Statement of Kevin Heanue
Director, Office of Environment and Planning
Federal Highway Administration
U.S. Department of Transportation
Before the House Commerce Subcommittee on Health and Environment
June 18, 1997

The Congestion Mitigation and Air Quality Improvement (CMAQ) and Transportation Enhancements Programs

I. Introduction

Mr. Chairman, and Members of the Subcommittee, thank you for the opportunity to discuss the Congestion Mitigation and Air Quality Improvement (CMAQ) program in our proposal to reauthorize the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). The CMAQ program has clearly been one of ISTEA's success stories and has been a hallmark of innovation and flexibility. The CMAQ program targets transportation funding to two specific national objectives: air quality improvement and congestion relief. Reauthorization of the CMAQ program is one of the Administration's top priorities in its legislative proposal, the National Economic Crossroads Transportation Efficiency Act of 1997 (NEXTEA). It has been introduced in the House as H.R. 1268.

II. Funding Flexibility and Innovation

The CMAQ program has proven to be ISTEA's most flexible program. Prior to passage of ISTEA, Federal surface transportation funding programs were much more restrictive. With some notable exceptions, highway funding programs were to be used only for highway purposes and the same held true for transit funding programs. ISTEA significantly enhanced this flexibility, allowing States and local governments, at their choice, to use "flexible funding" for a wide variety of transportation projects and programs that use highway program funds. The CMAQ program has been a remarkable success in this area with more than half of all CMAQ funds "flexed" for transit purposes ($1.7 billion of CMAQ funds out of a total of $3.0 billion for all of ISTEA's

flexible programs) through fiscal year 1996. These CMAQ funds have supported many diverse activities, such as the purchase of clean fuel buses in Boise, Idaho, the plan development for a new busway in Miami, Florida, and reduced bus fares on "ozone alert" days in Cincinnati, Ohio. Other types of alternative transportation projects that assist areas in improving air quality and relieving congestion are also receiving an increasing share of CMAQ funds. Between fiscal years 1992 and 1995, over 30 percent of CMAQ funds were invested in systems management, traffic-flow improvement, and non-capital intensive projects to reduce congestion and improve air quality. For example, traffic flow improvements like the TranStar project in Houston, Texas, and the regional traffic information system in Cincinnati, Ohio, have helped these areas relieve congestion and better manage existing transportation assets without requiring major, new construction. One of the Nation's largest investments in high-occupancy vehicle (HOV) lanes, which is being made in Los Angeles, is funded with hundreds of millions of dollars in CMAQ funds. This is one of the essential transportation investments in the Los Angeles area to help meet the Clean Air Act (CAA) requirements, and when completed, over 400 miles of HOV lanes may help substantially reduce congestion and automobile emissions in the region, which has the Nation's worst air quality.

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 in places like Miami, Florida, and Cleveland and Dayton, Ohio. Innovative projects such as the highly successful PACE vanpool program in suburban Chicago and the award-winning parking management program in Glendale, California, have enabled transportation agencies to increase transportation options for travelers and encourage travel using alternatives to driving alone.

The CMAQ program has also funded other non-traditional transportation investments

such as motor vehicle inspection and maintenance programs, alternative fuel vehicle programs, and public education and outreach programs to reduce travel during periods when ozone exceedances are anticipated. Over $15 million has been spent in Illinois to support their inspection and maintenance program which is vital to the State's air quality improvement efforts. In Cleveland, a new compressed natural gas fueling facility and compressed natural gas buses were purchased with CMAQ funds, and in Toledo, Detroit, and Dayton, CMAQ funding has been used to lower transit fares on ozone alert days which has assisted these areas in raising awareness about the links between air pollution and motor vehicles.

III. Emissions Reduction and Congestion Relief Benefits of the CMAQ Program

Scientific research demonstrates the effects of air pollution on our health, and President Clinton has taken advantage of ISTEA's landmark environmental provisions to cut pollution. We have made significant improvements in reducing emissions and congestion levels, but significant challenges remain. In 1990, the year before ISTEA's enactment, 140 million Americans lived in areas that failed to meet standards for healthful air. That number dropped to 79 million in 1995: still too many, but a big improvement. We must continue, and even expand, efforts to improve technology and to reduce the rate of growth in vehicle miles of travel.

Projects must demonstrate a reduction in emissions to be eligible for CMAQ program funding. As we are with all new programs, the Department was eager to understand the benefits of the CMAQ Program. We have tracked the emission reductions achieved under the CMAQ program since 1992. For example, analysis shows that projects funded wholly or in part under the CMAQ program during ISTEA are expected to eliminate 52,000 tons of volatile organic compounds (VOCs) and 62,000 tons of nitrogen oxides (key components of smog), and 336,000 tons of carbon monoxide annually once fully implemented. According to analysis by the

Environmental Protection Agency (EPA), CMAQ projects could remove more than 165,000 tons of VOCs, 856,000 tons of carbon monoxide, and 275,000 tons of nitrogen oxides annually by fiscal year 2005, under NEXTEA. While the CMAQ program (constituting only 5 percent of the total Federal-aid highway program) will not solve the Nation's air pollution or congestion problems, these numbers clearly demonstrate that CMAQ is fulfilling its statutory goal, and ISTEA reauthorization will ensure continued progress in the attainment of the national air quality standards.

In addition to reducing air pollution, many CMAQ projects also reduce congestion by smoothing traffic flow or providing alternatives to single-occupant vehicle travel. Denver's region wide synchronization of traffic signals, for example, is estimated to have reduced delays by 34,000 hours over the past 18 months, and the incident management program in the San Francisco Bay Area is estimated to have cut traffic delays by 90,000 hours since 1992. Furthermore, several States in the Northeast have indicated that CMAQ funds have led directly to a significant improvement in transit service by expanding or enhancing service. These projects serve a dual purpose by reducing congestion and reducing pollution.

IV. Funding Clean Air Act Mandates

The CMAQ program has delivered many benefits to our Nation's air quality nonattainment areas and has directly provided funding to facilitate the implementation of the principal transportation provisions of the CAA. It thus serves as a funding source for what would otherwise be unfunded mandates. The U.S. Conference of Mayors has indicated to the Department and to Congress that the mere existence of dedicated funding under the CMAQ program shows that we are full partners with States and localities in the effort to achieve clean air.

One of the primary transportation requirements in the Clean Air Act is the need to

demonstrate "conformity" of transportation plans, programs, and projects with State air quality implementation plans (SIPs). This demonstration is a prerequisite to receiving Federal transportation funding. The CMAQ program has assisted many areas in meeting the CAA transportation conformity requirements which apply to all of the Nation's ozone, carbon monoxide, and particulate matter nonattainment and maintenance areas. For example,

- in Hillsborough County, Florida, the metropolitan planning organization (MPO) included 16 CMAQ-funded projects (ranging from a "Guaranteed Ride Home" program to bicycle improvements) in its long range plan which allowed them to demonstrate conformity by reducing hydrocarbon emissions by 0.6 tons per day and nitrogen oxides by 0.7 tons per day;
- in Rhode Island, where the inspection and maintenance (I/M) elements of their SIP have been disapproved by EPA, CMAQ funding was essential to fund an implementation study which would lay the groundwork for a revised I/M program and reverse the disapproval;
- in Washington, DC, the MPO has indicated that its 1995-2000 transportation improvement program used eight CMAQ-funded projects--from replacements of antiquated buses to new commuter rail access in Lorton, VA--to achieve conformity with the SIP and maintain the flow of Federal transportation funding. And even more importantly, CMAQ funding has been programmed for the bulk of the cost of the Washington, DC, and Delaware I/M programs without which the conformity demonstration would be nearly impossible;
- in San Bernadino, California, the Associated Governments report that "CMAQ funding is critical . . . to meet the air quality conformity requirements." Regionally significant projects that have helped achieve their air quality goals include development of the

Montclair and Victorville Transcenters (intermodal facilities), purchase of alternative fuel buses, and park-and-ride facilities. California's Riverside County reports that needed projects will go unfunded if the CMAQ program is not reauthorized. These include rail improvements on the San Jacinto Rail line and operating assistance for their trolley services; and finally

- in Provo, Utah, the Mountainland Association of Governments reports that they will fund development of 148 miles of pedestrian trails, transit improvements, signal synchronization, and an incident management program using CMAQ funding. Even so, they will just barely demonstrate conformity. They also note that if sufficient funding is available to fund future traffic flow improvements and demand management strategies in their long range plan, they should be able to reduce vehicle miles of travel by 3.7 percent over what it would have been without these projects.

Many of these areas have explicitly said that without CMAQ funding, projects such as these would not be funded. These are just a few of the examples where States and localities have benefited from the availability of CMAQ program resources and flexibility and have thus been able to meet their CAA conformity requirements while making balanced, new transportation investments through ISTEA's programs.

V. MPO Empowerment and Public Participation

As all of these projects demonstrate, CMAQ has brought new players to the table, including bicyclists and pedestrians, intermodal freight interests, and demand management professionals, and has strengthened coordination between Federal, regional, and State transportation and air quality agencies. One of the key benefits of the CMAQ program (and a principal goal of ISTEA) has been to bring decision-making closer to the local level by providing

a stronger role for MPOs in transportation planning and investment decisions. CMAQ is, in many States, directly sub-allocated to the MPOs in order that they may decide which investments make the most sense given local transportation and air quality conditions. Moreover, it is not surprising that the availability of CMAQ funding has helped bring new players to the table and has fostered new partnerships between public agencies, the private sector, and the public. In Chicago, for example, CMAQ funding allowed the MPO to establish an "open call" approach for CMAQ proposals that reaches all State and local governments, park and forest preserve districts, transit operators, and public interest groups. Under this approach, proposals are then selected for funding by a committee of the MPO which represents county governments, the transit operator, the State DOT and air quality agency, and the City of Chicago. One of the principal benefits of these evolving partnerships is that they increase awareness of the air quality impacts of travel choices and help ensure the attainment of Federal health standards in this area.

VI. Feedback from State and Local Agencies

The Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) have listened closely to our partners at the State and local levels as we have implemented the CMAQ program. We have found that there is a great deal of support for this type of funding. In 1994, the Department, in cooperation with the EPA, conducted a review of the first three years of CMAQ program activities (a mid-course check on CMAQ), to identify ways to administratively streamline this program. The review provided an opportunity for us to hear directly from the public agencies administering CMAQ funds. 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.

The program review identified several opportunities for States to make more flexible use

of CMAQ funds. We issued revised guidance on the CMAQ program to take advantage of these opportunities, providing for more extensive public outreach and education efforts, and for experimental projects and incentive programs to promote the use of transit, ridesharing, and other alternatives to traveling alone in a car. We led by example and substantially reduced Federal agency travel costs, vehicle miles traveled, and air pollution by releasing the revised CMAQ guidance via a satellite video-conference broadcast to over 100 sites nationwide where we discussed the new flexibilities in the CMAQ program.

Our program review also revealed several specific challenges facing States in the obligation and programming of CMAQ funds. In response to State and local agency input, we initiated an interagency effort with EPA to reduce the Federal oversight and coordination requirements of the CMAQ program. In all nine of our Federal regions, we now have Memoranda of Agreement among FHWA, FTA, and EPA to streamline the project review process, allowing only minimal necessary oversight and ensuring more timely Federal review.

Most recently, the Department held 13 outreach hearings on ISTEA reauthorization, and the FHWA conducted over 100 separate focus groups. Three of the FHWA meetings--in Dallas, New York, and Los Angeles--were specifically on the CMAQ program. What we heard confirmed our own beliefs that CMAQ was one of ISTEA's true success stories and while some "fine-tuning" may be necessary, eliminating it would be most unfortunate.

VII. National Economic Crossroads Transportation Efficiency Act of 1997

Under NEXTEA, we propose to build upon the success of the CMAQ program. As ISTEA envisioned, 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. The CMAQ program's flexibility and innovation have been key to its

success, and DOT proposes a 30 percent increase in the CMAQ program authorization from $1 billion annually to $1.3 billion. Two philosophies have guided our development of the CMAQ program under NEXTEA as a means of fine-tuning the CMAQ program.

First, the Administration believes that the allocation of CMAQ funding should be based on air quality needs of each State. We propose to amend the CMAQ provisions in the following areas:

- Maintenance areas: We are proposing to provide funds on the basis of a State's maintenance, as well as nonattainment, area population.
- PM nonattainment and maintenance areas: The original CMAQ provisions were silent on the use of funds in areas which violated the standards for particulate matter. In NEXTEA, the apportionment formula would be modified and eligibility made explicitly to include PM areas.
- New nonattainment areas designated under revised National Ambient Air Quality Standards (NAAQS): The Department recognizes the need to extend funding to areas newly designated as a result of new standards that may be adopted. Therefore, we propose that CMAQ funds be available to these areas once their State has submitted to the EPA a SIP addressing the new standards.

Second, a 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 in the following ways:

- 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 two transportation control measures listed in the Clean Air Act from CMAQ funding: extreme cold starts and vehicle scrappage. Under the DOT proposal, programs to reduce extreme cold starts would be eligible for CMAQ funds. Scrappage or "buy back" programs for high emitting vehicles would also be eligible.

VIII. Transportation Enhancements (TE)

The ISTEA set aside $2.5 billion (10 percent of each State's surface transportation program (STP) apportionment) to be made available only for transportation enhancement activities. ISTEA identified 10 specific activities or program areas on which the TE funds can be expended. They range from the provision of facilities for pedestrians and bicycles, to the rehabilitation of historic transportation buildings, to the mitigation of water pollution due to highway runoff. Throughout the TE program, some 38 percent of the obligated funds have gone to fund bike and pedestrian facilities, while another 14 percent have gone toward rail to trail conversions. Many of these trails are used for both recreation and commuter transportation purposes, thus providing for alternative travel and resultant air quality benefits. The Administration's NEXTEA proposal includes provisions for the continuation of the transportation enhancements program with a 35 percent increase in funding, which is in keeping with the proposed increase in STP funds.

IX. Conclusion

As you can see, the CMAQ and transportation enhancements programs have been a real success story on many fronts. CMAQ has funded several of the CAA mandates, including helping

many of the Nation's nonattainment areas meet the challenges presented by the transportation conformity requirements and enabling these areas to fund transportation programs and projects that contribute to air quality improvement.

The CMAQ program's flexibility has been heralded by State and local officials as one way ISTEA has been most responsive to empowering them to make the most sensible transportation investments and to tailor those investments to local conditions. The benefits of this flexibility have been evident in the many innovative projects and approaches to addressing air quality and transportation needs within nonattainment areas.

The benefits of public participation in transportation planning and investment decisions have been documented in many areas, and partnerships between public agencies and the private sector continue to emerge as a result of these ISTEA provisions and because of the CMAQ program in particular.

And finally, the emission reductions and congestion relief benefits resulting from the CMAQ program are real and quantifiable.

We at the Department are continuing to work with State and local agencies to address the program delivery issues that have been raised in our outreach process and are confident that the CMAQ program is delivering benefits and should be continued as envisioned under our NEXTEA proposal.

* * *