

## Implementation of MAP-21's TIFIA Program Enhancements

### Senate Environment and Public Works Full Committee Oversight Hearing on the Implementation of MAP-21's TIFIA Program Enhancements

*Witnesses:*

#### Panel I

##### [The Honorable Anthony Foxx](#)

Secretary, United States Department of Transportation

#### Panel II

##### [James Bass](#)

Chief Financial Officer, Texas Department of Transportation

##### [Geoffrey Yarema](#)

Partner, Nossaman, LLP

##### [Arthur T. Leahy](#)

Chief Executive Officer, Los Angeles County Metropolitan Transportation Authority

##### [James Roberts](#)

President and Chief Executive Officer, Granite Construction Incorporated

##### [D.J. Gribbin](#)

Managing Director, Macquarie Capital

#### *Members Present*

Barbara Boxer (D-CA), Chairwoman

David Vitter (R-LA), Ranking Member

Thomas R. Carper (D-DE)

Kristen Gillibrand (D-NY)

Sheldon Whitehouse (D-RI)

On July 24, 2013 the Senate Environment and Public Works Committee held a full committee oversight hearing on the implementation of Moving Ahead for Progress in the 21st Century Act (MAP-21), which became law in 2012 and which authorizes increased funding for Transportation Infrastructure Financing and Innovation Act (TIFIA) program enhancements. The TIFIA program provides Federal credit assistance to qualified surface transportation projects, and MAP-21 greatly increases funding available for the program, authorizing \$750 million for fiscal year (FY) 2013 and \$1 billion for FY 2014. Additionally, MAP-21 calls for a number of program changes, which include a rolling application process for TIFIA financing, 10 percent of funding set-aside for rural projects, and an increase in the share of eligible project costs that TIFIA may support. The purpose of the hearing was to discuss the implementation of these dramatic changes.

In her opening statement, Chairwoman Barbara Boxer (D-CA) spoke about the importance of transportation infrastructure and the positive impacts of TIFIA since its inception in 1999. She also underlined the benefits of the program, citing figures indicating that "\$1 in government funding would make \$30 of infrastructure possible." She went on to applaud the increased funds made available for the TIFIA program, stating that they have exceeded funding in recent years. Ranking Member David Vitter (R-LA) reiterated Chairwoman Boxer's statements on the importance of transportation infrastructure, saying that "transportation is fundamental to connect communities and stimulate economic growth." Senator Vitter also praised TIFIA, calling it an "essential tool" for innovation and construction. Both the Chairwoman and Ranking Member indicated to the first witness, newly confirmed Department of Transportation Secretary Anthony Foxx, that they were looking forward to working with him.

Secretary Foxx echoed the Senators' sentiments. He explained that "mayors and governors are looking to get more out of taxpayers' dollars while making investments for the future, and TIFIA is a powerful tool" that makes funding available for many projects. The Secretary also touched on the recent increase in TIFIA applications, citing that \$12-15 billion in requests for TIFIA assistance had been made in the last two years, and that \$15.5 billion in requests were made this year alone. Secretary Foxx also highlighted the importance of transparency, accountability, and oversight in the application and selection process.

The second panel of witnesses was comprised of members of both the public and private sector. Each witness praised TIFIA and MAP-21, with Jeff Bass calling MAP-21 "the most significant positive change in federal surface transportation policy in the last 20 years" and Arthur Leahy stating that TIFIA "helps our transportation dollars go further." James Roberts called TIFIA an "important tool" and said that the MAP-21 expansion comes at a very necessary time for national transportation infrastructure, and D.J. Gribbin

reiterated the beneficial aspects of TIFIA and MAP-21 expansion. The panel also called for improved transparency in the selection process, and for streamlining the application process.

Questions from the members for both panels focused on the streamlining the selection process for projects and transparency in the selection process. Several members, especially Senator Vitter, expressed concern that the expansion of TIFIA and subsequent buildup of applications in the pipeline represented a trend toward subjective decisions on projects, or “picking winners” rather than natural buildup as the program expands. Secretary Foxx, as well as James Bass and Arthur Leahy, assured the Senator that the buildup was a result of the recent expansion of the program, and that the rolling application process installed by MAP-21 would be the way the projects would be selected in the future. Chairwoman Boxer asked the panel if the MAP-21 expansion had been a change for the better, to which Bass replied that it had indeed, and that the an increase in applications and innovation had been seen as a result. Senator Thomas Carper (D-DE) asked the panel to each give a quick one-minute closing statement, and the responses from each panel member generally referred to TIFIA as very useful and MAP-21 as an overtly positive change, while also calling for streamlining the process and improved transparency in application and selection.

Witness testimony, as well as an archived video of the hearing, are available on the Committee on Environment and Public Works website.

---

-JTK