

**TESTIMONY OF JANE F. GARVEY
DEPUTY ADMINISTRATOR
FEDERAL HIGHWAY ADMINISTRATION**

BEFORE THE

**SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE
SUBCOMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE**

MARCH 23, 1995

**NATIONAL HIGHWAY SYSTEM
AND
ISSUES RELATED TO CLEAN AIR CONFORMITY**

**GOOD AFTERNOON, MR. CHAIRMAN AND MEMBERS OF THE
SUBCOMMITTEE. THANK YOU FOR INVITING ME TO APPEAR BEFORE YOU TODAY
AS YOU CONTINUE YOUR SERIES OF HEARINGS REGARDING DESIGNATION OF THE
NATIONAL HIGHWAY SYSTEM (NHS). I WOULD LIKE TO UNDERScore WHAT
DEPUTY SECRETARY MORT DOWNEY SAID WHEN HE APPEARED BEFORE YOU
LAST MONTH: "AS OUR DEPARTMENT MOVES TO TRANSFORM ITSELF FOR THE
NEXT CENTURY, THE NHS WILL PLAY A KEY ROLE IN ADVANCING OUR CORE
MISSIONS OF SAFETY, INFRASTRUCTURE INVESTMENT, AND NATIONAL
SECURITY. INDEED, THE NHS WILL BE A STRONG AND INTEGRAL PART OF OUR
INCREASINGLY INTERMODAL APPROACH TO TRANSPORTATION." BUT MORE
IMPORTANTLY FOR THE ISSUES WE FOCUS ON TODAY, "CLEAN AIR**

CONFORMITY," THE NHS WILL IN MANY AREAS HELP TO IMPROVE AIR QUALITY AND MOBILITY.

I WANT TO RECOGNIZE THE REMARKABLE ROLE THE ENVIRONMENT AND PUBLIC WORKS COMMITTEE HAS PLAYED OVER THE PAST FIVE YEARS IN DEVELOPING AND INTEGRATING CLEAN AIR AND SURFACE TRANSPORTATION LEGISLATION. YOU CONTINUE TO DEMONSTRATE STRONG LEADERSHIP WITH THE INTRODUCTION OVER A MONTH AGO OF S. 440, A SIMPLE AND STRAIGHTFORWARD NHS BILL.

TODAY YOUR FOCUS IS ON TRANSPORTATION AND THE AIR QUALITY PLANNING PROCESS AND LINKAGES BETWEEN THE CLEAN AIR ACT AMENDMENTS OF 1990 (CAAA) AND INTERMODAL SURFACE TRANSPORTATION EFFICIENCY ACT OF 1991 (ISTEA). THIS COMMITTEE HAS BEEN MINDFUL ALL ALONG OF THE LOGICAL CONNECTION BETWEEN AIR QUALITY AND TRANSPORTATION ISSUES.

LET ME BEGIN BY SAYING THAT THE EFFORT TO INTEGRATE TRANSPORTATION PLANNING AND INVESTMENT DECISIONS AND AIR QUALITY PLANNING PROCESSES THROUGH THE ISTEA AND THE CAAA IS COMPREHENSIVE IN ITS SCOPE.

THE FEDERAL HIGHWAY ADMINISTRATION (FHWA), THE FEDERAL TRANSIT ADMINISTRATION (FTA), AND THE ENVIRONMENTAL PROTECTION AGENCY (EPA) HAVE BEEN WORKING TOGETHER TO IMPLEMENT THE CAAA AND ISTEA REQUIREMENTS AND PROGRAMS IN A COORDINATED AND COOPERATIVE MANNER.

ALLOW ME TO PROVIDE YOU WITH SOME EXAMPLES OF THIS

COLLABORATION:

- WE HAVE HELD TWO-DAY MEETINGS IN EACH DEPARTMENT OF TRANSPORTATION (DOT) AND EPA REGION TO PROVIDE DETAILED BRIEFINGS ON CONFORMITY ISSUES FOR FIELD STAFFS AND STATE AND LOCAL TRANSPORTATION AND AIR QUALITY PROFESSIONALS;
- WE ARE JUST COMPLETING A JOINT PROGRAM REVIEW OF THE CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT (CMAQ) PROGRAM AND WILL BE ISSUING OUR REPORT IN MAY; WE EXPECT TO FURTHER EXPAND THE FLEXIBILITY OF CMAQ FUNDS AS A RESULT OF THIS REVIEW;
- WE ARE PRODUCING A CMAQ BROCHURE ON EXEMPLARY USES OF CMAQ FUNDS, PUBLISHING A WIDELY-DISTRIBUTED MONTHLY NEWSLETTER ON TRANSPORTATION AND AIR QUALITY ISSUES (UNDER A JOINT GRANT WITH THE NATIONAL ASSOCIATION OF REGIONAL COUNCILS), AND JOINTLY HELD A SATELLITE VIDEOCONFERENCE ON CONFORMITY ISSUES WHICH WAS BROADCAST TO AIR QUALITY AND TRANSPORTATION PROFESSIONALS AT OVER SEVENTY-FIVE SITES AROUND THE NATION LAST JUNE; WE ARE CURRENTLY IN THE PLANNING STAGE FOR A VIDEOCONFERENCE TO BE HELD THIS JUNE ON THE CMAQ PROGRAM AND TRANSPORTATION CONTROL MEASURES; AND
- WE CONTINUE TO WORK ON JOINT EFFORTS TO DELIVER THESE PROGRAMS AND PROVIDED TECHNICAL ASSISTANCE TO WILMINGTON, DELAWARE, SEVEN AREAS IN OHIO, HOUSTON, TEXAS, ETC., THAT LED TO SUCCESSFUL CONFORMITY DETERMINATIONS.

NEVERTHELESS, THE ADMINISTRATION OF BOTH THE CONFORMITY REQUIREMENTS AND THE CMAQ PROGRAM HAS POSED CHALLENGES TO OUR AGENCIES, WHICH I WILL DISCUSS IN A FEW MOMENTS; BUT FIRST, A LITTLE BACKGROUND INFORMATION:

SUBSTANTIAL PROGRESS HAS BEEN MADE AND CONTINUES TO BE MADE IN IMPROVING AIR QUALITY AND REDUCING MOBILE SOURCE EMISSIONS. BOTH AUTOMOBILES AND FUELS ARE MUCH CLEANER THAN THEY WERE 25 YEARS

AGO. LEAD EMISSIONS FROM TRANSPORTATION SOURCES HAVE NEARLY DISAPPEARED THROUGH THE ELIMINATION OF LEAD ADDITIVES. THE EPA'S TREND REPORTS INDICATE THAT RECORDED VIOLATIONS OF THE CARBON MONOXIDE STANDARD HAVE DROPPED NATIONALLY FROM OVER 6,000 IN 1975 TO FEWER THAN 35 IN 1993. IN 1990, 41 COMMUNITIES WERE DESIGNATED NONATTAINMENT FOR CARBON MONOXIDE, BUT IN 1993 ONLY 7 AREAS RECORDED VIOLATIONS.

A VERY SUBSTANTIAL PROPORTION OF THE IMPROVEMENTS IN AIR QUALITY ARE CREDITED TO MOBILE SOURCES. FOR EXAMPLE, ACCORDING TO RECENT EPA REPORTS, HIGHWAY VEHICLE EMISSIONS DECREASED BY 35 PERCENT FOR VOLATILE ORGANIC COMPOUNDS, 24 PERCENT FOR CARBON MONOXIDE, AND 11 PERCENT FOR OXIDES OF NITROGEN -- DESPITE A 33 PERCENT INCREASE IN VEHICLE MILES TRAVELLED FROM 1984 TO 1993. VEHICLE MILES TRAVELLED MAY CONTINUE TO INCREASE. THIS COULD POSE A PROBLEM IN THE LONG TERM, IF EMISSION REDUCTION TECHNOLOGIES FAIL TO KEEP PACE.

OZONE PROBLEMS ARE MORE CHALLENGING. THERE ARE CURRENTLY 91 OFFICIALLY DESIGNATED OZONE NONATTAINMENT AREAS; HOWEVER, 48 OF THESE AREAS DID NOT RECORD ANY VIOLATIONS OF THE NATIONAL AMBIENT AIR QUALITY STANDARDS (NAAQS) IN 1991-1993. THE REMAINING 43 NONATTAINMENT AREAS WILL FACE MANY CHALLENGES AND THE DEPARTMENT WILL CONTINUE TO WORK WITH STATE AND LOCAL OFFICIALS AND METROPOLITAN PLANNING ORGANIZATIONS (MPOs) AND EPA TO ASSIST THEM.

TRANSPORTATION CONFORMITY: PROGRESS TO DATE

SINCE THE TRANSPORTATION CONFORMITY REGULATION AND NEW METROPOLITAN AND STATEWIDE PLANNING REGULATIONS UNDER THE ISTEA WERE ISSUED, NEW PARTNERSHIPS AND WORKING RELATIONSHIPS HAVE DEVELOPED WHICH UNQUESTIONABLY IMPROVE THE INTEGRATION OF TRANSPORTATION INVESTMENT DECISIONS WITH AIR QUALITY PLANNING ACTIVITIES AT THE METROPOLITAN AND STATE LEVELS. FOR EXAMPLE:

- STATES, MPOs, AND LOCAL OFFICIALS HAVE DEVELOPED COOPERATIVE ARRANGEMENTS FOR PLANNING AND IMPLEMENTING TRANSPORTATION FACILITIES AND SERVICES;
- STATE AND LOCAL AIR QUALITY AGENCIES HAVE BECOME INVOLVED IN INTERAGENCY CONSULTATION PROCESSES ON TRANSPORTATION AND CONFORMITY ISSUES; THIS AIDED PROBLEM RESOLUTION IN SUCH PLACES AS COLORADO, WASHINGTON STATE, AND OREGON;
- METROPOLITAN PLANNING ORGANIZATIONS HAVE BEEN GIVEN GREATER ROLES IN TRANSPORTATION PLANNING AND INVESTMENT DECISIONMAKING; FOR EXAMPLE, IN INDIANA THE MPOs FROM NONATTAINMENT AREAS WORKED CLOSELY WITH THE STATE AIR QUALITY AGENCY TO DEVELOP CONFORMITY STATE IMPLEMENTATION PLAN (SIP) PROVISIONS THAT, WHILE UNIFORM THROUGHOUT THE STATE, WOULD WORK IN EACH LOCALITY;
- THE PUBLIC HAS BEEN PROVIDED UNPRECEDENTED NEW OPPORTUNITIES FOR PARTICIPATING IN THE TRANSPORTATION PLANNING AND INVESTMENT PROCESS; FOR EXAMPLE, IN ALBUQUERQUE THE MPO IS SEEKING GREATER CITIZEN INPUT BY USING LOCAL ACCESS TELEVISION TO BROADCAST HEARINGS RELATED TO TRANSPORTATION AND AIR QUALITY; AND
- INTEREST GROUPS, ENVIRONMENTAL ORGANIZATIONS, AND MULTI-MODAL ADVOCACY GROUPS ARE HAVING GREATER INPUT TO THE PROCESS THAN EVER BEFORE.

DIFFICULTIES IN IMPLEMENTATION OF THE TRANSPORTATION CONFORMITY REGULATION

THERE HAVE BEEN SOME DIFFICULTIES IN IMPLEMENTING THE CONFORMITY REGULATION, DUE IN PART TO ITS NEWNESS AND COMPLEXITY. SOME OF THE COMPLEXITIES ARE REFLECTED IN:

- THE REGULATION ITSELF; IT IS DIFFICULT FOR TRANSPORTATION AND ENVIRONMENTAL PROFESSIONALS TO UNDERSTAND AND EXPLAIN TO POLICYMAKERS AND OFFICIALS;
- THE COMPLEXITIES OF THE RELATIONSHIPS BETWEEN VOLATILE ORGANIC COMPOUND (VOC) EMISSIONS AND OXIDES OF NITROGEN (NO_x) EMISSIONS HAS CAUSED SOME CONFUSION AND DIFFICULTIES FOR TRANSPORTATION AGENCIES.

THE DOT AND EPA ARE JOINTLY WORKING THROUGH THESE DIFFICULTIES IN COOPERATION WITH STATE AND LOCAL AGENCIES AND MPOs.

EXAMPLES OF SPECIFIC EFFORTS UNDERWAY TO HELP THE STATES AND METROPOLITAN AREAS

THE DEPARTMENT AND THE EPA WORKED TOGETHER TO RELIEVE SOME OF THE TIME CONSTRAINTS IMPOSED BY THE CONFORMITY REGULATION, AND ON FEBRUARY 8, 1995, THE EPA ISSUED AN INTERIM FINAL RULE WHICH AMENDS THE CONFORMITY REGULATION TO ALIGN THE TIMING OF CERTAIN CONFORMITY-RELATED CONSEQUENCES WITH THE POSSIBLE IMPOSITION OF MANDATORY HIGHWAY SANCTIONS. THIS PROVIDES ADDITIONAL FLEXIBILITY AND RELIEF TO 22 AREAS.

FOR OUR PART, THE FHWA HAS ESTABLISHED A "SWAT TEAM" OF MODELING EXPERTS TO GO TO NONATTAINMENT AREAS WHICH ARE HAVING PROBLEMS WITH THE CONFORMITY ANALYSIS TO PROVIDE HANDS-ON

ASSISTANCE. THIS HAS PROVEN TO BE VERY HELPFUL AND WE CONTINUE TO PROVIDE SUCH ASSISTANCE UPON REQUEST. WE THINK IT IS AN EFFECTIVE APPROACH, BUT IT IS RESOURCE-INTENSIVE.

THE FHWA, THE EPA, AND THE FTA ARE IN THE INITIAL STAGES OF DEVELOPING A PUBLIC EDUCATION PROGRAM ON KEY TRANSPORTATION AND AIR QUALITY ISSUES, INCLUDING THE ECONOMIC IMPACTS OF CONGESTION AND THE HEALTH IMPACTS OF AIR POLLUTION. THE OVERRIDING OBJECTIVE OF THE CAMPAIGN IS TO ASSIST STATE AND LOCAL GOVERNMENTS AND STAKEHOLDERS IN MEETING THE FEDERAL HEALTH STANDARDS FOR CRITERIA POLLUTANTS, RELIEVING CONGESTION, AND INCREASING AWARENESS OF THE RELATIONSHIP BETWEEN TRANSPORTATION CHOICES AND QUALITY OF LIFE ISSUES. THE PUBLIC EDUCATION CAMPAIGN SHOULD BE UNDERWAY THIS FALL.

WE ARE ACTIVELY SUPPORTING STRATEGIES TO REDUCE THE GROWTH IN VEHICLE MILES TRAVELLED. FOR EXAMPLE, THERE IS THE CONGESTION PRICING PILOT PROGRAM, UNDER WHICH EIGHT DIFFERENT PROJECTS HAVE BEEN APPROVED TO CONDUCT PLANNING STUDIES AND WORK TO DEVELOP MARKET-BASED TRANSPORTATION CONTROL MEASURES. CONGESTION PRICING IS PROJECTED TO BE MUCH MORE COST EFFECTIVE THAN CONVENTIONAL TRANSPORTATION CONTROL MEASURES AND CAN RESULT IN SUBSTANTIAL REDUCTIONS IN AUTOMOBILE-RELATED EMISSIONS.

A SERIES OF MEETINGS HAVE BEEN CONVENED BY THE NATIONAL GOVERNORS' ASSOCIATION (NGA) AND THE ENVIRONMENTAL COUNCIL OF STATES TO ADDRESS A NUMBER OF TRANSPORTATION-RELATED CLEAN AIR

ISSUES. DOT AND EPA PARTICIPATED IN A DISCUSSION DEVOTED TO TRANSPORTATION CONFORMITY ISSUES ON MARCH 17. TRANSPORTATION AND AIR QUALITY OFFICIALS REPRESENTING 26 STATES MADE SPECIFIC RECOMMENDATIONS TO STREAMLINE AND IMPROVE THE CONFORMITY PROCESS. THE DOT AND EPA AGREED TO CONTINUE TO WORK WITH THE STATES TO TRY TO RESOLVE THE ISSUES THEY IDENTIFIED. AREAS WERE IDENTIFIED WHERE THE CONFORMITY REGULATION COULD BE IMPLEMENTED IN A MORE FLEXIBLE WAY TO HELP ADDRESS SOME OF THE DIFFICULTIES STATE TRANSPORTATION AGENCIES ARE EXPERIENCING. A FOLLOW-UP MEETING IS SCHEDULED TO TAKE PLACE BY APRIL 7, 1995, AND WILL INCLUDE MPOs AND OTHER STAKEHOLDERS.

WHAT ARE FEDERAL AGENCIES DOING TO RESPOND TO STATE AND MPO CONCERNS?

EXPERIENCE TO DATE HAS SHOWN THAT CAPITAL INVESTMENTS IN TRANSPORTATION INFRASTRUCTURE ALONE WILL NOT RESULT IN SUBSTANTIAL REDUCTIONS IN TRANSPORTATION-RELATED EMISSIONS. SUCH REDUCTIONS WILL LIKELY REQUIRE ADDITIONAL TECHNOLOGICAL ADVANCES, BOTH IN VEHICLES AND FUELS, COUPLED WITH VERY AGGRESSIVE POLICY ACTIONS TO CHANGE DRIVING BEHAVIOR.

THE FEDERAL GOVERNMENT HAS A ROLE IN ASSISTING STATES AND METROPOLITAN AREAS TO MEET THE CHALLENGE OF EDUCATING THE PUBLIC AND IN SUPPORTING POLICY SHIFTS WHICH WOULD, OVER TIME, REDUCE PERSONAL SINGLE-OCCUPANT VEHICLE MILES TRAVELED IN AUTOMOBILES. THESE ARE NEITHER SHORT TERM SOLUTIONS TO REDUCING TRANSPORTATION-

RELATED EMISSIONS NOR EASY POLICY ACTIONS TO EMBRACE -- REGARDLESS OF WHAT LEVEL OF GOVERNMENT TAKES THE LEAD. MORE AND MORE AREAS ACROSS THE COUNTRY ARE COMING TO GRIPS WITH THE FACT THAT AUTOMOBILE RELATED POLLUTION AND PERSISTENT CONGESTION CANNOT BE RELIEVED PERMANENTLY THROUGH CAPITAL-INTENSIVE TRANSPORTATION PROJECTS, REGARDLESS OF MODE. THE INTENT OF CONFORMITY, HOWEVER, IS TO ENSURE THAT NO MATTER WHICH POLICIES STATES AND METROPOLITAN AREAS CHOOSE TO REDUCE EMISSIONS, TRANSPORTATION INVESTMENT DECISIONS WILL BE CONSISTENT WITH AIR QUALITY PLANS.

WHILE THE ORIGINAL INTENT OF LINKING TRANSPORTATION INVESTMENTS WITH AIR QUALITY ATTAINMENT PLANS IS ONE WE SUPPORT, THE CURRENT PROCESS WARRANTS A CAREFUL LOOK TO SEE WHAT CAN BE DONE TO MAKE THE PROCESS MORE MEANINGFUL AND LESS BURDENSOME TO THOSE WHO MUST FOLLOW IT. BASED UPON WHAT WE HAVE LEARNED FROM PRACTITIONERS AT THE STATE AND LOCAL LEVELS SINCE ENACTMENT OF THE CAAA OF 1990, WE BELIEVE THAT WE CAN IMPROVE UPON THE EXISTING CONFORMITY REGULATION. WE RECOGNIZE THAT STATES AND METROPOLITAN AREAS NEED MORE FLEXIBILITY IN HOW THEY APPROACH THEIR TRANSPORTATION AND AIR QUALITY PLANNING AND INVESTMENT DECISIONS AND BELIEVE THAT WE CAN PROVIDE THE NECESSARY LEADERSHIP AND DIRECTION FROM THE FEDERAL LEVEL WHILE ENABLING OUR STATE AND LOCAL PARTNERS TO TAILOR PROCESSES TO THEIR NEEDS IN THE RESPECTIVE AREAS.

AN EXAMPLE OF HOW FLEXIBILITY IS ADDRESSED THROUGH OUR PARTNERSHIPS IS THE NATIONAL GOVERNORS' ASSOCIATION PROPOSAL AND THE EPA'S CONCURRENCE THAT TRANSPORTATION CONTROL MEASURES IN APPROVED STATE IMPLEMENTATION PLANS OUGHT TO GO FORWARD EVEN IN THE ABSENCE OF A CONFORMING PLAN OR TIP. THIS ALLOWS THESE PROJECTS TO GO FORWARD WITHOUT BEING HELD UP BY LONGER, TIME-CONSUMING PROCESSES.

CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM

WE FURTHER ASSIST STATES AND MPOs TO ADDRESS THEIR TRANSPORTATION AND AIR QUALITY NEEDS BY MAKING AVAILABLE ADDITIONAL RESOURCES. THE CMAQ PROGRAM, A NEW PROGRAM AUTHORIZED AT \$6 BILLION UNDER THE ISTEA, IS A SUCCESS STORY IN THE OVERALL EFFORT TO INTEGRATE TRANSPORTATION INVESTMENT WITH PROGRAMS TO IMPROVE AIR QUALITY. THE CMAQ HAS PROVED TO BE THE ISTEA'S MOST FLEXIBLE PROGRAM AND WHILE IT IS ONLY ONE-QUARTER THE SIZE OF THE SURFACE TRANSPORTATION PROGRAM, IT ACCOUNTS FOR 57 PERCENT OF ALL FUNDS FLEXED TO TRANSIT PROJECTS (\$792 MILLION OF \$1.4 BILLION THROUGH THE END OF FISCAL YEAR 1994).

OTHER NON-HIGHWAY PROJECTS WHICH ASSIST AREAS IN ATTAINING AIR QUALITY ARE RECEIVING AN INCREASING SHARE OF CMAQ FUNDS, AS WELL. IN 1992 AND 1993, OVER \$88 MILLION IN CMAQ FUNDS WERE USED TO ESTABLISH OR EXPAND SHARED-RIDE SERVICES, PROMOTE DEMAND MANAGEMENT

STRATEGIES AND EMPLOYER TRIP REDUCTION PROGRAMS, AND SUPPORT BICYCLE OR PEDESTRIAN TRAVEL THROUGH BETTER ROUTES, SIDEWALKS, AND STORAGE FACILITIES.

THE FHWA AND THE FTA HAVE FURTHER EXPANDED THE PROGRAM'S FLEXIBILITY TO FUND OTHER NEEDED TRANSPORTATION PROJECTS TO IMPROVE AIR QUALITY. IN ADDITION TO MORE TRADITIONAL PROJECTS SUCH AS TRAFFIC FLOW AND TRANSIT IMPROVEMENTS, CMAQ SUPPORTS MANY OTHER NEW AND EFFECTIVE EFFORTS FOCUSING ON VEHICLES AND FUELS. THE ESTABLISHMENT OF INSPECTION AND MAINTENANCE (I/M) PROGRAMS -- ESTIMATED TO REDUCE EMISSIONS BY AS MUCH AS 28 PERCENT -- AND SIP STRATEGIES SUCH AS THE CONVERSION OF PUBLIC FLEETS TO CLEANER FUELS ARE ELIGIBLE PROGRAM ACTIVITIES. SINCE I/M PROGRAMS ARE A FEDERAL REQUIREMENT, FUNDING THEM UNDER THE CMAQ PROGRAM HELPS TO ACHIEVE CLEAN AIR OBJECTIVES.

THE CMAQ PROGRAM HAS ALSO BEEN A GOOD EXAMPLE OF FULFILLING THE ISTEA'S GOAL OF EMPOWERING MPOs TO MAKE TRANSPORTATION INVESTMENT DECISIONS AND DECENTRALIZING THE DECISION-MAKING PROCESS BEYOND THE STATE LEVEL. FOR THE FIRST TIME, STATE AND LOCAL AIR QUALITY AGENCIES HAVE DIRECT INPUT INTO THE DEVELOPMENT OF THE TRANSPORTATION IMPROVEMENT PROGRAM. IN MANY NONATTAINMENT AREAS, MPOs HAVE DEVELOPED STRONG LOCAL PROCESSES TO DEVELOP PLANS AND FUNDING PRIORITIES TO DIRECTLY ADDRESS THEIR NEEDS. MANY MPOs HAVE TAKEN FURTHER STEPS TO INCLUDE NEW PLAYERS -- ENVIRONMENTAL GROUPS,

BICYCLE ADVOCATES, AND RIDESHARE ORGANIZATIONS, FOR EXAMPLE -- INTO THE DECISION-MAKING PROCESS.

THE FHWA AND THE FTA HAVE BEEN CLOSELY MONITORING THE CMAQ PROGRAM. EARLY IN THE PROGRAM'S LIFE, CONCERNS WERE RAISED THAT EXPENDITURES UNDER THE CMAQ PROGRAM WOULD LAG BEHIND THE MORE TRADITIONAL FUNDING PROGRAMS UNDER CONGRESSIONAL SPENDING LIMITS. THE FEAR WAS THAT STATES WOULD USE THEIR SPENDING LIMITATION ON TRADITIONAL HIGHWAY PROJECTS, AND ONLY AS A LAST RESORT USE CMAQ FUNDS FOR SOME OF THE MORE INNOVATIVE, NON-HIGHWAY ORIENTED, PROJECTS.

IN 1992, ONLY \$340 MILLION OUT OF \$809 MILLION (42 PERCENT) WAS OBLIGATED UNDER THE CMAQ PROGRAM. BUT IN 1993, THIS CHANGED TO \$600 MILLION; AND BY 1994, THE CMAQ OBLIGATION RATE ROSE TO 85 PERCENT (\$815 MILLION OF \$962 MILLION AVAILABLE). OBLIGATION RATES OF CMAQ PROGRAM DOLLARS NOW COMPETE ON A RELATIVELY EVEN BASIS WITH OTHER TITLE 23 FUNDING PROGRAMS (SEE EXHIBIT).

THE FHWA, FTA, AND EPA RECENTLY COMPLETED AN INTENSIVE MID-COURSE EVALUATION OF THE PROGRAM. THE REVIEW INCLUDED PUBLIC INPUT ON POLICY QUESTIONS AND SITE VISITS TO THE 10 STATES RECEIVING THE LARGEST CMAQ APPORTIONMENTS. WE ARE NOW DEVELOPING A REPORT ON THE EVALUATION WHICH WE EXPECT TO ISSUE IN MAY.

CONCLUSION:

WE HAVE LEARNED A GREAT DEAL ABOUT BOTH THE CONFORMITY PROCESS SINCE THE CAAA OF 1990 AND THE CMAQ PROGRAM WHICH IS RELATIVELY NEW TO US. WE HAVE BEEN TRYING TO WORK WITH ALL LEVELS OF GOVERNMENT TO ASSURE THAT THE RELEVANT PROGRAMS AND PROVISIONS IN ISTEA AND THE CAAA HAVE BEEN CARRIED OUT IN ACCORDANCE WITH CONGRESSIONAL INTENT.

WE AND OUR STATE AND MPO PARTNERS HAVE BEEN CHALLENGED WITH RESPECT TO IMPLEMENTING THE CONFORMITY REGULATION DUE, IN PART, TO ITS COMPLEX NATURE. THE CMAQ PROGRAM GUIDANCE HAS HELPED MOVE THAT PROGRAM ALONG AND FEDERAL, STATE, AND LOCAL GOVERNMENTS ARE WORKING MORE CLOSELY THAN THREE YEARS AGO ON COLLABORATING WITH RESPECT TO PROJECT SELECTION AND CMAQ PROGRAM IMPLEMENTATION.

WE ARE COMMITTED TO ISSUING REVISED CMAQ GUIDANCE LATER THIS SPRING BASED ON INPUT WE RECEIVED IN THE PROGRAM REVIEW. WE ALSO STAND READY TO WORK WITH EPA AND OTHERS TO MAKE CHANGES IN THE CONFORMITY PROCESS WHICH WILL FACILITATE PROGRAM DELIVERY THROUGH ISTEA AND ENABLE OUR STATE AND MPO AND AIR QUALITY AGENCIES TO DELIVER TRANSPORTATION PROGRAMS IN A LESS PROCESS DRIVEN AND MORE TIMELY MANNER.

AS ALWAYS, WE VALUE THE LEADERSHIP OF THIS COMMITTEE IN BRINGING TOGETHER AIR QUALITY AND TRANSPORTATION CONCERNS. WE LOOK

FORWARD TO CONTINUING TO WORK CLOSELY WITH YOU IN IMPLEMENTING
THESE PROGRAMS.

THANK YOU FOR INVITING ME HERE TODAY. I AM HAPPY TO ANSWER ANY
QUESTIONS YOU MAY HAVE.

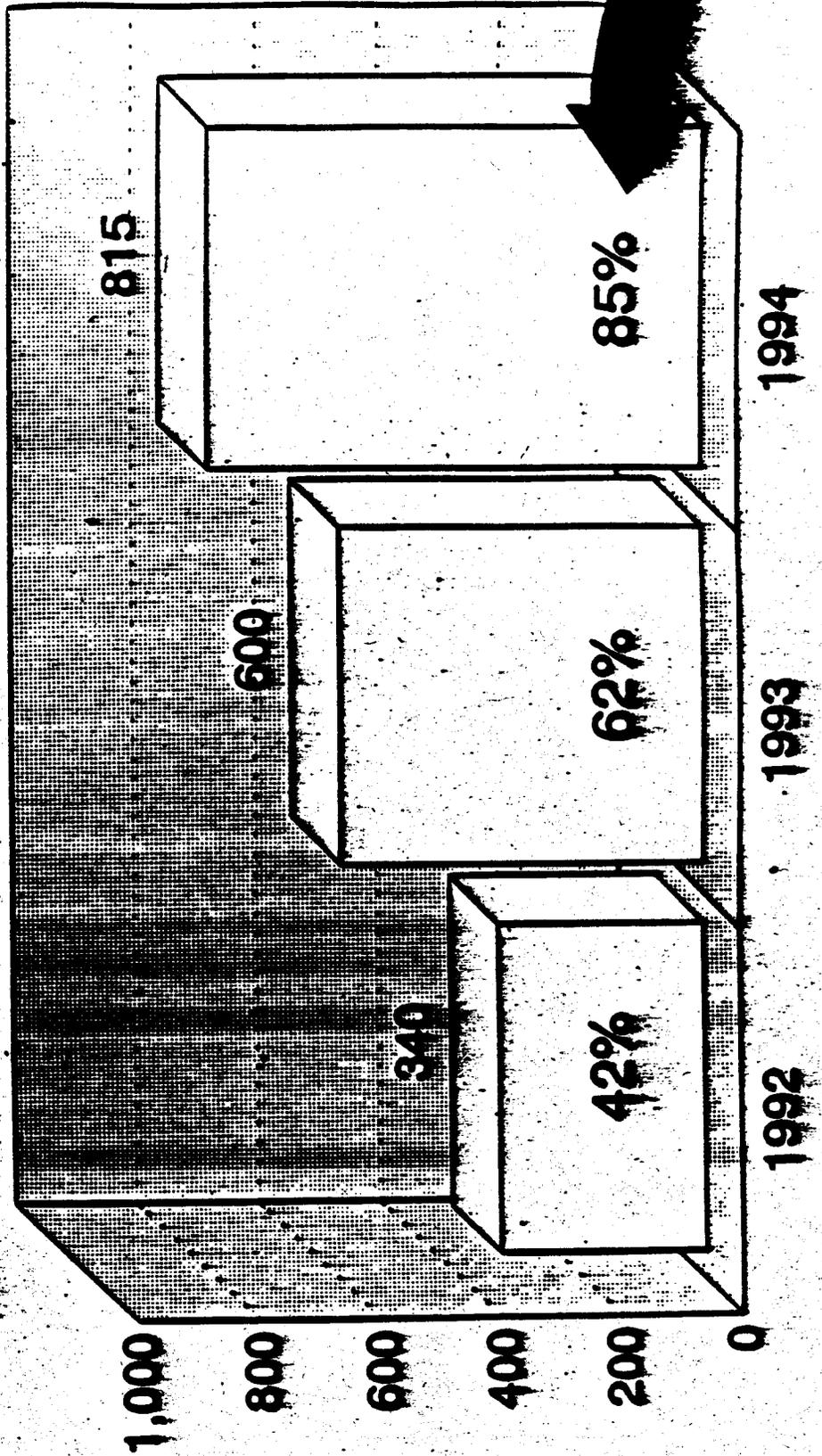
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CMAQ OBLIGATIONS

1992 - 1994

Overall Obligation
Rate = 64.1%

MILLIONS OF DOLLARS



YEAR

Yearly Rate