

Surface Transportation System Funding Alternatives Program Overview

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STSFA Program Vision

- FAST Act Section 6020 establishes a program to provide grants that demonstrate:
 - User-based alternative revenue mechanisms
 - User fee structure
 - Purpose of maintaining the future long-term solvency of the Federal Highway Trust Fund

STSFA Program Goals

- Implementation, interoperability, public acceptance and potential hurdles to adoption of the demonstrated user-based alternative revenue mechanism
- Privacy protection
- Use of independent and private third parties
- Congestion mitigation impacts
- Addressing equity concerns
- Ease of user compliance
- Reliability and security on the use of technology

The proposal may also address:

- Flexibility and user choice
- Cost of administering the system
- Auditing and compliance / enforcement

STSFA Program Funding

- The FAST Act provides that \$15 million in FY 2016 and \$20 million annually from FY 2017 through FY 2020 will be made available for demonstration project grants
- These grants shall make up no more than 50 percent of total proposed project costs, with the remainder coming from non-Federal sources.
- There is no requirement for annual solicitations

STSFA Program Approach

- Although pilot projects of any size or scope may be proposed, US DOT is most interested in funding larger scale pilots, rather than smaller scale proof of concept projects, and in awarding funds to both single State and multi-State pilots.
- In FY16 US DOT will seek applications for full new demonstration projects, for extensions or enhancements of existing demonstration projects, or for required pre-demonstration activity leading directly to a planned future demonstration project in the near term (less than 18 months from award).
- US DOT anticipates issuing a second solicitation and making a second round of awards in FY 2017 that will commit the remaining anticipated funds for FY 2017-2020 (up to \$80 million; subject to availability), focused only on demonstration projects.
- Projects receiving awards for pre-demonstration activities in FY 2016 are not guaranteed to receive future funding for demonstration activities.

STSFA Use of Funds

- Test the design, acceptance, and implementation of 2 or more user-based alternative revenue mechanisms.
- Improve the functionality of such mechanisms.
- Conduct outreach to increase public awareness regarding the need for alternative funding sources for surface transportation programs and to provide information on possible approaches.
- Provide recommendations regarding adoption and implementation of user-based alternative revenue mechanisms.
- Minimize the administrative cost of any alternative revenue mechanisms.
- Minimize the costs associated with the collection of fees.

STSFA Eligible Entities

- Eligible applicants are States or groups of States
- Proposals require that a State DOT serve as the lead agency for administering the program funding through the Federal-aid highway program.
- Another State agency or a State agency in a different State (if multi-state) may be responsible for providing day-to-day project oversight
- It is expected that all relevant state agencies (e.g. Department of Motor Vehicles, Department of Revenue) as needed will be actively involved in the planning and operation of the demonstration.