MAP-21 Reauthorization & the Future of the Highway Trust Fund
MAP-21, the 2012 federal surface transportation authorization bill, will expire at the end of September 2014. Without Congressional action, the Highway Trust Fund will run out of money in the 2015 fiscal year. The federal gas tax, which is the trust fund’s primary revenue source, has not been raised in more than 20 years and has never been adjusted for inflation. There appears to be little agreement in Congress about which of several avenues to take to ensure the future of the trust fund and the federal transportation program—increasing and/or indexing the gas tax, shoring up the trust fund with another transfer from the general fund, or finding a new, more sustainable primary revenue source.

The Legacy of MAP-21
MAP-21 included many policy reforms long sought by state transportation officials that likely will continue to bear fruit in 2014 and beyond. Key among them are provisions to transition to a performance-based transportation system. But 2014 might also expose more about a negative legacy of MAP-21. Since the bill provided only two years of funding—and followed nearly three years of status quo, short-term extensions of the previous bill, SAFETEA-LU, state transportation departments have been in a prolonged period of uncertainty that has negatively impacted long-term, capital program planning processes.

Continuing State Activity on Transportation Revenues
2013 saw significant activity among states exploring ways of producing additional transportation revenues. The solutions included everything from gas tax increases to complex tax swaps. Significant state activity will continue in 2014. A number of the states that were unsuccessful in 2013 have unfinished business and others have been exploring options in advance of 2014 legislative sessions. Some states that had success in 2013 could seek to do more, while others may see repeal efforts and political backlash. Ultimately, a greater abundance of statewide elections in 2014 may have some say in determining how successful states are in maintaining or achieving new revenue gains.

Evolution of Public-Private Partnerships
Some states have turned to the private sector in recent years to help fund major transportation projects and 2014 is likely to see a substantial number of these projects move forward. But new public-private partnerships—also known as P3s—are taking on different shapes than earlier ones. Managed lane projects around the country, a major transit project in Maryland and a bundle of bridges in Pennsylvania are all being explored as P3s. Some states are turning to the P3 model known as availability payments, under which the public project sponsor retains the underlying revenue risk associated with the project and makes payments to a private partner for designing, building, operating and/or maintaining a transportation facility.

Finding Strategies for a Multi-Modal Future
With an expanded Panama Canal on the horizon in June 2015, U.S. seaports need expansion and dredging to accommodate larger container ships. Inland ports, which could see additional traffic, also need upgrades. But as with surface transportation, there is little agreement on how to pay for it all. With demand for transportation alternatives growing in some communities and with future dedicated federal funding uncertain, states will need to continue to seek new partnerships and innovative funding and financing mechanisms to develop and maintain transit systems, bike and pedestrian facilities and other key features of vibrant communities.

For more information on these topics and for additional resources on transportation policy, see » www.csg.org/top5in2014
Sean Slone is the Program Manager for Transportation Policy at The Council of State Governments in Lexington, Ky. He oversees CSG’s Transportation Public Policy Committee, which is made up of state legislators, state department of transportation officials and private sector transportation industry associates from around the country. He writes frequently on transportation policy for CSG publications such as Capitol Ideas, Capitol Research, and CSG’s Capitol Comments blog. His work has also appeared in The Lane Report, a Kentucky business magazine. Before joining the CSG staff in 2006, Slone spent 10 years as a producer for C-SPAN in Washington, D.C., and five years as a producer/reporter for Kentucky Educational Television, where he covered the Kentucky General Assembly. Slone has a bachelor’s degree in television production from Emerson College and a master’s degree in journalism from Northwestern University’s Medill School of Journalism.

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CSG provides state leaders a variety of regional and national opportunities to actively engage on issues of importance to their jurisdictions and constituents. CSG’s regional and national committees and task forces are designed to encourage multi-state problem solving, the sharing of best practices, and networking among state officials and between the public and private sectors.

CSG’s Transportation Public Policy Committee is chaired this year by Rep. Judy Clibborn of Washington. The committee has focused in recent months on such issues as America’s infrastructure needs, the implementation of MAP-21, performance measurement in transportation and state exploration of transportation funding alternatives.

The committee will hold its next meeting as part of the combined CSG National & CSG West 2014 Annual Conference, August 9-13 in Anchorage, Alaska. CSG also hosts invitation-only Transportation Policy Academies for regionally selected state legislators serving on transportation committees at various times during the year.

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Debra Miller
Director of Health Policy
(859) 244-8241
dmiller@csg.org

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Jennifer Burnett
Program Manager, Fiscal and Economic Development Policy
(859) 244-8114
jburnett@csg.org

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Pam Goins
Director of Education Policy
(859) 244-8142
pgoins@csg.org

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Brydon Ross
Director of Energy and Environmental Policy
(859) 244-8030
bross@csg.org

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Crady deGolian
National Center for Interstate Compacts
(859) 244-8068
cdegolian@csg.org

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» www.csg.org/knowledgecenter
Jennifer Horne
Associate Director of Policy and Special Libraries
(859) 244-8198
jhorne@csg.org

Regional Contacts »

**CSG East** Wendell Hannaford, Director | (212) 482-2320 | whannaford@csg.org
**CSG South** Colleen Cousineau, Director | (404) 633-1866 | ccousineau@csg.org
**CSG Midwest** Mike McCabe, Director | (630) 925-1922 | mmccabe@csg.org
**CSG West** Edgar Ruiz, Director | (916) 553-4423 | eruiz@csg.org

**contact** Sean Slone | 859.244.8234 | sslone@csg.org or visit www.csg.org/transportation