

TRANSPORTATION EQUITY ACT FOR THE TWENTY-FIRST CENTURY (TEA 21)

PRINCIPLES FOR REAUTHORIZATION

California's transportation system is the gateway for the economic engines within the state that drive the national economy and for the largest proportion of the goods and services that link the United States with its global markets. The efficiency, security, and quality of California's transportation system directly affect the economic wellbeing of every other state in the nation. Reauthorization of TEA 21 provides an opportunity to strengthen transportation's key role in supporting national security and the global economic competitiveness of the United States in the 21st Century. The following are California's principles in furthering that goal:

Funding

- Increase funding levels by raising annual obligation limits and spending down the unobligated balances in the Highway Trust Fund.
- Maintain the guaranteed funding levels and "firewalls" established in TEA 21 that match transportation expenditures to transportation revenues.
- Retain the Revenue Aligned Budget Authority (RABA) mechanism, but distribute the proceeds consistent with the historical split of gas tax proceeds both to the Highway and Mass Transit Accounts.
- Develop a mechanism to use available Highway Trust Fund balances to dampen the large swings in funding that could result from negative RABA adjustments. There should not be a major reduction in funding levels when Highway Trust Fund balances are high and can be used to mitigate negative RABA adjustments.
- Allow for easier access to and/or flexibility in qualifying projects from approved Regional Transportation Plans for innovative financing. This effort would include the modification of regulations and/or incentives for innovative financing arrangements including increased capitalization of infrastructure banks, debt-financing flexibility, direct treasury financing, access to public-private joint ventures, and the broadening of eligibility rules of the innovative financing program.

Program Structure

- Continue the basic program structure instituted by ISTEA that provides state, regional, and local officials the flexibility to allocate federal funds to a range of highway, transit, local road, and bicycle/pedestrian improvements based on needs.
- Remove barriers to funding projects and programs that promote more efficient operation of the existing transportation system, such as deleting the three-year limit on the use of CMAQ funds.
- Concentrate any increased funding in the existing highway and transit formula and capital investment programs. Refrain from creating any new discretionary programs beyond those currently authorized by law.
- Provide for increased program capacity to support the safe and efficient movement of goods in corridors that are crucial to national economic security and vitality, and provide for the mitigation of congestion and environmental effects of such movements. Support this effort by using Highway Trust Fund dollars or other Federal funding sources for programmatic increases in excess of current authorizations.

Equity

- Ensure that California receives an increased share of highway funding based on its contributions to the Highway Trust Fund and preeminent role in the national economy.
- Oppose efforts to impose an arbitrary funding "cap" on the disbursement of formula or discretionary federal transit funds to any state.

Expediting Project Delivery

- Link permitting agency review and approval to environmental review processes for environmentally responsible and expeditious project delivery. Federal agencies should coordinate policy and share financial and staff resources to integrate and expedite use of authorized funds to meet local, state, and national transportation and environmental priorities.
- Provide states with financial incentives such as enhanced and coordinated funding to assure the use of integrated review and planning procedures.
- Pursue a California pilot program demonstrating coordination of effort and funding between the state and federal permitting agencies and regulatory structures.