

OVERVIEW OF U.S. DEPARTMENT OF TRANSPORTATION PROGRAMS IN THE TERRITORIES

Prepared for the 2013 Senior Plenary Session of the IGIA

The U.S. Department of Transportation (USDOT) aims to serve the United States and the Territories by ensuring a fast, safe, efficient, accessible and convenient transportation system that meets our vital national interests and enhances the quality of life of the American people, today and into the future.

To help USDOT meet this mission, President Obama signed into law the Moving Ahead for Progress in the 21st Century Act (MAP-21, P.L. 112-141) on July 6, 2012. MAP-21 provides needed surface transportation funds and represents a milestone for the U.S. economy. Authorized for Fiscal Years 2013 and 2014, MAP-21 is the first multi-year transportation authorization enacted since 2005, funding surface transportation programs at over \$105 billion. MAP-21 also transforms the framework for investments to guide the growth and development of the country's vital transportation infrastructure.

MAP-21 contains a number of programs for the Territories. A brief summary of these is below.

FEDERAL-AID TERRITORIAL HIGHWAY PROGRAM

Managed by the Federal Highway Administration (FHWA), the Territorial Highway Program was created for the purpose of constructing and improving a system of arterial and collector highways and necessary inter-island connectors (including ferry boats, terminal facilities and approaches) in the U.S. Virgin Islands, Guam, American Samoa and the Commonwealth of the Northern Mariana Islands.

Prior to MAP-21, the Territorial Highway Program was a National Highway System (NHS) set-aside program funded from the Highway Trust Fund, and subject to obligation limitation. The set-aside was divided as follows:

- 10 percent each for American Samoa and the Northern Mariana Islands
- 40 percent each for Guam and the U.S. Virgin Islands.

In accordance with the provisions of 23 U.S.C, the funds were 100 percent Federal share, and could be used on the Territorial Highway System as designated by the territories and approved by the Secretary for any eligible NHS activity, or could be transferred to the Surface Transportation Program (STP) for any eligible STP activity.

With the enactment of MAP-21, the Territorial Highway Program is no longer a set-aside program. The funding is now directly authorized out of the Highway Trust fund. As under prior authorizing legislation:

- Authorized amounts may be obligated up to 100 percent Federal share.
- Authorized amounts will be reduced due to any obligation limitation imposed each year.

Under MAP-21, Territorial Highway Program funds will continue to be allocated to the four territories by administrative formula that has been set at 10 percent each for American Samoa and the Northern Mariana Islands, and 40 percent each for Guam and the U.S. Virgin Islands.

Funds are available for obligation for a period of three years after the last day of the fiscal year for which the funds are authorized. Thus funds are available for obligation for four years. Funds may also be transferred to the Federal Transit Administration (FTA), for FTA-eligible uses.

Recent funding (not including ARRA):

Fiscal Year (Authorizing Bill)	Total THP Amount
2003 (STEA)	\$36.4M
2004 (STEA)	\$36.4M
2005 (SAFETEA-LU)	\$40.0M
2006 (SAFETEA-LU)	\$40.0M
2007 (SAFETEA-LU)	\$50.0M
2008 (SAFETEA-LU)	\$50.0M
2009 (SAFETEA-LU)	\$50.0M
2010 (SAFETEA-LU extension)	\$50.0M + 1/5 of amount received as SAFETEA-LU earmarks
2011 (SAFETEA-LU extension)	\$50.0M + 1/5 of amount received as SAFETEA-LU earmarks
2012 (SAFETEA-LU extension)	\$50.0M + 1/5 of amount received as SAFETEA-LU earmarks
2013 (MAP-21)	\$40.0M
2014 (MAP-21)	\$40.0M

The American Recovery and Reinvestment Act of 2009 (ARRA) authorized an additional \$45M for the Territorial Highway Program to be used by September 30, 2010 with no obligation limitation. These funds may not be de-obligated and obligated to another project after this date. Unexpended funds expire September 30, 2015. These funds have a number of special reporting and project prioritization requirements and cannot be used for advanced construction conversion purposes. All projects must include Davis-Bacon wage rate requirements.

Project Eligibility

Funds from the Territorial Highway Program may be used for the following project types, consistent with applicable provisions of 23 U.S.C. and MAP-21:

- Projects eligible for the surface transportation program.
- Cost-effective preventive maintenance.
- Ferry boats, terminal facilities and approaches.
- Engineering and economic surveys and investigations for the planning, and the financing of future highway programs.
- Studies of the economy, safety, and convenience of highway use.
- Regulation and equitable taxation of highway use.

- Research and development as necessary in connection with the planning, design and maintenance of the highway system.

Funds may not be used for routine maintenance or local roads, except for:

- Bridge and tunnel replacement, rehabilitation, preservation, protection and inspection.
- Highway and transit safety improvements, programs, R&D and technology transfer.
- Environmental mitigation.
- Congestion pricing activities.

Partnering With FHWA

The FHWA Division Office or the Office of Federal Lands Highways, upon request by a territory and as included in the Territorial Program Agreement, may provide technical assistance to enable the territories to:

- Engage in highway planning.
- Conduct environmental evaluations.
- Administer right-of-way acquisition and relocation assistance programs.
- Design, construct, operate, and maintain a system of arterial and collector highways, including necessary inter-island connectors.

PUBLIC TRANSPORTATION IN THE TERRITORIES

Federal public transportation programs are managed by the Federal Transit Administration (FTA). Under MAP-21, territories receive funding through several different formula programs, including:

1. The Urbanized area formula program, which provides grants to Urbanized Areas for public transportation capital, planning, job access and reverse commute projects, as well as operating expenses in certain circumstances.
2. The Transit for Elderly and Disabled Individuals program, which is intended to enhance mobility for seniors and persons with disabilities by providing funds for programs to serve the special needs of transit-dependent populations beyond traditional public transportation services and Americans with Disabilities Act (ADA) complementary paratransit services.
3. Non-urbanized area formula program, which provides capital, planning, and operating assistance to support public transportation in rural areas with populations less than 50,000.
4. Bus and Bus facilities program, which provides capital funding to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities.

Guam and American Samoa receive funds under the Transit for Elderly and Disabled Individuals and Non-urbanized area formula program. Guam and American Samoa also receive bus formula program funds, at a designated amount of \$481,506 under the state/territory-wide allocation tier.

The U.S. Virgin Islands in its entirety is treated as an urbanized area under MAP-21 and therefore receives urbanized area formula funds. The USVI also receives funds under the Section Transit for Elderly and Disabled Individuals and Bus and Bus facilities program.

Because the city of Saipan is no longer classified as an urbanized area as of the 2010 census, the Northern Mariana Islands does not qualify for urbanized area formula funds in FY 2013, which is the first year that FTA apportioned funds using the 2010 census urbanized area classifications. Because of this, the Northern Mariana Islands will see a decrease in its transit formula funds under MAP-21. The Northern Mariana Islands continues to receive funds under the Transit for Elderly and Disabled Individuals program and receives funds under the Bus and Bus facilities program.

For more info, contact the Office of Intergovernmental Affairs, 202-366-4573.