Transportation systems are a foundation for our society. By getting people and goods from point A to point B, transportation systems open possibilities for connecting people, fostering community, and generating economic development. If transportation funds are not spent responsibly, some of these possibilities will not be realized.

That’s why Transportation Performance Management (TPM) is so important. TPM helps transportation agencies make informed decisions to create the best transportation systems possible.

FHWA defines TPM as a strategic approach that uses system information to make investment and policy decisions to achieve national performance goals—through maintaining existing roads, making commutes safer, or expanding options for getting people around – like investing in bike lanes or making walking safer.

Think of TPM as the tool for maximizing the effectiveness of a state or regional transportation system by helping with the tough investment decisions.

Through TPM, transportation agencies use data to:
- Set a strategic direction;
- Create investment plans;
- Implement programs; and
- Evaluate progress.

In this way, TPM improves decision-making and accountability and increases the transparency of how public funds are being used to support our transportation system.

To aid with effectiveness and consistency across the country, FHWA established 17 national performance measures for the Federal-Aid Highway Program in support of the seven national goal areas established in Federal transportation law.

The 7 national performance goals are:
- Safety;
- Infrastructure condition;
- Congestion reduction;
- System reliability;
- Freight movement and economic vitality;
- Environmental sustainability; and
- Reduced project delivery delays.
Under TPM, State Departments of Transportation (DOTs) and Metropolitan Planning Organizations (MPOs) establish targets for each measure and State DOTs report their progress to FHWA. State DOTs and MPOs establish annual targets for the safety measures, and establish two-year and four-year targets for the applicable other measures. The FHWA reviews the performance data submitted by the State DOTs and then makes it accessible to the public on its TPM website.

The concept of TPM is much broader than just the Federal requirements. State DOTs and MPOs can establish unique goals and measures in addition to the required national measures. The national TPM measures are not intended to replace or limit local efforts.

Federal transportation law requires that the long-range transportation planning of State DOTs and MPOs consider the national performance goals, alongside any other local transportation goals.

Federal law also requires performance-area-specific plans to integrate national goals and performance measures. This helps guide agencies to the best programming choices to affect transportation performance outcomes.

These performance-area-specific plans are tied to the long-range planning process, and are focused on specific performance areas, such as:

- Safety;
- Freight movement;
- Congestion and air quality; or
- Infrastructure asset condition.

To bring the TPM approach into the transportation planning process, FHWA offers technical assistance to DOTs and MPOs.

A key point of the technical assistance FHWA provides to transportation agencies is to help make the connection between the measures—both the required national measures and any locally-identified measures—and targets, and, in turn, between the targets and their long-range and near-term transportation plans and programs.

While the long-range planning process looks out 20 or more years, transportation agencies also have to identify projects to fund in the near-term. They do this through short-range transportation planning and programming processes.

In sum, to meet federal requirements, State DOTs and MPOs have to indicate how their specific programs of recommended transportation projects will impact national goals and performance measures.

The established performance targets also help define what an agency can expect to achieve from certain investment decisions. Those decisions may range from resurfacing existing roads to building new facilities to constructing new bike paths.

Without establishing targets for performance measures, it can be challenging for a State DOT or MPO to consider tradeoffs between all investment options objectively. One needs a strong understanding of the benefits and costs of each set of choices. TPM provides a process and framework for that assessment.
Having both short-term performance-area-specific plans and long-term transportation plans helps transportation agencies analyze investment trade-offs and the impacts on measures and targets. The national and local measures are critical tools for considering—and explicitly addressing—trade-offs among a transportation system’s needs and the limited funding to meet those needs in the both short-term and longer-term.

This process will, in turn, bring us closer to USDOT’s five desired outcomes of the national TPM implementation:

1. Optimizing investments of public funds;
2. Improving consistency across the country;
3. Increasing coordination of decision-makers;
4. Increasing our understanding of what works; and
5. Communicating Federal investment returns.

For additional information on how to implement TPM requirements, contact your local FHWA Division Office and visit www.fhwa.dot.gov/tpm.

Working together, we can provide strategies to improve our nation and people’s lives through great transportation planning.

Successful TPM implementation will lead States and MPOs to have data-driven and outcome-based processes to establish targets, report on progress, and document the linkages between their investment decisions and intended outcomes.
Additional Resources

Extend your learning through more detailed resources and through interactive learning methods.

TPM Training:
https://www.fhwa.dot.gov/tpm/resources/training.cfm

TPM Website:
http://www.fhwa.dot.gov/tpm/about/index.cfm

General Portal for FHWA Resources:
https://www.fhwa.dot.gov/research/library/

National Highway Institute (NHI) Course Catalogue on Transportation Performance Management:

You may also learn more at:
https://highways.dot.gov/research
http://www.facebook.com/FederalHighwayAdmin
http://www.flickr.com/photos/fhwa
http://www.linkedin.com/company/federal-highway-administration
http://www.twitter.com/USDOTFHWA
http://www.youtube.com/user/USDOTFHWA

The content of this document is not a substitute for information obtained from State departments of transportation, appropriate FHWA Division Offices, and applicable laws. Scenarios have been simplified for emphasis and do not necessarily reflect the actual range of requirements applicable to the scenario or this topic.

This document was created under contract number DTFH61-13-D-0004 by the Federal Highway Administration, U.S. Department of Transportation, and is offered to the public to heighten and focus awareness of Federal-aid requirements within the local public agencies community and reinforces the importance of the necessary policies, procedures, and practices. This companion resource contains the script content for the video production of the same name.