



## The National Highway Performance Program (NHPP - New)

The new National Highway Performance Program provides funding for construction and maintenance projects located on the newly expanded National Highway System (NHS) – which includes the entire Interstate system and all other highways classified as principal arterials.

The NHS used to be composed mostly of roads for traveling across a state or from region to region. MAP-21 expands the NHS to include many other roads that are important for travel **within** a region, adding about 60,000 new lane miles to the NHS.<sup>1</sup>

MAP-21 eliminates the programs with dedicated funding for repair by consolidating the Interstate Maintenance and Highway Bridge Repair programs and shifting these funds to the new NHPP. The new NHPP is now the largest highway program, receiving **58 percent** of all highway formula dollars. States are permitted to transfer up to 50 percent of the NHPP dollars to other programs, including the Surface Transportation Program (STP), Highway Safety Improvement Program (HSIP), and the Congestion Mitigation and Air Quality Improvement program (CMAQ).

NHPP does require what's known as an "asset management plan" to prioritize spending to reach performance targets for the National Highway System.

### Funding

SAFETEA-LU funds focused on the NHS <sup>2</sup>	Percentage of total highway formula funding
\$18 billion	40 percent
MAP-21 NHPP	Percentage of total highway formula funding
\$21.75 billion	58 percent

<sup>1</sup> MAP-21 expands the National Highway System (NHS) from 160,000 to approximately 220,000 miles. The expanded NHS includes the Interstate System, principal arterials, designated intermodal connectors (roadways that link to ports, freight transfer stations, and other facilities), and the strategic highway network (roadways that connect to military installations). The expanded NHS will now cover most lane miles of the state highway system.

<sup>2</sup> This figure includes funding from the Interstate Maintenance, National Highway System, and one-half of the Highway Bridge Program

### Eligible projects

The following table presents the most common NHPP project categories. **Unless otherwise noted, all eligible projects must be located on the Interstate or NHS.** Federal-aid and off system bridge repair is not eligible under the NHPP program.

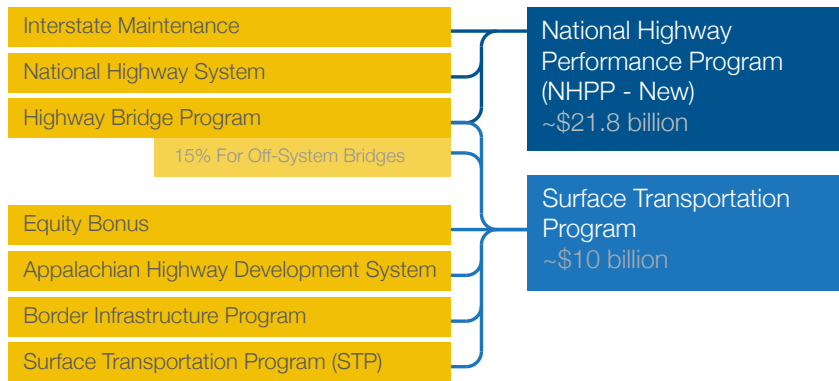
Construction, reconstruction, resurfacing, restoration, rehabilitation, and preservation of highways and bridges	Construction, rehabilitation, or replacement of existing ferry boats and facilities, including approaches, that connect road segments
Bridge and tunnel inspection and evaluation as well as the training of bridge and tunnel inspectors	Safety projects
Transit capital projects (only under certain conditions)	Federal aid highway improvements (only under certain conditions)
Environmental restoration and mitigation	Intelligent transportation systems (ITS)
Bicycle and pedestrian infrastructure	

The NHPP will cover 90 percent of an eligible project's cost for Interstate projects and 80 percent for other projects on the NHS. If the project is part of a State Freight Plan and located on the Interstate system, the federal share may rise to 95 percent. If the project is part of the State Freight Plan and on the NHS (excluding the Interstate), then the federal share may rise to 90 percent. Certain safety projects may have a federal cost share of up to 100 percent.



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hard performance targets on the National Highway System .

The performance system set up by MAP-21 has two stages. First, the Secretary of Transportation must develop uniform ways to measure performance of the National Highway System. Second, states must set specific, quantifiable targets for each of the performance measures and then chart performance over time. The first report is due within four years and then every two years thereafter.

### How the program works

MAP-21 dramatically expands the funding for the NHPP program (previously called the National Highway System program) and consolidates the other programs intended for bridge repair and Interstate maintenance. Only projects located on the expanded National Highway System are eligible.

**In other words, the largest pot of money in the bill can now only be spent on a very limited set of roadways, which includes the Interstate system and all of the principal arterials in a state.** This increases the likelihood that NHPP dollars may be spent on major roadway projects while local roads and bridges struggle to find funding for safety or other improvements.

In addition, the program eliminates dedicated funding for bridge repair. As a result, there are more than 123,000 structurally deficient bridges located on non-NHS roadways that will have to be repaired with funds from other programs – which also means those bridge needs will be competing with other needs for limited pots of flexible money.

It's important to note that states are allowed to transfer up to half of the NHPP dollars to the much more flexible Surface Transportation Program (or other programs), which may be used to fix non-NHS bridges and other projects without having to clear these hurdles.

### Performance and Accountability

MAP-21 requires a new focus on performance and accountability that will help prioritize NHPP spending to reach

MAP-21 requires states to develop a risk-based asset management plan for the National Highway System. States take an inventory of their assets and determine the highest priorities for repair and then craft a strategy to best address those issues. The Secretary must recertify the plan and process every 4 years.

To help prioritize spending, the bill also establishes penalties for failure to perform. If a state fails by 2014 to develop a risk-based asset management plan, the federal share of eligible project costs drops down to 65 percent. Also, if a state fails in 2018 to meet minimum Interstate pavement condition standards, they must set aside an amount of NHPP funds equal to their FY09 Interstate Maintenance program apportionment - plus an additional 2 percent for every reporting cycle thereafter. In addition, states must transfer an amount from the Surface Transportation Program to NHPP equal to 10 percent of their FY09 Interstate Maintenance program apportionment.

If the total structurally deficient deck area of NHS bridges exceeds 10 percent of all NHS bridge deck area, then a state must set aside NHPP funds equal to 50 percent of the FY09 Highway Bridge Program apportionment until the standard is met.

Taken together, these steps are intended to ensure that states make progress towards improving the condition of NHS highways and bridges.