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CMAP Staff Legislative Policy Brief: Federal Surface Transportation Reauthorization Bill

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The current federal transportation authorization act, known as Safe, Accountable, Flexible and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), is due to expire on September 30, 2009. As the U.S. Congress continues to debate reauthorization, the Chicago region has the chance to provide policy guidance that could help shape this bill to the benefit of metropolitan areas such as ours. The Chicago Metropolitan Agency for Planning (CMAP) encourages the administration and Congress to address, influence, and support the role that major metropolitan areas have in the nation's transportation network and help transportation to improve the quality of life for the citizens of northeastern Illinois.

CMAP's Reauthorization Policy Goals

Leaders in Washington should give highest priority to the following overall policy objectives in crafting and implementing a new federal transportation bill.

- Provide transportation investments based on regional priorities using performance-driven criteria that lead to decisions that are transparent, outcome-based, and mode-agnostic.
- Evaluate and prioritize infrastructure investments in a comprehensive way that looks beyond transportation benefits to include land use, economy, environment, and other quality-of-life factors.
- Provide adequate federal investments in the nation's transportation systems.
- Reform the transportation funding system by placing a new emphasis on sustainable revenue sources.
- Establish a national transportation vision that includes the movement of goods and the development of a national high-speed rail network.

Transportation Trends and Challenges

To assert that our nation's transportation infrastructure is broken would be an overstatement, but there is much that needs to be done to bring it into a good state of repair. According to the U.S. Department of Transportation, 27 percent of the bridges across the country as of December 2008 were listed as structurally deficient or functionally obsolete. Congestion in the major metropolitan areas is costing the nation \$87 billion a year in wasted fuel, lost time, and vehicle costs as reported in the Texas Transportation Institute's 2009 Urban Mobility Report.

The current federal motor fuel tax is not able to replenish the Highway Trust Fund at adequate levels to meet the demand for transportation investments. The National Surface Transportation Infrastructure Finance Commission estimated that the average annual capital needs for the country's highway and transit systems between 2008 and 2035 will be \$96 billion per year, but the current revenue levels will only meet 33 percent of that need at \$32 billion per year.

According to U.S. Census Bureau estimates, by the year 2040 there will be an additional 95 million people who require transportation services. By 2055, vehicle miles traveled are estimated to increase by 4 trillion to a total of 7 trillion. The American Association of State Highway and Transportation Officials estimates that the movement of freight will increase from 15 billion tons per year to 29 billion tons per year by 2035.

Congestion problems in metropolitan Chicago are severe, with the region holding the unflattering national ranking of third worst congestion. Metropolitan regions drive the economy of the U.S. They are home to 80 percent of the nation's population, and they generate 85 percent of the gross domestic product. As the population centers and economic engines of our country, metropolitan areas must be a focus for the mobility of people and goods.

Priorities and Recommendations

- **Accountability**

Institute national goals and objectives for all the federal transportation programs and establish accountability to them through specific performance measures. Metropolitan planning organizations that are inclusive of all stakeholders should be given the responsibility for setting the performance targets and identify the strategies to reach those targets. Funding commitment levels should be tied into the ability of MPOs to meet the targets.

- **Regional Comprehensive Programming and Planning**

Transportation does not operate in a vacuum so the prioritization of projects necessitates a regional perspective that takes into consideration economic development, housing, land use and the environment including climate change. Dedicate funds to the planning and programming of transportation infrastructure that are inclusive of these different objectives.

- **Funding Commitments**

Set funding levels that can meet the demands for preservation and renewal of the current transportation system and allow for capacity increases on all modes. The nation's ability to do so

will determine our position in the global economy, to improve the environment, to reduce our energy dependence on fossil fuels and to improve our quality of life.

- **Sustainable Revenues**

Identify new revenue streams that will supplement the current motor fuel tax or replace it. Any new revenue sources should be constructed in a manner that gives them flexibility to adapt to shifts in market forces.

- **National Vision**

Establish a method to formulate a national freight plan that can guide regional and state efforts to improve the freight systems. Create a systematic funding program for freight improvements. Establish a national plan for the development of inter-metro passenger rail service considering both high-speed rail along with standard services that link our nation's economic engines. This will help alleviate interstate highway and airport congestion and provide redundancy for the times when other parts of the national transportation system are overburdened.

Included below are two attachments: **Current Status of the Surface Transportation Authorization Bill** (prepared by CMAP staff), and a **Summary of Surface Transportation Bill Reauthorization Positions** by the Association of Metropolitan Planning Organizations (AMPO), Transportation for America (T4America), the National Association of Regional Councils (NARC), the Urban Land Institute (ULI), and the American Association of State Highway and Transportation Officials (AASHTO).

Current Status of the Surface Transportation Authorization Bill (CMAP Staff Analysis)

The U.S. House of Representatives, Transportation and Infrastructure Committee, chaired by Representative James Oberstar, released a draft bill on June 18, 2009, titled Surface Transportation Authorization Act (STAA) of 2009. A brief overview of the draft bill is presented below. Chairman Oberstar is planning on a full committee mark-up of the draft bill as soon as Congress returns from the August recess. Chances that the bill will reach the House floor by the expiration date of the current bill are remote. The financing of the bill is the responsibility of the congressional revenue committees. To date no significant progress has been made on financing and without the revenue side worked out, the draft bill cannot move forward.

The Obama Administration, U.S. Department of Transportation and the U.S. Senate are currently pushing an 18-month extension of the current SAFETEA-LU bill with minor revisions. They believe that the reauthorization needs to have more rigorous debate concerning many of the changes and reforms being proposed. This avenue does not have the support of Rep. Oberstar and in all likelihood a compromise will need to be reached by the end of September for the extension's length and the continuation of funding during the extension. Something in the 12 to 24 month time frame is the likely outcome.

Key Points of Surface Transportation Authorization Act of 2009

The STAA draft bill being proposed by the House Transportation and Infrastructure Committee calls for six years of federal highway, public transit and highway safety programs totaling \$450 billion. This is \$164 billion more than the 2005 SAFETEA-LU bill, a 57 percent increase. The STAA also includes a \$50 billion program for high speed passenger rail that would bring the total of the bill to \$500 billion.

- \$337 billion for highway investments, which represents an approximate 35 percent increase over SAFETEA-LU (75% of \$450 billion)
- \$100 billion for public transit investments, which represents an approximate 61 percent increase over SAFETEA-LU (22% of \$450 billion)
- Consolidates or terminates more than 75 programs
- Four core highway funding formula categories – state of good repair, safety, capacity improvements and congestion, air quality and climate change
- Four core transit funding categories – state of good repair, restore transit rail, mobility and access for transit-dependent, line and intermodal facility expansion
- Creates a National Transportation Strategic Plan to coordinate planning efforts of States and metropolitan regions to foster intermodal connectivity and identify projects of national significance

- Reforms the U.S. Department of Transportation adding three new offices – Intermodalism, Expedited Project Delivery and Livability
- Requires specific performance standards for State and regional plans
- Creates a Metropolitan Mobility and Access program with \$50 billion to unlock the congestion that chokes major metropolitan regions
 - \$20 billion will be awarded to a maximum of 10 metropolitan regions (MPOs) over a million population
- Creates a National Infrastructure Bank and enables metropolitan infrastructure banks
 - Metropolitan regions awarded a Metropolitan Mobility and Access program are eligible to institute a regional infrastructure bank
- Creates a Projects of National Significance program with \$25 billion to enhance U.S. global competitiveness by focusing on goods movement and freight mobility
- Establishes a new program for high-speed rail including the \$50 billion for the development of 11 corridors between major regions.
- Amends the metropolitan planning process to address transportation-related greenhouse gas emissions and the Waxman-Markey bill on climate change

Summary of Surface Transportation Bill Reauthorization Positions

Association of Metropolitan Planning Organizations (AMPO)

Issued in July 2008, AMPO's position on federal surface transportation authorization (http://www.ampo.org/assets/685_finalampopdfoverviewappro.pdf) stresses a new national vision that is supported by four key areas.

1. Improve international and interstate commerce by creating a national program for freight mobility and transparent borders.

- Improve movement through ports of entry
- Increase capacity and efficiency of both rail and highway corridors
- Address needs of border communities
- Address metro freight congestion
- Ensure agricultural and rural industries have access to markets
- Study feasibility of National Truck Network, including truck-only highways
- Improve nation's rail capacity for movement of goods and people

2. Improve Metropolitan Mobility

- Create a metropolitan mobility program
 - Focused on largest metro regions
 - Allocated by formula
 - Performance based
- Re-invent Metropolitan Institutions (MPOs) to more effectively Improve Mobility
 - Raising the minimum population threshold for new MPOs to 100,000
 - Areas above 200,000 gain project selection authority in cooperation with states over all federal transportation funds in region
 - MPOs over 1 million could choose to designate themselves as Metropolitan Mobility Authority
 - Provide incentive for states and regions to invest in mobility
 - Regions would have project selection authority
 - Eligible to receive new federal funds for congestion relief and energy conservation
 - Designation would be by state statute

3. Achieve Energy Independence by 2050

- Set national goals for energy independence and reducing fuel use and emissions
- Establish market Incentive for energy conservation (cap and trade)
- Create an energy independence fund to address reduction in petroleum use

4. Rebuild America Smarter

- Increase federal funding to ensure base system preservation
 - Immediately boost federal funding
 - Establish an independent Transportation Revenue Adjustment Commission
 - Focus on ITS and research on new building materials and construction techniques
 - Upgrade national and regional data collection to assist with planning

Transportation for America (T4America)

In its May 11, 2009, report titled "The Route to Reform-Blueprint for a 21st Century Federal Transportation Program" (<http://t4america.org/blueprint/>), T4America calls for reforms that center around four main recommendations.

1. **Develop a New National Transportation Vision with Objectives and Accountability for Meeting Performance Targets.**

- Establish and prioritize national transportation outcomes.
- Set national transportation performance targets and methods.
- Provide guidance and technical assistance in the development and monitoring of progress.
- Integrate goals and accountability in the legislation and decision-making processes.

Objectives

- Improve Economic Competitiveness, Transportation System Efficiency and Workforce Development Opportunities
- Improve Transportation System Conditions and Connectivity
- Promote Energy Efficiency and Achieved Energy Security
- Ensure Environmental Protection, Restore Climate Stability and Resolve Persistent Environmental Justice Issues
- Ensure Safety for All Transportation Users and Improve Public Health Outcomes
- Provide Equal and Equitable Access to Transportation Options in Urban, Suburban and Rural Communities

Performance Targets

- Reduce per capita vehicle miles traveled by 16%
- Triple walking, biking and public transportation usage
- Reduce transportation-generated carbon dioxide levels by 40%
- Reduce delay per capita by 10%
- Increase proportion of freight transportation provided by railroad and intermodal services by 20%
- Achieve zero percent population exposure to at-risk levels of air pollution
- Improve public safety and lower congestion costs by reducing traffic crashes by 50%
- Increase share of major highways, regional transit fleets and facilities, and bicycling/pedestrian infrastructure in good state of condition by 20%
- Reduce average household combined housing + transportation costs 25% (use 2000 as base year)
- Increase by 50% essential destinations accessible within 30 min. by public transit, or 15 min. walk for low-income, senior and disabled populations

2. **Restructure Federal Transportation Programs and Funding to Support the New National Transportation Vision and Objectives.**

- National Transportation Priority Programs
 - Planning and Research
 - Transportation System Preservation and Renewal
 - Access, Independence and Mobility Management
 - Energy Security for Clean Communities

- Geographically Tiered Multimodal Access Program
Three areas focused on meeting the mobility needs of the inter-regional, metropolitan and small town/rural levels.
- Complete National Transportation System
Expanding options through intercity passenger transportation, major transit capital projects, projects of national significance and green freights and ports.
- Innovation Incentive Programs
Utilize state-of-the-art transportation policies that incorporate system management technologies, low cost solutions and anticipate future needs and demands.

3. Reform Transportation Agencies and the Decision-making Process.

- Empower large metropolitan regions with direct funding and authority to select projects through a Blueprint Program. Recognizing that most Americans live in metropolitan areas, there needs to be a focus on the mobility within cities and their suburbs rather than between regions.
- State DOTs would be required to create a statewide blueprint program in partnership with smaller metropolitan regions, rural areas and cities. This would be the framework for intercity and interstate investment decisions.

4. Revise Transportation Finance So We Can Pay for Needed Investments.

- Increase revenues for transportation investment at a level of \$500 billion over 6 six years.
- Create a unified transportation trust fund that incorporates investments in rail, freight, highways, bus and non-motorized.

National Association of Regional Councils (NARC)

Draft recommendations by NARC on May 27, 2009, are based on ten focal points.

1. Federal Role – refocus a strong federal role in shaping the nation’s surface transportation policy

- Promote, support and strengthen comprehensive planning in regions of all size that looks at benefits in land use, economic growth and environmental impacts;
- Promote interstate commerce;
- Employ strategies to lessen the transportation sectors influence on global warming;
- Promote linkages between modes to create an integrated intermodal system; and,
- Preserve and maintain the current transportation network to ensure adequate performance and the safety and security of the traveling public.

2. Role of Elected Officials

- Reinvigorate the intergovernmental partnership to establish national transportation goals and priorities that meet our country's challenges;
- Reaffirm the role of the local elected officials, the closest unit of government to the people, as a partner in maintaining and improving the national surface transportation network;
- Ensure the composition of MPO and RTPO boards retain their function as voices of local governments;
- Work with local elected officials to ensure transparency and accountability in decision making.

3. Comprehensive Planning (meaning geographically)

- Maintain the current threshold for MPO size at 50,000 population;
- Extend planning and implementation authority to all regions over all surface transportation assets within their geographic jurisdiction;
- Create a formalized consultation process (RTPOs) for non-metropolitan regions in transportation planning. FHWA and FTA (with a corresponding GAO oversight report) should submit a report to Congress on the form, function and cooperative decision-making processes adopted in state transportation plans for RTPOs;
- Create a mechanism to establish regional transportation planning organizations where they currently do not currently exist in order to meet the needs of contiguous local jurisdictions; and,
- Increase federal financial support for transportation planning in both metropolitan and non-metropolitan regions.

4. Metropolitan Mobility

- Empower metropolitan regions to work in cooperation with the state Departments of Transportation (DOTs) by defining the relationship, changing the language to state “MPOs shall work in cooperation with the State;”
- Direct an allocation of federal transportation funding to metropolitan regions over one million population;
- Consider delegating National Environmental Policy Act (NEPA) review authority to these regions;
- Allow these regions the option to construct projects in consultation with their state DOTs.

5. Safety

- Direct safety money to regions and localities through a mechanism similar to the Surface Transportation Program (STP) (23, sect. 133);
- Authorize project selection authority in safety programs to regions, which inherently ties funding more directly to safety needs;
- Promote strategies to integrate safety into statewide and metropolitan planning;
- Support the federal collection and dissemination of safety data among states and regions, as well as provide funding to regions to collect and utilize this data; and,
- Support the rural roads safety program.

6. Finance

- Implement a program that increases the federal gas tax in the short-term, but reduces gas taxes over a multi-year period while concurrently transitioning to revenue sources that are predictable, diversified and diffuse;
- Support the increase of the federal fuel tax indexed to inflation;
- Support a revenue generating shift to a system that combines Vehicle Miles Traveled (VMTs) plus vehicle weight, while respecting the public’s right to privacy;
- Collapse current funding streams into a mechanism that fully funds and establishes regions and their local constituencies as primary recipients of current and future federal resources;
- Maintain the firewalls that protect the HTF; and,
- Enact legislation to create Regional Infrastructure Improvement Zones.

7. Streamlining

- Adopt a “transportation account” that collapses all surface transportation related funding into one funding stream – directed to states, regions and localities – to develop the most appropriate and

flexible transportation solutions possible. A mechanism should also be created to allow regions and their local constituencies as primary recipients of current and future federal resources;

- Consider requiring Federal Management Teams to facilitate efficient environmental review of projects of national and regional significance. These teams will be comprised of all related federal agencies and will have authority project-by-project to facilitate efficient environmental review;
- Consider authorizing one environmental review by one federal agency per project and allow federal agencies the flexibility to determine how to implement this provision of concurrent rather than sequential reviews; and,
- Support delegating power to States on 4(f) review.
 - The States must adopt requirements equal to or stricter than the current federal statute for delegation to occur.
 - U.S. DOT will report to Congress on 4(f) practices by States if delegation occurs.
 - Congress and the U.S. DOT will reserve the right to rescind delegation authority of 4(f) authority.

8. Freight

- Work with regional planning organizations to establish proactive transportation policies that efficiently move goods to improve regional, state and local economies;
- Consider the creation of a national strategic freight mobility program and dedicated revenue stream with budgetary firewalls to ensure a continuous stream of funding to meet current and future goods movement needs;
- Reinforce the importance of funding for intermodal connectors within the freight mobility program;
- Provide a direct allocation of money to regional transportation planning organizations to plan for goods movement through their regions; and,
- Provide additional funds to MPOs for expert staff positions dedicated to freight issues (commensurate to the volumes of freight moving in and through their areas).

9. Livability

- Work with regional planning organizations to establish proactive transportation policies that efficiently move goods to improve regional, state and local economies;
- Consider the creation of a national strategic freight mobility program and dedicated revenue stream with budgetary firewalls to ensure a continuous stream of funding to meet current and future goods movement needs;
- Reinforce the importance of funding for intermodal connectors within the freight mobility program;
- Provide a direct allocation of money to regional transportation planning organizations to plan for goods movement through their regions; and,
- Provide additional funds to MPOs for expert staff positions dedicated to freight issues (commensurate to the volumes of freight moving in and through their areas).

10. Climate Change

- Recognize the role regions play in aligning transportation networks with economic development, housing and environmental protection and their potential to reduce transportation-related greenhouse gas emissions (see Livability);
- Work with regions on establishing baselines, methodologies and tools to affect a reduction in GHG emissions; and,
- Avoid creating unfunded mandates on regions and local governments.

Urban Land Institute (ULI)

Issued on April 20, 2009, ULI's "Infrastructure 2009: Pivot Point" (<http://bit.ly/53M4P>) details four primary strategies.

1. Set a National Strategy

The U.S. has not had a national infrastructure plan since the 1950's beginning with the interstate highway construction. New transportation networks must interconnect more efficiently to move goods and people through congested global pathway cities.

2. Plan Holistically

In order to reduce congestion, address climate change, and reducing foreign oil dependence requires the integration of transportation, energy and environment programs with land use and housing policy.

3. Revamp Government

Restructure transportation, housing, water and energy agencies to manage and execute infrastructure policy in concert.

4. Change Funding Approaches

To be able to fund the necessary infrastructure repairs and new networks, the U.S. needs to establish new financing mechanism, attract more private capital, and advance PPPs. Revenues need to come from user fees and more attention paid to new approaches in which to collect them.

American Association of State Highway and Transportation Officials (AASHTO)

AASHTO's 2009 report "Reform of the Federal Surface Transportation Program" (http://www.transportation1.org/policy_reform/) emphasizes seven recommendations.

1. Refocus the Federal Program on National Objectives

Involves six areas of interest: Preservation and Renewal; Interstate Commerce; Safety; Congestion Reduction and Connectivity for both Urban and Rural Areas; System Operations; and Environment.

2. Establish Goals through which the National Objectives can be Achieved

Help to ensure accountability. USDOT would promulgate as guidance.

3. Plan and Select Projects Based on a State-driven Performance Management Approach

Performance targets related to national goals would be adopted by each state.

4. Develop State-Driven Performance Measures Process

To improve accountability for achieving national objectives, each state will be called on to develop specific measures through which they can track and report on results.

5. Restructure Transportation Programs to Focus on the National Objectives

Reduce the number of highway and transit programs down to the basics giving states and MPOs the flexibility to meet their needs. To meet a multi-modal approach, continue to allow the flexing of highway and transit funds to each other.

6. Speed Project Delivery

Cut the federal obstacles to project delivery so that completion time is cut in half.

7. Eliminate or Limit Earmarking in the Federal Transportation Program

No more than five percent of the overall program should be designated through Congressional earmarks. Any HPP projects should come out of approved TIPs or STIPs.