

SEC. 1703. INTELLIGENT TRANSPORTATION SYSTEMS PERFORMANCE INCENTIVE PROGRAM.

(a) **IN GENERAL.**--The Secretary shall establish a comprehensive incentive program to accelerate the integration and interoperability of intelligent transportation systems in order to improve the performance of the surface transportation system in metropolitan and rural areas.

(b) **DEFINITIONS.**--

(1) **INTELLIGENT TRANSPORTATION SYSTEMS.**--The term "intelligent transportation systems" has the meaning given the term under section 5507 of this Act.

(2) **NATIONAL HIGHWAY SYSTEM.**--The term "National Highway System" means the Federal-aid highway system described in section 103(b) of title 23, United States Code.

(3) **REGION** – The term "region" means any geographic area that identifies the boundaries of the regional Intelligent Transportation Systems architecture and is defined by the needs of the participating agencies and their stakeholders for the purposes of improving surface transportation operations. A region may include a metropolitan planning area, a corridor, a State, or multiple states.

(c) **GOAL.**--The goal of the intelligent transportation systems performance incentive program is to reduce traffic congestion, improve transportation system reliability, provide better customer service to users of the highway system, and improve safety and security by providing financial incentives to transportation agencies to invest in proactively monitoring and managing the performance of the transportation system.

(d) **PURPOSE.**--The purpose of the intelligent transportation systems performance incentive program is to support the deployment and integration of intelligent transportation systems based on the performance of these systems in improving the management and operation of their surface transportation systems.

(e) **REGULATIONS.**--

(1) **ISSUANCE.**--The Secretary of Transportation shall issue regulations establishing a funding formula for the distribution of funds under this section.

(2) **BASIS FOR FUNDING FORMULA.**--The funding formula shall be based on criteria that reflect each State's--

(A) reductions in delay due to incidents;

(B) improvements in the operation and safety of signalized intersections;

(C) reductions in delay and improvements in safety of work zones on the National Highway System;

(D) improvements in the efficiency and reliability of transit services;

(E) overall improvement in integrated regional transportation operations;

(F) improvements in the quality and availability of traveler information;

(G) improved crash notification; and

(H) improvements in the safety and productivity of commercial vehicle operations on the National Highway System.

(3) EFFECTIVE DATE.--The funding formula shall take effect in the fiscal year established by the Secretary in the regulations.

(4) APPORTIONMENT PHASE-IN.--The funding formula shall provide for the apportionment of funds in the following manner:

(A) FIRST FISCAL YEAR.--In the first fiscal year that the funding formula is in effect, 50 percent of the sums authorized to be appropriated for expenditure on the intelligent transportation systems performance incentive program for that fiscal year shall be apportioned according to the funding formula developed under this subsection and 50 percent of the amount shall be apportioned in accordance with the formula set forth in section 104(b)(1)(A)(i) through (iv) of title 23, United States Code.

(B) SECOND FISCAL YEAR.--In the second fiscal year the funding formula is in effect, 75 percent of the sums authorized to be appropriated for expenditure on the intelligent transportation systems performance incentive program for that fiscal year shall be apportioned according to the funding formula developed under this subsection and 25 percent of the amount shall be apportioned in accordance with the formula set forth in section 104(b)(1)(A)(i) through (iv) of title 23, United States Code.

(C) THIRD AND SUBSEQUENT FISCAL YEARS.--In the third and subsequent fiscal years, the sums authorized to be appropriated for expenditure on the intelligent transportation systems performance incentive program shall be apportioned according to the funding formula developed under this subsection.

(f) FUNDING.--

(1) APPLICABILITY OF TITLE 23, UNITED STATES CODE.--Funds authorized to be appropriated under section 1101(a)(13) of this Act shall be available for obligation in the same manner and to the same extent as if such funds were apportioned under chapter 1 of title 23, United States Code, except that such funds shall remain available until expended.

(2) FEDERAL SHARE.--The Federal share payable under section 120(b) of title 23, United States Code, shall apply to any project carried out under this section.

(g) APPORTIONMENTS.--The Secretary shall apportion the sums authorized to be appropriated for expenditure on the intelligent transportation systems performance incentive program among the States in accordance with the formula set forth in section 104(b)(1)(A)(i) through (iv) of title 23, United States Code, until the fiscal year established by the regulation under subsection (e)(3).

(h) USE OF FUNDS.--Amounts apportioned under this section shall be used for projects involving planning, deployment, integration, and operation of intelligent transportation systems, or any other project or activity designed to further improve system operations. Funds apportioned to each State under this section should be made available for projects in metropolitan planning areas, corridors, and other regions as appropriate to improve operations.