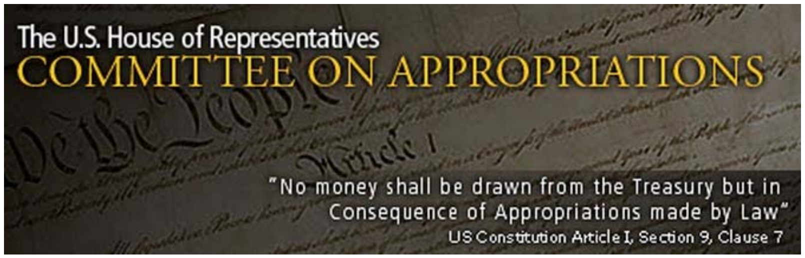
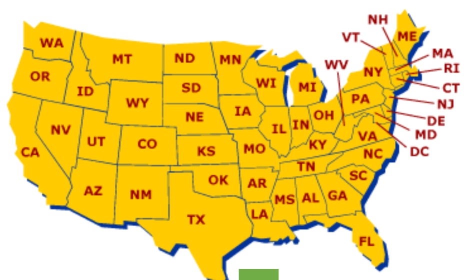


UNITED STATES CONGRESS

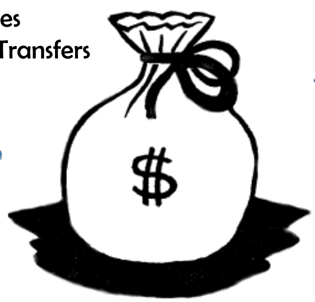
MAP-21
Moving Ahead for Progress in the 21st Century

The FY 2014 Transportation Appropriations bill will provides $40.3 billion to the states to pay for ongoing and new projects.

MAP-21 authorizes $40.3 billion in 2014 to states to budget and plan for highway projects.



2014 Revenues Into HTF
$33b Gas Taxes
$10 billion in Transfers
$5b Balance



Highway Trust Fund

The Highway Trust Fund reimburses states for the federal portion of project costs

States need Congress to enact both an authorization and an appropriation bill to spend money on ongoing and new highway projects.

Federal Highway Funding
How it Works

- Federal highway funding provides about half of the publicly-funded highway market for asphalt companies in the U.S.
- States and local governments make up the other half of the publicly-funded highway market.
- The publicly-funded highway market provides about 65%-70% of the asphalt market, the rest being residential, commercial and institutional.
- Since the Federal highway program makes up a large portion of the asphalt market, it is important to know the role of Congress in providing Federal highway funding.
- First, Congress must pass an authorizing bill to establish the programs and provide budget authority for planning purposes.
- MAP-21 “authorizes” about $40.3 billion in 2014 for the Federal Highway Program.
- This funding is allocated in MAP-21 to the states under a formula and is spread among six discreet programs: Highways, mobility, congestion mitigation, safety, freight and planning.
- The U.S. Department of Transportation will provide states with their funding totals for each of these programs.
- Second, Congress must enact separate legislation known as an appropriations bill.
- An appropriation bill is required before states can actually sign contracts obligating the Federal government to pay for highway projects.
- The transportation appropriation bill provides the total dollars each states can spend on “projects already obligated” and new projects that will be obligated in that year.

- The House and Senate have passes separate appropriation bills providing $40.3 billion for the Federal highway program in 2014.
- These two bills will be reconciled into a continuing resolution and no significant cuts are expected in 2014 which begins on October 1 of this year.
- With both MAP-21 and the appropriation bill enacted, the State DOT's are able to apply the appropriated dollars where they have "authorized" dollars in the various 6 discreet accounts.
- At that point, states are free to continue spending money on projects already obligated and obligate funds for new projects.
- It is important to remember that the U.S. DOT actually "reimburses" the states with payments out of the Highway Trust Fund as opposed to dispersing funds to the states.
- For the contractor. It works this way:
- If Congress has done its job and provided both an authorization (MAP-21) and an appropriation (Transportation Appropriation or Continuing Resolution) for a given year, then the state can apply the Federal funds to choose a contractor to perform a certain job.
- The state then notifies the Federal Highway Administration and gets federal approval. It's basically a contract to do a new project or a new segment of a project. This is called an "obligation."
- Once a project has been "obligated" The DOT has a legal obligation to first pay for the ongoing projects for which it has already entered into obligations.
- The contractor starts work on the project and bills the state.
- The state pays the contractor and is reimbursed by the U.S. DOT out of the Highway Trust Fund for the Federal-aid portion of the contract.