

Minutes from the FHWA/NASTO CEO Roundtable

DRAFT Minutes

Meeting of June 13, 2010

Wilmington, Delaware

NASTO President Joseph Marie (CT) opened the meeting at 1:10 pm.

President Marie welcomed the participants to Wilmington and the NASTO Annual meeting and asked all attendees to introduce themselves. All NASTO states except New Jersey were represented, along with the Province of Quebec. The Federal Highway Administration, the Federal Transit Administration, and the Federal Rail Administration all had representatives from their main office and representatives from several state offices as well.

President Marie introduced Mr. Victor Mendez and then turned the discussion over to the FHWA Administrator. Mr. Mendez took notice of all the USDOT folks in attendance and recognized the intermodal cooperation between the FHWA, FRA, and the FTA has resulted in a “new look of transportation”. Mr. Mendez talked about some of the top priorities of the USDOT. He cited safety as one of the administration’s top priorities. In particular, he mentioned the 9-month distracted driving campaign as “moving forward” and “catching on quickly”. He encouraged states to stay focused on this most important message.

Every Day Counts:

Mr. Mendez explained his new initiative called “Every Day Counts” where he wants to solicit ideas from “our own employees” and from “outside stakeholders” on how to “deliver projects quickly and deploy the latest technologies and innovations faster and sooner”. “We take too long to get things done, major projects take 15 years to deliver and we want cut that by 50%”. He is looking for ten ideas to shorten projects. Mr. Mendez informed NASTO that nine innovation summits will be scheduled for this fall. He had three requests:

- Have key decision makers participate in the summits
- Get the consultant and construction communities involved in the summits
- Appoint a principal contact/point of contact from each agency

Mr. Greg Nadeau (FHWA) added that the FHWA and the States need to be innovative. He asked the question: “What can we do to help the contractors/consultants deliver projects quickly with maximum efficiency”.

Mr. Mendez also recognized the I-95 Corridor coalition as a model for deploying technology. He stated that the nation can learn from this example.

Re-authorization:

Mr. Mendez said that there are five key principles for re-authorization.

- Enhance safety
- Livability
- Sustainable environment
- Competitive economy
- Maintain assets – state of good repair

Mr. Mendez said that there is “lots of uncertainty surrounding re-authorization”. He said Secretary LaHood’s current plan calls for approximately \$450/\$500 billion and that increases in taxes are a “non-starter for this administration”. He asserted that FHWA’s commitment is to “deliver projects, use innovation at maximum efficiency, to sell our services, and garner financial support”.

President Marie Stated; “it is very difficult to plan our program without re-authorization taking place, it needs to be sooner rather than later”. Secretary Wicks affirmed: “It is a challenge for the small states, re-authorization must be flexible”.

ARRA:

Mr. Mendez talked about several issues with regard to the American Recovery and Re-investment Act (ARRA). He asked that all states expend ARRA funds as quickly as possible in order to increase the outlay rate. He also asked that reimbursements be submitted as quickly as possible. Another concern raised by Mr. Mendez was the DBE requirements’ for ARRA projects. Mr. Mendez referred to the letter that was sent in May detailing said issues. He encouraged states to work with their Division Administrators to get better “engaged” in the usage of DBEs’.

Mr. Jeff Paniati (Executive Director, FHWA) added that the NASTO meeting is a good venue to talk thru issues. He reaffirmed that the ARRA program has been a great success and encouraged everyone to keep moving forward as “projects equals’ jobs”. My Paniati also asked that projects which do not have a notice to proceed (NTP) date; one should be estimated. He reminded states that nearly 1/2 billion ARRA dollars will need to be de-obligated and obligated before September 30th, 2010.

President Marie stated that the ARRA program has provided many challenges. With regard to slow outlays, President Marie said that Connecticut’s approach was to choose some “long-term projects” that had “long-term benefits”. “These outlays will be sustained over a three year period “. President Marie also added that the municipal projects were ‘highly challenged” as these projects were not shovel ready nor were the locals familiar with the Federal process.

Mr. George Campbell (NH) suggested that the states not include any contingency funds in the ARRA projects. Instead he advised using state or federal (formula) funds as the contingency component thus allowing the states to utilize all of the ARRA funds without having to re-obligate leftover funding as it becomes available.

Mr. Alan Biehler (PA) said that his state had very few non-state projects and that his primary concern was with project deliver issues.

Mr Mendez added that public support is an important element as well. He stated: “we need public /political support to get things done” and “we need to learn new ways to message things particularly with regard to environmental and livability issues”. Also, he said that the construction of new highways should make communities more livable via bike lanes, pedestrian trails, and continued investment in livable amenities.

Mr. John Horsley (AASHTO) suggested forming working groups for process improvement in delivering ARRA municipal projects. He suggested sitting down with towns, local officials in order to “partner solutions” and get these jobs out more quickly.

Mr. Paniati added that FHWA is working on how to provide the necessary tools to the locals so that they can administer a program like ARRA. He also informed the states that Mr. King Gee (FHWA) is working on developing a strategy and will share ideas with Division leadership soon.

Mr. Gabe Klein (DC) suggested that project funding should be restructured like the competitive ARRA program. He asked the question: “Is this the future of project funding”

Victor Mendez responded that “the ARRA program is an indicator of what the FHWA is looking to accomplish”. He said there are currently 108 programs and that “the future will be less, with an eye towards a more efficient use of taxpayer’s dollars”.

One of the New England states (?) commented that the ARRA reporting requirements (level of reporting) is too onerous and beyond the capabilities of the municipalities.

TIGER I & TIGER II:

Mr. Victor Mendez reported that the TIGER I program was very successful, but difficult. He indicated that 1.5B was made available and that 1400 applications were received. He said many of these applications were very good. Further, he stated that 51 multimodal projects were selected to receive funding and FHWA had set up multimodal teams to do the evaluation of the applications.

Mr. Mendez stated that TIGER II will have only 600M available and expected stiff competition again. He added that the selection for round II will use five key priorities:

- State of good repair
- Economic competitiveness
- Livability
- Environmental sustainability
- Safety

Mr. Paniati added: “we are moving toward a more performance based approach for projects”. Mr. Horsley advised the states “that there is a movement to reduce the amount of money given to the state DOT’s”. The result will be taking power away from the states and giving it to the Secretary to award to the MPO’s. Mr. Horsley encouraged states to talk to their congressional delegations and cited New England as having allot of congressional influence (mentioned Dodd & Larsen) He also said: “States must not lose contract authority”. Mr. Horsley finished by saying that the current cash flow is OK due to the current (18 mos.) extension, but he cautioned states that a new “strategic” extension needs to be secured later this year to get us through the election year - “It will be much more difficult the following year”.

Livability:

Mr. Mendez announced that the current budget proposal calls for \$527 million for livability (this component to be debated). He asked the states: “How do we (in highways) bring livability to the table”. He also mentioned that TIGER 1 & 2 both had livability components. Mr. Paniati noted the creation of a new unit at FHWA; Human and Environmental Issues. This unit will deal specifically with livability issues. He also said we need to get the message out of the “good things we are doing”.

Mary Beth Mello (FTA) added that livability must be approached in “holistic” ways. She said that states should be selecting pilot projects to “promote and communicate” to the public. (Mentioned Fairmount Line Rehabilitation as an example). She encouraged states to “pursue their vision”.

President Marie thanked everyone for participating in the roundtable discussion and adjourned the meeting at 2.50 pm.