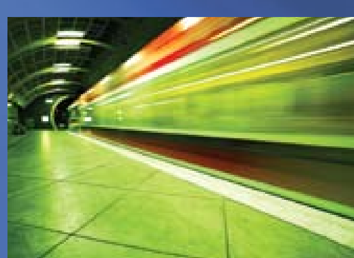
NATIONAL TRANSPORTATION POLICY PROJECT

Performance Driven: A New Vision for U.S. Transportation Policy

EXECUTIVE SUMMARY



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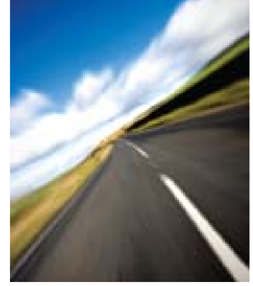

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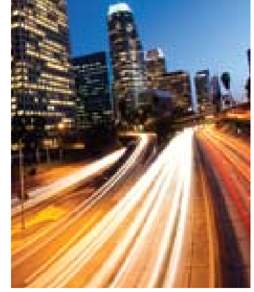
Preamble

This report presents the findings of an intensive, two-year effort to develop multi-stakeholder consensus recommendations for a forward-looking American transportation policy. The NTPP's diverse membership includes experts and leaders in transportation policy, as well as users of the system whose voices have not typically been heard in previous policy debates. Collectively, Project participants represent a wide range of political, commercial, and stakeholder interests in the nation's transportation systems—and while some are well-versed in the intricacies of current programs and policies, the majority are not. The Project is chaired by four former elected officials who served at the federal, state, and local levels and have wide-ranging experience in public policy and management. Its aim has been to develop specific recommendations that are at once bold and pragmatic, sophisticated and understandable.

This report is the product of a bipartisan group of 26 members of diverse expertise and affiliations, addressing many complex and contentious topics. Arriving at a consensus document in these circumstances entailed multiple compromises. Accordingly, the reader should not assume that every member is entirely satisfied with every formulation in the report taken in isolation. Rather, we have reached consensus on the report and its recommendations ***as a package***, which taken as a whole offers a balanced and comprehensive approach to the economic, environmental and energy security, safety, and national connectivity challenges facing transportation policy-makers. The findings and recommendations expressed herein are solely those of the Project Members and do not necessarily represent the views or opinions of the Bipartisan Policy Center, its Advisory Board, or its Board of Directors.

U.S. transportation policy needs to be more performance-driven, more directly linked to a set of clearly articulated goals, and more accountable for results.



Executive Summary

National transportation policy has lost direction and a clear sense of purpose, threatening substantial costs to our collective prosperity, security, environment, and quality of life. We are recommending bold and comprehensive reform founded on a relatively simple proposition: *U.S. transportation policy needs to be more performance-driven, more directly linked to a set of clearly articulated goals, and more accountable for results.*

This is a period of extraordinary opportunity for revitalizing America's surface transportation system. The investments of the interstate-highway era, begun more than 50 years ago, are nearing or beyond their intended lifespan. Existing systems are dated, in many cases strained to (or beyond) capacity, and increasingly fall short of delivering transportation services at the level of quality, performance, and efficiency the American public demands. Current funding mechanisms are not sufficient to maintain existing infrastructure, let alone provide the investments needed to expand and modernize our transportation systems. The broader fiscal outlook—notwithstanding a near-term burst of stimulus spending—suggests that public resources will be more constrained than ever in the years ahead. Meanwhile, available resources are typically distributed without any sense of national priorities, and there is little to no recognition of the link between transportation investments, energy, and climate. As Congress prepares to debate a new surface transportation authorization bill, there is growing support for fundamental reform of our nation's transportation policies. There is also a growing awareness that our approach to transportation must be responsive to a new set of 21st century challenges, from staying competitive in an increasingly globalized economy, to addressing urgent concerns about energy security and climate change.

There is little to no recognition of the link between transportation investments, energy, and climate.

Recognizing the need for a new vision for federal transportation policy, the National Transportation Policy Project (NTPP) was launched in February, 2008, with the aim of bringing new approaches and fresh thinking to these issues.[1] Our aim has been to develop proposals for transportation reform that are at once bold enough to be effective, and pragmatic enough to be relevant. To that end, the Project has been explicitly bipartisan in its approach and in its membership from the outset. NTPP is chaired by four former elected officials—two Republicans and two Democrats—and brings together a group of individuals with a broad diversity of political views and professional experiences. This includes experts and leaders in transportation policy, as well as users of the

1 The NTPP is a project of the Bipartisan Policy Center, which was founded by former Senate majority leaders Howard Baker, George Mitchell, Tom Daschle, and Bob Dole and builds on a model for principled bipartisan cooperation and compromise first pioneered by the National Commission on Energy Policy (NCEP). For more information on the BPC and on its other projects in the areas of energy, national security, science and policy, and health care please visit www.bipartisanpolicy.org.

system whose voices have not typically been heard in previous policy debates. A full list of NTPP members is at the beginning of this report.

Federal Goals

Two central questions have motivated and guided NTPP's analytical work and deliberations over the nearly two years since the Project was launched:

- ***Why and for what purposes should the federal government invest in transportation?***
- ***How can the federal government ensure that any greater investment be wiser investment that effectively advances national purposes?***

Clearly, the first step toward a more focused and effective federal role was to answer the first question: What are the federal government's primary goals for transportation policy and transportation system investments? In this report, NTPP proposes five key goals, all of which are critical to the national interest and all of which—because of their intrinsically national nature—require federal leadership and action:

- ***Economic Growth—***Producing maximum *economic growth* per dollar of investment
- ***National Connectivity—****Connecting* people and goods across the nation with effective surface transportation
- ***Metropolitan Accessibility—***Providing efficient access to jobs, labor, and other activities throughout *metropolitan* areas
- ***Energy Security and Environmental Protection—***Integrating *energy* security and environmental protection objectives with transportation policies and programs
- ***Safety—***Improving *safety* by reducing the number of accidents, injuries, and fatalities associated with transportation

NTPP believes that this set of goals makes intuitive sense and would command broad support from the American public—and thus provides a strong foundation for a meaningful vision and fundamental reform. We are well aware that bringing about such reform will be much harder than identifying goals. Implementing a performance-driven approach and introducing accountability will challenge entrenched interests and require government institutions at all levels to change longstanding practices and ways of doing business. Accordingly, our discussions next turned to the difficult task of developing objective performance metrics that can be used to choose among different investment options and, subsequently, to judge their results.

There is no federal requirement to optimize "returns" on public investments, and current programs are not structured to reward positive outcomes, or even to document them.

Measuring Performance

Without clearly articulated goals, it is not surprising that there has been little accountability for the performance of most federal transportation programs and projects to date. The result has been an emphasis on revenue sharing and process, rather than on results. There is no federal requirement to optimize "returns" on public investments, and current programs are not structured to reward positive outcomes, or even to document them.

Table 1: Proposed Performance Measures

Economic Growth	Energy and Environment	Safety
Access to jobs and labor (metropolitan accessibility)	Petroleum consumption	Fatalities and injuries per capita
Access to non-work activities (metropolitan accessibility)	CO_2 emissions	Fatalities and injuries per Vehicle Miles Traveled (VMT)
Network utility (national connectivity)		
Corridor congestion (national connectivity)		

To remedy these deficiencies, it is not enough just to have goals—we also need a set of agreed-upon tools for objectively measuring how a given policy, program, or investment achieves progress toward those goals. Such tools, or performance metrics, must be fair, transparent, and free of bias toward particular transportation modes or geographic regions. Table 1 summarizes the performance metrics NTPP recommends for measuring performance with respect to each of the goals we identified at the outset (note that metropolitan accessibility and national connectivity are considered as components of economic growth).

Several further points bear emphasizing in a discussion of performance metrics. First, the metrics we have proposed, like the goals themselves, must be applied as a complete package, not in isolation. That means that any expenditure of federal funds should be targeted towards those investments that maximize benefits among all of these measures and minimize costs. Second, the specific metrics we have proposed represent only a starting point. They can and should evolve and improve over time to achieve better results, and to ensure that federal programs and policies remain fair and relevant. Finally, we recognize that substantial efforts will be needed in the area of data quality and data collection to support the rigorous and meaningful application of metrics, and to refine and update them periodically. However, the relative lack of useful data in transportation reflects the fact that we have never had a performance-based system requiring it.

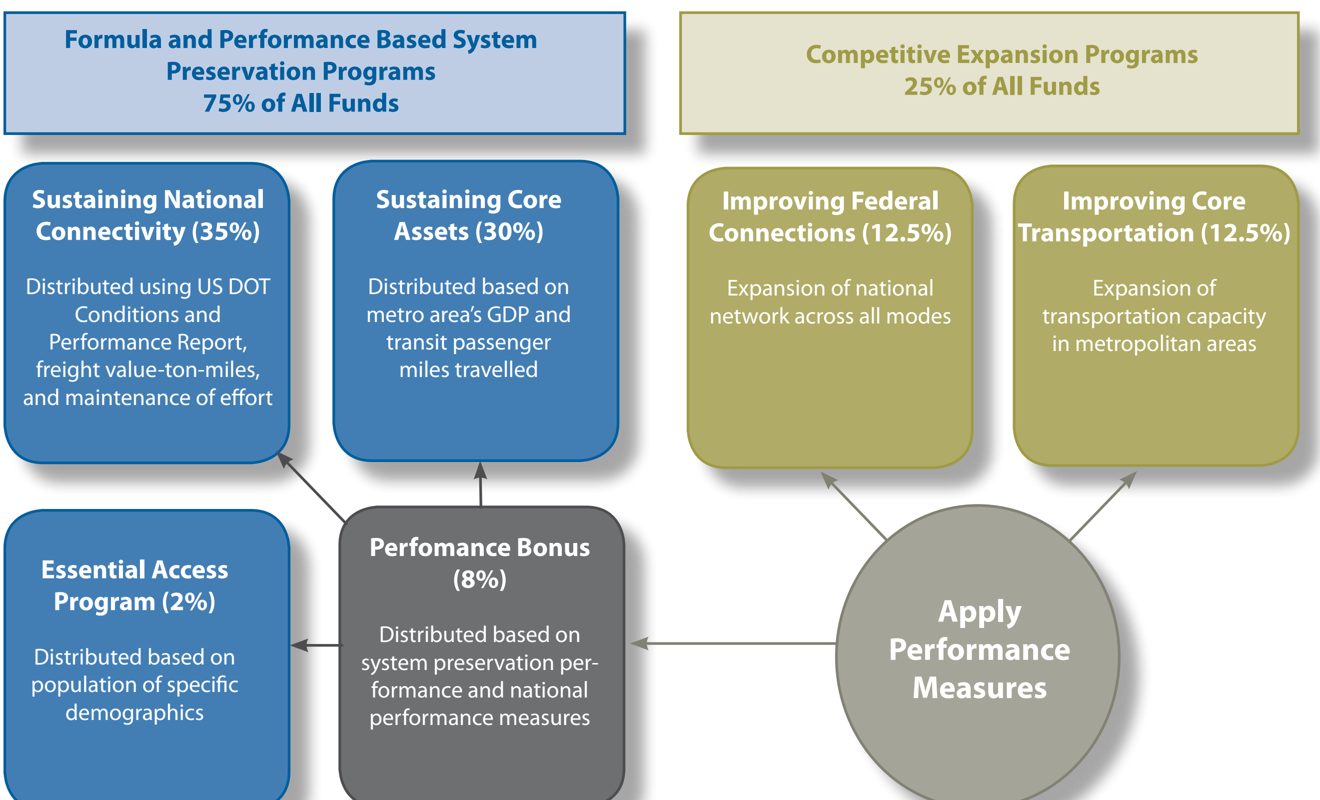
To achieve the recommended national goals and implement performance metrics, a comprehensive consolidation and restructuring of current programs—together with a fundamentally new approach to funding—are both required. These two urgent and perhaps more controversial issues are discussed in the next two sections of this summary.

Programmatic Structure

The last several surface transportation authorization bills have been marked by the rapid proliferation of federal transportation programs and by an increasing reliance on Congressional earmarks to direct federal transportation investments. Both are symptoms of the lack of focus and accountability we describe above. Addressing the root causes of these trends has become especially urgent in light of the longer-term fiscal realities that confront not only transportation programs, but all public investment. Despite the current surge of stimulus spending, the nation's collective resources are stretched thin and will be stretched much thinner for the foreseeable future. In this context, directing more resources to transportation through a set of existing policies and programs that are unsustainable, unfocused, and underperforming is not only unwise, it is untenable.

We recommend a new structure that consolidates all current federal transportation programs into two categories: formula-based **system preservation** programs and competitive **capacity expansion** programs. This consolidation is quite extensive—from approximately 108 programs to six—but is essential to focus the programs on performance. Under this new structure, the vast majority of funds would continue to be distributed via formulas—except that these formulas would distribute funds based on new criteria. Current formula distribution criteria provide perverse incentives to increase fuel consumption and carbon emissions, whereas the new criteria would provide funding based on need. All existing formula programs would be merged into three programs and restructured to align with national goals. A separate program would be created to reward good performance with respect to the use of formula funds. All other funding would be distributed through competitive grant programs that are programmatic, multimodal, and based on the ability of grantees to demonstrate progress toward defined national goals. The basic structure we are proposing is schematically illustrated in Figure 1.

Figure 1: Proposed Federal Funding Programs



NEW FORMULA PROGRAMS

Based on clear evidence that improvements to the management and performance of existing transportation systems generally offer the highest returns, the majority of available funding should be directed to preserving and enhancing the infrastructure and systems that already exist. Timely federal investments in existing systems can maximize the value of investments made in past years and can often make expensive new capital projects unnecessary. Consistent with the national goals we recommend, formula funding for system preservation and optimization should be focused in two areas: (1) national connections and (2) metropolitan regions.

Specifically, we propose a new formula program called **Sustaining National Connectivity (SConnect)** that would target federal funds to those investments most necessary to preserve the national transportation system. A cost-based formula offers the simplest and most direct way of allocating federal funds under this program. Such a formula can, at least initially, make use of the analyses already conducted by U.S. DOT as part of its bi-annual Conditions and Performance report. Another factor to include in the formula could be freight value-ton-miles within a state, to account for rail preservation needs until an objective measure of needs based on freight congestion and bottlenecks can be developed. The formula could also reward efforts by states that have implemented revenue-raising and asset management policies, and have undertaken investments to preserve those elements of these national systems that are located within their boundaries. A significant level of federal support for system preservation would be guaranteed for all states under this formula. The funds would flow directly to states on a mode-neutral basis for the purpose of preserving and enhancing elements of existing transportation systems—including roads and freight and passenger rail—that play a role in connecting the nation. This will require a methodical redefinition of what comprises this federal system, to ensure that included facilities are truly in the national interest. Private infrastructure would be eligible for federal funds provided a compelling justification exists on the basis of public benefits and provided there is an appropriate private match. States would work with U.S. DOT to prioritize activities in line with national goals and track how well their expenditures of federal funds are performing. States could be eligible for supplemental planning funds if they use those funds to collaborate with other states.

In addition, we propose a new program, called **Sustaining Core Assets (SCA)** that would distribute funds to metropolitan areas with more than 200,000 people based on their share of gross domestic product. A regional planning entity designated by the state, typically a metropolitan planning organization (MPO), would prepare a plan that prioritizes preservation activities consistent with state plans and national goals; the same entity would also track the performance of spending under this program. As in the SConnect program, metropolitan areas could receive additional planning funds if they use those funds to collaborate across state and municipal lines in order to enhance connectivity.

NTPP recommends a third formula program to ensure that transportation remains accessible for isolated, disabled, disadvantaged, and underprivileged people in both rural and urban areas. The proposed **Essential Access Program (EAP)** would distribute funding to states based on need, as measured by numbers of people in these demographics. States would then distribute funds based on an application process that evaluates grant proposals using all of the performance metrics, weighted toward the areas that are most in need of essential access.

The chief problem with any formula program is that it fails to provide performance incentives to recipients. Although formulas offer a simple, consistent, and trans-

parent way to distribute funds, they do not address the need for accountability in meeting goals. Thus, NTPP recommends a fourth program to create proper incentives to reward performance in the use of formula funds.

The **Performance Bonus Program (PBP)** would provide additional funds to states and metropolitan regions based on their demonstrated progress toward meeting national performance goals. This would include how well they reduce their backlog of system preservation needs and optimize the performance of existing systems based on the measures in Table 1 above. Recipients could use PBP funds for any transportation purpose with few restrictions. As a corresponding corrective measure, poorly performing states and regions would be subject to greater federal scrutiny and review in the planning process for their formula funds.

NEW COMPETITIVE PROGRAMS

To keep pace with a growing and changing nation, ongoing investment in new transportation infrastructure is needed to ensure that people and goods can continue to move efficiently and in a way that is responsive to new economic, energy security, and environmental challenges. While NTPP recommends using formula programs to fund the preservation and improvement of existing national and metropolitan systems, we recommend a new approach—built on competition—for prioritizing federal investment in new capacity. This will encourage comprehensive planning for future transportation needs and assure that federal support for system expansion furthers the achievement of national goals.

Specifically, we recommend two new competitive funding programs designed to prioritize among competing proposals for federal investment in new infrastructure, which together would account for 25 percent of overall federal transportation funding. Under these programs, U.S. DOT would annually evaluate proposals using the best available data and performance measures and make recommendations to Congress, which would approve final funding on the basis of U.S. DOT's recommendations. Although there may be some controversy about U.S. DOT's ability to make funding recommendations that Congress will respect, we believe this approach can work smoothly, particularly as data quality and performance measurement techniques improve over time.

The competitive programs we propose are designed to direct federal resources (a) toward the investments that offer the greatest returns at the lowest cost, and (b) in amounts that are proportionate to the national benefits to be gained. These programs are not intended to be prescriptive, but to allow for a bottom-up approach in which states and local areas have flexibility to develop proposals that reflect their preferred strategies for advancing national goals. Thus funding could be awarded to support a variety of policies or sets of investments, including public-private partnerships across any and all transportation modes. State and local entities would have to demonstrate that these programs are cost-effective and would produce results aligned with national goals.

We call the first of these new competitive programs **Improving Federal Connections (IFC)**. It would fund the expansion of the national transportation network across modes, with a focus on all forms of freight transportation, together with investments in passenger transportation, such as intercity highway, bus, and rail links, as well as improvements to multimodal access for ports and airports. Any state, region, or locality (or collection of regional, state, or local entities) could apply for grants to fund programs, as opposed to individual projects, that improve the performance of the overall transportation network. As already noted, U.S. DOT would evaluate applications and make funding recommendations subject to Congressional approval. All the performance metrics described previously would apply, but, consistent with the focus of this program, the national connectivity metrics would receive the greatest weight. The amount of federal funding available to any particular proposal would depend on available resources and the number of other cost-beneficial applications received. Grant recipients would be responsible for reporting on whether outcomes were achieved as predicted and states would aggregate these reports to evaluate the overall success of their programs. These evaluations would then be considered in future funding cycles.

In addition, NTPP recommends a second competitive program, called **Improving Core Transportation (ICT)**, to fund transportation-system expansion across all modes in metropolitan areas with populations greater than 500,000, with a set-aside for smaller areas. Metropolitan regions would apply for grants by submitting proposals for programs (again as opposed to projects). Programs funded using this mechanism could include a coordinated mix of public and private capital projects, operating enhancements, and other financial and administrative measures that work together to improve the overall system. As with the proposed IFC program, applications would be evaluated by U.S. DOT and funding would be approved by Congress. All performance metrics would be considered, but the metropolitan accessibility metrics would receive the greatest weight. Grants awarded under this program would be expected to focus on passenger transportation improvements, but freight improvements needed to enhance the overall performance of transportation networks in major metropolitan areas would also be eligible. As before, grant amounts would depend on benefits achieved, total resources available, and the number of other cost-beneficial applications received. Recipients would be responsible for reporting afterwards on whether goals had been accomplished as predicted.

It is difficult to imagine that the programmatic framework for transportation that NTPP recommends can be established in the absence of significant institutional reform at all levels of government. Throughout this report we emphasize the necessity to more clearly define and articulate the federal interest in transportation. But we also aim to propose a strategy that will allow the federal government to partner more effectively with other levels of government and with the private sector.

Public sector roles and responsibilities must be reshaped and reorganized for effectively planning, funding, building, operating, and regulating the nation's transportation system. At the federal level U.S. DOT should be reorganized and better connected to other federal agencies to reflect these interests and values. The organizational structure of DOT should reflect the reorientation of transportation programs around broader national goals, by establishing modal coordinating mechanisms in the Office of the Secretary. Moreover, given the need to integrate policy considerations that go beyond the jurisdiction of traditional transportation agencies—such as energy, environment, housing, and community development—interagency coordination on these issues should also be improved.

We propose a strategy that will allow the federal government to partner more effectively with other levels of government and with the private sector.

With a few exceptions, the transportation planning processes that currently exist at the state and metropolitan levels do not support a strategic, performance-based, and accountable approach to decision-making. NTPP recommends new incentives for improved planning, including offering the carrot of additional planning funds in exchange for collaboration across modal, agency, and jurisdictional lines. This will help to shift the focus to encouraging adequate planning processes, rather than mandating specific institutional structures. We have also concluded that to the extent that current federal financial support for transportation planning is not sufficient or flexible enough to support broader planning efforts by state agencies or MPOs, it should be expanded.

Finally, the success of NTPP's reform agenda depends on data improvements. Reforms and resources will be needed to create the data collection and research capabilities that are essential to the success of a performance-based system.

Revenue and Performance

For many years the gasoline tax provided a stable and growing source of funding for federal transportation investments. The federal gas tax, however, has not kept up with growth in road use, construction costs, and system needs. As a result, the resources available in the Highway Trust Fund are increasingly falling short, which in turn has necessitated transfers from general funds. This situation is clearly unsustainable. Overall gasoline consumption is down—due first to high oil prices earlier this decade and now to the economic recession—and a combination of increased vehicle fuel-economy standards, the introduction of electric and plug-in electric hybrid vehicles, and mandated expansion of biofuels use can be expected to continue to put downward pressure on oil demand. This is obviously beneficial for many reasons, but it also leads to declining receipts from fuel taxes, assuming the level of those taxes is unchanged. All of these developments have combined to expose flaws not only in the stability of the gas tax as a funding source, but also in its long-term sustainability.

There is widespread agreement that revenue currently collected at all levels of government is insufficient to either maintain or improve system performance. The "gap" between transportation "needs" and current investment by all levels of government ranges between $172 billion annually to *maintain* existing infrastructure and $214 billion annually to *improve* system performance.[2] Such "needs" estimates assume that it is possible to calculate an ideal level of investment—a view to which NTPP members do not subscribe. Too many factors (such as policy choices, technology, and prices) can affect the performance of the system and the "need" for capacity, making any interpretation of the term "need" itself relative and shifting. The focus should be on maximizing *valuable* investments where the returns to society are measured and optimized. Transportation investment has not traditionally been thought of in this way, but an approach that seeks to maximize returns is appropriate for allocating scarce resources. The appropriate level of overall investment is obviously important; what the federal government's share of that investment should be is, of course, a separate but also important question.

An equally fundamental concern is that existing revenue mechanisms fail to take advantage of the fact that the performance of the transportation system can be directly influenced by how users pay for it. The gas tax in the United States is very low relative to most developed countries, which means that all taxpayers subsidize the full costs of road use regardless of their contribution to system costs. This has resulted in artificially high demand and a substantial shortfall in the revenues neces-

2 National Surface Transportation Infrastructure Financing Commission. "Paying Our Way- A New Framework for Transportation Finance." Feb. 2009. See chapter two for a detailed analysis, including various scenarios of "the widening investment gap".

sary to cover the costs of maintaining the transportation network. Originally seen as a reasonable proxy for system use when first put in place in the 1950's, the gas tax today provides at best a weak and inaccurate price signal; few Americans are even aware of how much they pay through the fuel tax or that their contribution to system maintenance and improvement has steadily decreased over time. A recent report by the National Commission on Surface Transportation Infrastructure Financing concluded that average users pay substantially less than the full costs they impose taking into account the direct costs of wear and tear as well as indirect costs in the form of congestion, greenhouse gas emissions, and energy security impacts. An inaccurate price signal means that millions of individuals and businesses are making transportation decisions that are inefficient from a societal standpoint every day.

For all of these reasons, bold federal leadership is needed to develop, test, and implement new, more direct and more complete ways of linking revenue collection to system use and impacts. Getting the "prices right" and more directly charging users for the full cost of their use offers high economic returns, especially when charges for congestion, national security, and environmental damage are included.

Though the question of how to raise revenue has not been the primary focus of NTPP's efforts, this issue is critically important—precisely because it does ultimately relate to system performance. Thus, NTPP recommends that future efforts to address the need for new transportation revenue-raising mechanisms be guided by the following core principles:[3]

3 We note that our recommendations in this regard align closely with conclusions reached by both the National Transportation Policy and Revenue Study Commission and the National Surface Transportation Infrastructure Financing Commission.

- Revenue currently collected at all levels of government is insufficient either to maintain or improve system performance;
- Revenue collection methodologies should be directly linked to improving system performance;
- Public revenue collection can enhance the performance of the system when users more directly understand and bear the full costs of the infrastructure they use;
- Policy-makers should address the research, standard setting, technology, privacy protection, equity and administration issues for an improved national user-pay funding mechanism, including requiring development of a time-phased implementation plan;
- The recent trend toward financing federal transportation investments with non-user-based, general taxpayer funds should be reversed; and,
- Distribution of federal revenues should promote both accountability and net increases in sustainable state and local revenue sources.

Final Word

Taken together, the recommendations outlined in this report with regard to federal goals, accountability measures, programmatic restructuring, funding approach, and revenue strategies constitute a far-reaching and bold reform agenda. We do not underestimate the difficulty of implementing this agenda. Yet we are equally convinced that the effort to bring about fundamental changes in U.S. transportation policy is not only well-justified by the large benefits that could be achieved—but is in fact necessary given the scale and urgency of the multiple transportation-related challenges the nation faces in the coming decades.

Summary of Recommendations

I. Center the national transportation system around five over-arching goals:

a. Economic Growth

b. National Connectivity

c. Metropolitan Accessibility

d. Energy Security and Environmental Protection

e. Safety

II. Align programs and federal funds to progress on a suite of metrics linked to national goals:

a. Access to jobs and labor

b. Access to non-work activities

c. Network utility

d. Corridor congestion

e. Petroleum consumption

f. CO_2 emissions

g. Fatalities and injuries per capita

h. Fatalities and injuries per Vehicle Miles Traveled (VMT)

III. Consolidate current federal programs into two categories:

- ***Formula-Based System Preservation Programs and***
- ***Competitive Capacity Expansion Programs***

a. Merge formula programs into three preservation programs plus a bonus program that together comprise 75% of total funding:

- **i. Sustaining National Connectivity (SConnect) –** to preserve the existing national system
- **ii. Sustaining Core Assets (SCA) –** to preserve existing metropolitan systems
- **iii. Essential Access Program (EAP) –** to provide transportation access for rural areas, the disabled, and the economically disadvantaged
- **iv. Performance Bonus Program (PBP) –** to reward superior programmatic goal alignments in the other three formula programs

b. Merge competitive programs into two new multi-modal competitive capacity expansion grant programs together comprising 25% of total funding:

- **i. Improving Federal Connections (IFC) –** to expand capacity in the national system
- **ii. Improving Core Transportation (ICT) –** to expand capacity in metropolitan areas

IV. Address key enabling measures for the above reforms:

a. Research/Policy Refinement

i. **Develop Data And Metrics –** New and targeted federal research programs to improve transportation data and performance measurement

ii. **Redefine National System –** Developing a new consensus that redefines what is meant by the federal transportation system through the establishment of a bipartisan commission

b. Institutionalize Alignment

i. **Focus Dot Organization –** Start organizing the U.S Department of Transportation around national goals by establishing modal coordinating mechanisms within the Office of the Secretary

ii. **Institutional Dynamic Interagency Coordination –** Establishment of federal interagency mechanisms to coordinate transportation policy with housing, community development, energy, and environmental protection

iii. **Revitalize Planning –** Conditioning supplemental planning funds on a revitalized transportation planning process

c. Performance-Based Pricing

i. **Link New Revenue To Performance –** We recognize that additional funds are needed to address vital national interests in transportation, and recommend that new revenues should be user-based and applied to performance-based programs

ii. **Plan For National User-Fee –** Due to the many benefits of a comprehensive national user-based funding mechanism, NTPP recommends a national commitment to completing the needed research and planning to transition to a national user-pay funding mechanism by a date certain

iii. **Institute New Mode-Neutral Freight Fee –** NTPP recommends development of a mode-neutral freight fee to fund the needed new focus on critical freight infrastructure

iv. **Implement And Apply Carbon Pricing –** New climate policies and transportation legislation need to assure that transportation users cover the full costs of their carbon emissions – and that carbon pricing revenue support investments to significantly reduce carbon emissions.

v. **Support State Funding Flexibilities –** Federal policies and funding should assist states and local governments in developing sustainable funding sources including eliminating federal restrictions on road pricing, supporting efforts by states to implement direct user charges and expanding TIFIA credit support.

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