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Environmental and Transportation Planning Provisions in NEXTEA

I. Introduction

Mr. Chairman, Senator Baucus, and Members of the Committee, thank you for the opportunity to discuss the Administration's proposals for reauthorization of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) in the areas of planning and the environment. My message is straightforward. ISTEA was a success that we would like to build on, improve, and fine tune. Congress and the Administration have many successes to their credit as a result of ISTEA. We seek to stay the course with ISTEA as a foundation for the proposal announced by the President, Vice President, and Secretary Slater last week, the National Economic Crossroads Transportation Efficiency Act of 1997 (NEXTEA).

ISTEA has transformed transportation decisionmaking and investment decisions to better serve our transportation needs in the next century. Key among these were funding flexibility and financial planning, enhanced public involvement, and multi-modal decisionmaking, and cross-cutting issues, such as air quality and transportation. In the years since the bill was enacted, the transportation community has debated how much has changed as a result of ISTEA, which ISTEA programs have been a success, and what needs more work. To sort out the rhetoric from the reality, the Department undertook a broad outreach effort and smaller focus group meetings across the country.

The central theme from our outreach, which almost all respondents echoed, was: "Stay the

course of ISTEA.” “Tune it, don’t toss it!” Consistent with the Administration’s effort to reinvent and enhance governmental performance, we are seeking to respond to our customers. The planning and environmental provisions of our reauthorization proposal reflect this customer perspective. ISTEA is about better choices, based on more accurate information, made by key officials better informed of public concerns. It has moved us from a single mode perspective, reflecting instead a comprehensive, problem solving orientation that has given State and local decision makers greater leeway and more effective tools to address significant and growing transportation needs. In our NEXTEA proposal, we have sought to build on the successes of ISTEA and make strategic revisions to reduce the burden on our partners and enhance their flexibility.

We do believe that some fine tuning is necessary to better address the needs of our customers and partners in the transportation arena.

II. Planning

Planning is the heart and soul of the transformation in transportation decisionmaking made by ISTEA. Under our NEXTEA proposal, ISTEA’s key planning provisions would be continued with minor modifications. ISTEA firmly established the transportation planning process as the primary mechanism for transportation decisionmaking.

Because of ISTEA, transportation planning is a more meaningful activity based on realistic financial capability--not merely an unconstrained wish list. In particular, the requirement that Statewide and metropolitan transportation improvement programs and metropolitan plans be fiscally constrained is generally acknowledged as one of the most important, though difficult, of ISTEA’s provisions. It has made financial planning a critical part of the analyses supporting

prudent transportation decisionmaking and strategic investments. For instance, Washington State, in cooperation with its transportation partners, has built a financial estimating process that is providing MPOs with more reliable and accurate information for developing transportation plans. The Puget Sound Regional Council has developed a comprehensive system to estimate transportation costs faced by the region, which undoubtedly aided their recent successful transit initiative.

Because of ISTEA, transportation planning is more inclusive, bringing to the table traditional transportation representatives, rural interests, freight carriers, environmentalists, and many others. Examples of increased public involvement as a result of ISTEA are numerous. There are notable successes across the country, ranging from the adoption of citizen advisory committees in Cleveland, Ohio, to effective use of open house strategies in Kansas and Missouri. St. Louis officials, recognizing the critical need to address the mobility needs of its urban poor, has built an aggressive, joint jobs/transportation effort that has effectively involved this traditionally under-represented group in transportation decisionmaking.

Because of ISTEA, MPOs have become stronger and more effective. In my home town of Boston, we have witnessed the replacement of a decades-old decisionmaking structure with a new, more inclusive policy board that reflects the broader interests of local governments. This same MPO restructuring has occurred in other areas as well, including Wilmington, Delaware, and Seattle, Washington. The Metropolitan Transportation Commission in the San Francisco area has forged a new partnership with local business and government leaders to foster intermodalism with its Bay Area Partnerships program, and many other metropolitan areas are building on this example by instituting their own locally-tailored models to promote cooperative decisionmaking.

As these examples illustrate, ISTEA's planning provisions have worked well. These efforts, and the comments we received at our outreach sessions, underscore the need to continue the best of ISTEA. We believe there are some areas where ISTEA can be strengthened. Our NEXTEA planning proposal would do just that.

- ▶ In order to streamline the planning process, we propose to transform the 23 Statewide and 16 metropolitan planning factors into 7 broad goals that States and metropolitan areas can use as appropriate to develop their own transportation objectives.
- ▶ To more fully consider a complete range of transportation options, including Intelligent Transportation Systems, and to support States' efforts to better manage our current transportation systems, our proposal emphasizes system management and operation in the development of transportation plans and programs.
- ▶ To strengthen the intermodal nature of transportation planning, our proposal adds freight shippers to the list of stakeholders afforded an opportunity to comment on transportation plans and programs.
- ▶ To enhance the options available to State and local policymakers for designating and redesignating MPOs, our proposal would reduce the population threshold factor.
- ▶ To further reinforce the importance of financial planning to cooperative transportation decisionmaking, our proposal includes a requirement for MPOs, States, and transit agencies to cooperate in the development of financial estimates that support plan and program development--bringing all partners together to address the critical topic of project financing.

III. Environmental Programs

Under NEXTEA, the basic program structure of our environmental programs remains unchanged from ISTEA, and we propose to increase funding levels for major environmental programs--the Congestion Mitigation and Air Quality Improvement Program (CMAQ) and transportation enhancements. The changes we propose would enhance State and local decisionmakers' ability to consider the environmental impacts of their transportation investment decisions.

A. Congestion Mitigation and Air Quality Improvement Program

The CMAQ program has proven to be ISTEA's most flexible program, representing more than half of all flexible funds used for transit purposes (\$1.7 billion of \$3.0 billion). Other non-highway projects that assist areas in improving air quality are receiving an increasing share of CMAQ funds, as well. Through 1996, over \$500 million in CMAQ funds were used to establish or expand rideshare services, promote demand management, and support bicycle and pedestrian travel through better routes, sidewalks, and improved security features such as bicycle racks and lockers. The CMAQ program has funded projects ranging from San Francisco's Incident Management Program, to the intermodal freight facilities in Portland, Oregon, and Auburn, Maine, to New York's Red Hook Barge intermodal project, to Glendale, California's, award-winning parking management program, which helps employers reduce emissions by encouraging their employees to consider options to driving alone each day. As these projects demonstrate, CMAQ has brought new players to the table, including bicycle and pedestrian enthusiasts, intermodal freight interests, and demand management professionals, and has strengthened coordination between State and Federal transportation and air quality agencies.

CMAQ flexibility has allowed States to fund new efforts which go beyond traditional highway and transit infrastructure. Such innovation has been the hallmark of the CMAQ program. CMAQ supports vehicle emission inspection and maintenance programs. Over \$290 million in CMAQ funding has been used on alternative fuel conversions and refueling facilities and to purchase clean fueled buses and electric vehicles. CMAQ has also funded public education and outreach campaigns like Phoenix's Clean Air Campaign.

The congestion relief benefits of the CMAQ program have also been substantial. Houston's TranStar traffic management and control system uses cutting edge technology to manage over 300 miles of freeway and over 100 miles of high occupancy vehicle lanes. CMAQ has also funded many other congestion mitigation projects, including HOV lanes in Los Angeles, shared-ride services in Virginia and New Hampshire, and bicycle and pedestrian facilities in Montana. The benefits of promoting alternative travel options as envisioned by the Congress in ISTEA have clearly been realized through the CMAQ program.

In 1994, the Department, in cooperation with the Environmental Protection Agency (EPA), conducted a review of the first three years of CMAQ program activities to determine ways for us to administratively streamline this program. The review provided an opportunity for us to hear directly from the public. We held 70 meetings in 10 States, meeting with MPOs, State and local government representatives, State departments of transportation and air quality agencies, and public and private interest groups. Our program review revealed several specific challenges facing a few States in the obligation and programming of CMAQ funds. We issued revised guidance on the CMAQ program to address these challenges, providing for more extensive public outreach and education efforts, and encouraging funding of experimental projects and incentive

programs promoting the use of transit, ridesharing, and other alternatives to the single-occupant vehicle. Most recently, we have initiated a new interagency effort with the EPA to reduce the oversight and coordination requirements of the CMAQ program at the Federal level. In all nine of our Federal regions, we now have memoranda of agreement to streamline the project review process, providing for only minimal necessary oversight and ensuring more timely Federal review.

Under NEXTEA, we will build on this success. As envisioned under ISTEA, the CMAQ program demonstrates that flexibility is a better approach to the funding of transportation projects and programs and that transportation can contribute to improved air quality. Now, some 5½ years later, the CMAQ program is no longer an experiment. The program's flexibility and innovation have been key to its success, and the Department proposes an increase in the CMAQ program funding authorization from \$1.029 billion annually to \$1.3 billion, an increase of 30 percent. We also propose to expand CMAQ funding eligibility to:

- ▶ Maintenance areas: We are proposing to provide funds on the basis of a State's maintenance, as well as nonattainment area, populations.
- ▶ PM areas: The original CMAQ provisions were silent on the use of funds in nonattainment areas for particulate matter (PM). The apportionment formula has been modified and eligibility made explicit to include PM areas.
- ▶ New nonattainment areas designated under the revised air quality standards: With EPA's proposal to revise the national ambient air quality standards, the Department recognizes the need to extend funding to any areas newly designated under the new standards. Therefore, we propose that CMAQ funds be available to these areas after a State has submitted its implementation plan addressing the new standards to EPA.

Another hallmark of the CMAQ program and flexible funding has been the equal treatment of eligible projects. Our reauthorization proposal for CMAQ would build on this.

- ▶ **Operating Assistance:** We propose to delete the specific provisions covering operating assistance on traffic management and control projects to provide the same 3-year period of funding eligibility for all projects requesting operating assistance. Our proposed amendment would put traffic management and control projects on a level playing field with transit and other projects receiving operating assistance under the CMAQ program.
- ▶ **TCM Funding Flexibility:** ISTEA excludes from CMAQ funding two transportation control measures listed in the Clean Air Act--extreme cold starts and vehicle scrappage. Under the DOT proposal, programs to reduce extreme cold starts, where the majority of emissions are generated, would be eligible for CMAQ funds. Scrappage or "buy back" programs for high polluting vehicles would also be eligible. Rather than requiring States to use CMAQ funds for these two transportation control measures, our proposal simply gives States the added flexibility to fund them if they choose to.

B. Transportation Enhancements

States and localities have used transportation enhancement funds for projects in thousands of communities nationwide. As a result, today we look far more closely at the needs and concerns of localities, and the ways that transportation can, in fact, help make them better communities. We recognize that communities know best how to serve their own needs and must be actively involved in deciding how and where we invest Federal transportation funds. We are moving away from a focus on just getting people and goods from one place to another and toward an emphasis as well on the impacts of transportation projects on the communities they traverse.

In keeping with the goal of the ISTEA legislation to develop a more balanced transportation system, the Department has supported projects that enhance the use and safety of bicycling and walking as transportation, the development of recreational trails, and the recognition of scenic byways. In very visible and measurable ways, these typically modest and creative transportation investments dramatically improve the quality of peoples' lives.

ISTEA transportation enhancements therefore have become an important part of our commitment to the redevelopment and sustainment of communities through a variety of transportation related activities, from the renovation of historic rail depots, such as the Lafayette Depot in Lafayette, Indiana, (which became the centerpiece for a magnificent plaza serving as an economic catalyst and community focus area) to the rehabilitation of the historic Stone Arch Bridge in Minneapolis and funding for the Schuylkill River Park and Trail in Philadelphia.

After consulting with our partners on how we could maximize program delivery, we have put in place streamlined procedures that will allow States to use their own, less stringent contracting and procurement procedures to advance enhancements projects, and we have streamlined the rules for environmental clearance (section 4(f) impacts), property acquisition (voluntary transactions) and Federal oversight requirements. In addition, through the initiatives Congress included in the National Highway System Designation Act of 1995, we have adopted streamlining measures to allow States to use the value of donated funds, materials, and services as their non-Federal project match, we have provided advance payment options for cash-pressed localities, and we have set up streamlined procedures for environmental documentation and Federal review.

While bicycle and pedestrian projects can be funded under all of the major ISTEA funding programs, transportation enhancements funds have accounted for 75 percent of funding for pedestrian and bicycle projects. Our NEXTEA proposal continues the broad bicycle and pedestrian funding eligibility of ISTEA.

The public support for and success of these enhancement projects, along with thousands of others, convinced the Department to retain the current transportation enhancement provisions of ISTEA in our reauthorization proposal, including a provision to require all enhancements activities to be directly linked to transportation. Under our proposal, enhancements funding would increase by over 30 percent.

C. National Scenic Byways Program

The Department, responding to ISTEA, launched the National Scenic Byways Program to recognize roads that are outstanding examples of scenic, historic, recreational, cultural, archeological, and natural qualities by designating them as National Scenic Byways or All-American Roads. The first national program designations were made by former Secretary Peña in September 1996. States and local communities have made significant accomplishments under this program. We have awarded over \$74 million in grants to 37 States for over 550 projects. These funds serve as seed money for States and localities in their effort to help conserve the unique character of these scenic routes.

Our proposed legislation reauthorizes this program, with a number of changes designed to increase program flexibility. For example, our proposal would allow Federal land management agencies to provide the non-Federal share of project costs for scenic byways projects on Federal or Indian lands.

D. Recreational Trails Program

The Recreational Trails Program established under ISTEA provides States an opportunity to construct new recreational trails, restore and maintain existing trails, and construct trail-side and trail-head facilities for both motorized and nonmotorized uses. With minimal Federal oversight, States select projects that meet the needs of their trail users.

The Recreational Trails Program has built significant new connections within communities, enhanced the environment, and provided youth training and employment. For example:

- ▶ In Richmond, Virginia, the Gilles Creek Park Foundation provided a trail between a housing area and a local park.
- ▶ In Rhode Island, the Appalachian Mountain Club, the Audubon Society, and the Nature Conservancy each used Recreational Trails funds to repair pedestrian trails designed to protect environmentally sensitive areas.
- ▶ In Colorado, a local youth ranch reconstructed a trail in the Rio Grande National Forest, providing work training experience for juvenile offenders. That trail is used by off-road vehicle users, mountain bicyclists, equestrians, and hikers for access to scenic public lands and for hunting and fishing opportunities.
- ▶ Connecticut has used all of its fiscal year 1993 trails funds, and most of its fiscal years 1996 and 1997 trails funds, to develop the Airline North State Park Trail. The Connecticut National Guard, with the support of the Governor, helped build the trail as part of a joint public improvement/military training exercise. The trail connects Putnam, Willimantic, and Manchester, with future connections planned to Hartford and to

Providence, Rhode Island.

Our proposed reauthorization legislation would continue the Recreational Trails Program within the Department and would provide a consistent and reliable funding source (with contract authority). Our proposal maintains the current 50 percent Federal share, but would increase flexibility by allowing Federal agency project sponsors to provide a portion of the non-Federal match. Several program mandates would be deleted to provide greater State flexibility.

IV. Conclusion

In conclusion, the Administration's proposal is faithful to ISTEA and the message we heard in our outreach efforts: stay the course on the principles of ISTEA. We have, however, proposed refinements to reduce unproductive requirements, such as reshaping the planning factors, while at the same time giving State and local decisionmakers more flexibility and tools to make transportation decisions.

Recognizing that transportation can effectively support other public initiatives and improve their related effects in the community, we have sought to reinforce the linkage to other policy areas, such as economic development and brownfields. We hope to continue our role as a partner that provides leadership, resources, and tools to help make the kinds of decisions that will serve our transportation needs well into the next century.

Thank you for this opportunity to testify today. I would be pleased to answer any questions you may have.

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