-federal match (typically 20%) is essential for successful project delivery. Since most earmarks require state or local matching funds, every unplanned earmark can adversely impact other planned projects.
- Earmarks should be selected from among projects already listed in the Metropolitan Planning Organization Transportation Improvement Program or the State Transportation Improvement Program. This will help ensure that the project can advance according to federal, state, and local planning requirements.
- Seek "above the line" earmarks that are not part of the Equity Bonus calculation. For every dollar of "below the line" earmark money Michigan receives, we receive a dollar less in more flexible core program funds.

Why

Transportation earmarks have proven helpful in getting a project started or completed, particularly for transit projects. However, not all earmarks have equal impact.

Given the dramatic increase in the number and dollar value of transportation earmarks in recent years, they have complicated the administration of the federal program (particularly the highway program) and greatly reduced its efficiency.

Consolidate Federal Funding Programs to Encourage Asset Management

What's Best for Michigan

Provide greater funding flexibility to allow Michigan to invest in the right system at the right time to preserve the infrastructure at the lowest possible cost.

Michigan, and other states with an asset management system in place, should receive federal transportation funds as a block grant to invest as it sees fit to best preserve transportation systems.

Why

Distribution of federal aid by program category (Interstate, NHS, etc.) is not compatible with an asset management approach to investment. Transportation agencies should be able to use federal aid for any purpose that best preserves transportation assets and achieves performance goals, provided they have a plan in place to do so.

Asset management protects the infrastructure from disinvestment and encourages agencies to invest where it will most benefit the movement of people and goods.

Asset management views the transportation system as a whole rather than as separately funded projects, and investment results are judged by the people who use the system, rather than the jurisdiction that owns each asset.

Take a Sensible Approach to Performance Measurement and Accountability

What's Best for Michigan

Any potential approach to performance measurement and/or additional accountability measures that accompany substantial increases in funding should:

- Serve to better focus the federal program on areas of national interest.
- Recognize the unique characteristics of each state/region.
- Be developed cooperatively with states or regions rather come in the form of a prescriptive top-down mandate.
- Be accompanied by real process reforms, such as regulatory relief and more flexible funding.

Why

The American public has an interest in knowing what is being done with its tax dollars and expects to see tangible results.

The federal program could be more effective if it were refocused on a narrower set of objectives that are more clearly in the national interest.

The federal program currently focuses more on process versus outcome. Adding even more process to the program will only slow down program development, making it more costly.

Many transportation agencies, including MDOT, use performance measures and are organized for accountability.

No matter how well designed and implemented any system of performance measurement is, it simply cannot take the place of the higher funding levels that our transportation system desperately needs.

Develop a National Intercity Passenger Rail Policy

What's Best for Michigan

Develop a national policy for intercity passenger rail that:

- Promotes planned investment in passenger rail as a transportation alternative that will help reduce highway congestion, improve air quality, and enhance rail safety and homeland security.
- Is created in consultation with states and local agencies.
- Encourages partnerships between freight, commuter, and intercity rail railroads.
- Addresses equity issues for all service providers seeking access to the railroad infrastructure.
- Provides dedicated funding for passenger rail investment.

Why

Michigan is poised to make significant gains through a long-term commitment by the federal government to the development and operation of a national intercity passenger rail system. Michigan's rail corridors have long been part of the Midwest Regional Rail Initiative and feature the only rail segments outside the East Coast that provide service traveling at better than 90 miles per hour. Implementing a national policy and national rail plan would help improve the connectivity of Michigan's rail corridors to the rest of the nation.

The issue of equitable access to railroad infrastructure needs to be addressed to encourage competition and reduce the cost of passenger rail. One place to start would be to expand the Alternate Passenger Rail Service Pilot Program, established in the Passenger Rail Investment and Improvement Act of 2008, by allowing alternate passenger rail service providers other than the host railroad to provide service, and to extend the same railroad infrastructure access rights to Departments of Transportation (DOTs) and service providers with whom they contract.

A national rail transportation network that moves both passengers and freight effectively and efficiently across international borders, across state lines, and within regional and state boundaries is essential to the country's continued economic growth and vitality.

Continue Investment in Intelligent Transportation Systems (ITS)

What's Best for Michigan

Ensure sufficient transportation funding that allows states to invest in ITS deployment, operations and maintenance at levels which meet the public's needs for improved safety and mobility.

Support strong national priorities in ITS and IntelliDrive research and deployment of state of the art technologies that improves safety, reduces congestion, provides for more efficient movement of goods and services, and supports Michigan companies that are developing technologies for the next generation of automobiles. Provide incentives and financial support for states that research, test and deploy these technologies.

Why

Expanding and enhancing ITS infrastructure already in place is a cost effective means of improving the movement of people and goods throughout the state.

A state of the art ITS deployment provides Michigan with a safe and reliable transportation system and maximizes use of the existing highway infrastructure. The valuable information this system provides to the public and MDOT improves safety, traffic flow, and the environment, but ITS technologies require a commitment to operations and maintenance to ensure that the benefits from these deployments are maximized.

Michigan is a national leader in the area of ITS and IntelliDrive research. MDOT's commitment to these technologies and its strategic partnerships with the auto industry, and with nations around the world, bring Michigan genuine economic benefit from cutting edge research and implementation. Continued focus on the IntelliDrive program in Michigan will also ensure that Michigan residents reap the safety and mobility benefits at an early stage of deployment.

The future of transportation is based on vehicle-to-infrastructure (V2I) and vehicle-to-vehicle (V2V) communications. Because of Michigan's past investments, testing and performance in this area, the state is well positioned to take advantage of advancements in related technologies. This will provide economic benefits to the state and improve the ability to efficiently and safely move people and goods.

Continue Research Program Funding

What's Best for Michigan

Continue funding for university and industry research at the project or need-specific level.

Investment in research programs is necessary to develop, disseminate, and implement good practices that will enhance service delivery, promote "best practices" through technical standards, and increase the operational efficiency of transportation systems.

Why

Blanket funding to research centers does not guarantee that MDOT's applied research goals will be met. Making funds available on a project or need-specific basis, rather than a blanket allocation to the research center, allows MDOT the flexibility to ensure that funds are used effectively on research projects that will be of lasting value.

MDOT manages its federal research funds in a highly effective manner. Most states have one full-time project manager for every $1 million; the department's research program handles $8 million, with four dedicated managers for the SPR II (State Planning & Research) funds. The department is able to integrate research funds into the existing management structure, therefore making the most of our available funds.

Michigan has several renowned research universities that can offer cost-effective and quality research that will continue to advance transportation research and best practices.

Take a Unified Approach to Global Climate Change

What's Best for Michigan

Ensure that any program or policy enacted to implement a climate change strategy include all sectors of the economy, not only transportation.

Keep funding from climate change mitigation programs separate from air quality programs. Air quality programs focus on particulate matter and pollutants not known to contribute to climate change. Climate change mitigation should be achieved through new legislation rather than with the Clean Air Act.

The transportation component of the nation's climate change strategy should emphasize alternative modes of transportation as a tool for reducing green house gas (GHG) emissions. This includes expanding the use of freight and passenger rail, transit, and addressing bottlenecks.

Why

Transportation will be an important component of any broad based climate change strategy. To ensure that all sectors of the economy responsible for GHG emissions contribute equitably to the solution, a piecemeal approach to implementing mitigation measures should be avoided. Comprehensive federal legislation to address climate change will help ensure that all sectors that contribute GHG emissions will have a role in reducing them.

Because global climate change is caused not just by carbon emissions but also by other specific gases (unrelated to transportation), carbon emissions should not be singled out for regulation through the Clean Air Act. Further, air pollution analysis required by the Clean Air Act traditionally evaluates toxins and precursors to hazardous chemical formation. Carbon is a stable particulate that does not behave according to that photochemical emissions modeling scenario. In order to separately measure carbon emissions, or other greenhouse gases, as part of the Clean Air Act, the EPA would need to develop a federally approved tool for use in transportation project level and system level conformity analysis that would evaluate carbon emissions "separately" from other particulates that are already regulated.

If climate change legislation is enacted it should be a flexible market based approach, such as cap and trade or carbon tax. This follows the recommendations of both the Michigan Climate Action Council and the Midwestern Governors Greenhouse Gas Award.

Create an Adverse Weather Allocation

What's Best for Michigan

Provide additional assistance to states that routinely face costs beyond the national average to maintain operations despite severe or extreme weather. Such an allocation could be achieved by adding a factor in the formula for distribution of Interstate Maintenance and National Highway System funds to target states that have costs for winter maintenance that are greater than the national average.

Why

Michigan, as well as many northern states, faces significant maintenance costs for plowing and salting to maintain safe roadways throughout the winter months. In addition, experts agree that, as a result of global climate change, the frequency and severity of storms will increase, and northern states will see an increased frequency in the freeze-thaw cycles that damage pavement by creating potholes that must be patched before additional road deterioration occurs.

These maintenance costs, which are not eligible for federal aid, use up state funding that might otherwise be available for capital investment and prevent northern states from pursuing the same robust capital programs that other states enjoy.

An adverse weather allocation would level the playing field by providing more capital assistance to states that face disproportionately higher maintenance costs as a result of extreme weather.

The federal government already provides adverse weather allocations for a variety of emergency relief for damage done by floods, hurricanes, and earth quakes. Some recognition and compensation to northern states for the cost of regular emergency response to ice and snow, as well as pavement damage caused by winter weather, also is warranted.

Reinvest Greenhouse Gas Revenue from Transportation Back into Transportation

What's Best for Michigan

Ensure that if a cap and trade program or carbon tax is instituted to reduce emissions, with new fees being paid by emitters or oil refineries, a proportional share of the revenues are reinvested in transportation solutions that help address climate change.

The next federal surface transportation authorization should recognize the environmental and climate change benefits of increased public transportation usage by designating a portion of any new revenue from climate change legislation to public transportation expansion and capacity improvements.

Why

Reinvesting cap and trade revenue in transportation will provide transportation agencies the additional resources necessary to expand travel options in less energy intensive ways while improving mobility.

Additional revenue from a GHG program can also provide a source of funds for use in improving the operations of our transportation systems and for new or expanded research and development initiatives aimed at developing a zero-carbon-fueled vehicle fleet.