Transportation Code, §222.034 requires the Texas Transportation Commission (commission) to distribute federal-aid transportation funds to various parts of the state for a funding cycle through the selection of highway projects in a manner consistent with the federal formulas that determine the amount of federal-aid the state of Texas receives, unless the commission issues a minute order or ruling that identifies the variance and provides particular justification for the variance. A distribution under §222.034 does not include deductions made for the state infrastructure bank or other federal-aid funds reallocated by the federal government.

Transportation Code, §201.991 provides that the Texas Department of Transportation shall develop a Unified Transportation Program (UTP) covering a period of 10 years to guide the development of and authorize construction of transportation projects.

The commission has adopted rules located in Title 43, Texas Administrative Code, Chapter 16, which include provisions relating to the development of the UTP and the allocation of funds through that program. The commission also conducted a public hearing and adopted the project selection process for the 2013 UTP.

Exhibit A contains an individual evaluation of each federal-aid apportionment program, including particular justification for any variance from the federal-aid apportionment formula and the proposed distribution of the transportation funds through the 2013 UTP.

IT IS THEREFORE ORDERED by the commission that Exhibit A shall serve as the commission's identification and justification of variances, as required by Transportation Code, §222.034.
Exhibit A

Justification of the Variance from Federal-Aid Apportionment Formulas

**Interstate Maintenance (IM) Program** funds are allocated to Texas based on the following quantifiable data as compared with the total of the other states:

- 33-1/3% Lane miles of Interstate System routes open to traffic
- 33-1/3% Vehicle miles traveled on Interstate System routes open to traffic
- 33-1/3% State’s annual contributions to the Highway Trust Fund (other than the Mass Transit Account) attributable to commercial vehicles

TxDOT proposes to vary from the federal distribution for the following reasons:

- Individual TxDOT district or regional contributions to the Highway Trust Fund cannot be quantified.
- The federal formula does not account for pavement distress or condition.
- The federal formula does not account for the volume of commercial truck traffic.
- The federal formula does not account for a region’s need to build new Interstate or add capacity to the existing Interstate.

TxDOT proposes to use its IM funding in the following category allocated through our Unified Transportation Program:

- Category 1 – Preventive Maintenance and Rehabilitation

Other Categories in which IM funding may be applicable include:

- Category 6 -- Structures Replacement and Rehabilitation
- Category 11-- District Discretionary
- Category 12 -- Strategic Priority (federal-aid portion only)

**National Highway System Program** funds are allocated to Texas based on the following quantifiable data as compared with the total of the other states:

- 25% Lane miles of principal arterial routes (excluding Interstate System routes)
- 35% Vehicle miles traveled on principal arterial routes (excluding Interstate System routes)
- 30% Total diesel fuel used on highways
- 10% The quotient obtained by dividing the total lane miles on principal arterial highways by the total population

TxDOT proposes to vary from the federal distribution for the following reasons:

- Individual TxDOT district or regional usage of commercial diesel fuel is not quantifiable.
- The federal formula does not account for pavement distress, truck vehicle miles traveled, population, lane miles of on-system roads, fatal and incapacitating crashes, percent of population under the federal poverty level and total vehicle miles traveled (on and off-system).
- The federal formula does not address TxDOT’s strategy of system development and preservation.
- The federal formula does not address specific TxDOT district or regional needs such as congestion relief, improved operations and pavement rehabilitation needs.
Exhibit A

Justification of the Variance from Federal-Aid Apportionment Formulas

TxDOT proposes to use its NHS funding for the following specific categories allocated through our Unified Transportation Program:

- Category 1 – Preventive Maintenance and Rehabilitation
- Category 2 – Metropolitan and Urban Corridor Projects
- Category 4 – Statewide Connectivity Corridor Projects
- Category 6 – Structures Replacement and Rehabilitation
- Category 11-- District Discretionary
- Category 12 -- Strategic Priority (federal-aid portion only)

**Surface Transportation Program (STP)** funds are allocated to Texas based on the following quantifiable data as compared with the total of the other states:

- 25% Total lane miles of federal-aid highways
- 40% Vehicle miles traveled on federal-aid highways
- 35% Tax payments attributable to highway users paid into the Highway Trust Fund (other than the Mass Transit Account)

SAFETEA-LU requires TxDOT to allocate funds in a manner that differs from the federal distribution formula. SAFETEA-LU outlines specific set-asides for transportation enhancements and distributions to urbanized areas with populations greater than 200,000 and rural areas. The STP funds remaining, after set-asides and distributions are deducted, are flexible.

TxDOT proposes to use its STP funding for six specific categories allocated through our Unified Transportation Program:

- Category 1 – Preventive Maintenance and Rehabilitation
- Category 2 – Metropolitan and Urban Corridor Projects
- Category 4 – Statewide Connectivity Corridor Projects
- Category 6 – Structures Replacement and Rehabilitation
- Category 7 – Metropolitan Mobility and Rehabilitation
- Category 9 – Transportation Enhancements
- Category 10 – Supplemental Transportation Projects (federal-aid portion only)
- Category 11 – District Discretionary
- Category 12 -- Strategic Priority (federal-aid portion only)

**Congestion Mitigation and Air Quality Improvement Program** funds are allocated to Texas based on the total of all weighted non-attainment and maintenance area populations as compared with the total of the other states. Currently Dallas-Fort Worth, Houston-Galveston, El Paso and Beaumont-Port Arthur are listed as non-attainment areas. TxDOT allocates funds to all qualifying areas by the same formula by which it receives the federal-aid funds.

The Environmental Protection Agency may designate additional non-attainment or maintenance areas in the near future. If this happens, TxDOT will allocate funds to the new areas using the same formula as the existing areas.

**Highway Bridge Program** funds are allocated to Texas based on the relative share of the total cost of deficient bridges as compared with the totals of the other states.
Exhibit A

Justification of the Variance from Federal-Aid Apportionment Formulas

TxDOT proposes to vary from the federal distribution for the following reasons:

- The federal allocation formula does not address the selection of the most functionally obsolete and structurally deficient bridges.
- The federal allocation formula does not assure that minimum funding levels required by SAFETEA-LU for off-system bridges are achieved.

TxDOT proposes to use its Highway Bridge Program funding in the following category allocated through our Unified Transportation Program:

- Category 6 – Structures Replacement and Rehabilitation

Equity Bonus funds have been established by SAFETEA-LU to ensure each state receives a minimum amount of apportionment for the federal programs. Texas is to receive a minimum of 11.72 percent of the national total of Equity Bonus. Since no specific federal allocation formula is used, the commission will direct the use of Equity Bonus funds to best supplement any or all 11 TxDOT categories allocated through our Unified Transportation Program:

- Category 1 – Preventive Maintenance and Rehabilitation
- Category 2 – Metropolitan and Urban Corridor Projects
- Category 4 – Statewide Connectivity Corridor Projects
- Category 5 – Congestion Mitigation and Air Quality Improvement
- Category 6 – Structures Replacement and Rehabilitation
- Category 7 – Metropolitan Mobility and Rehabilitation
- Category 8 – Safety
- Category 9 – Transportation Enhancements
- Category 10 – Supplemental Transportation Projects (federal-aid portion only)
- Category 11 – District Discretionary
- Category 12 – Strategic Priority (federal-aid portion only)