

Current Study and Legislative Proposals for the Reauthorization of the Federal Surface Transportation Act

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The Problem

Program Structure Needs Reform

Growing consensus that current program structure is ill-suited to addressing pressing needs

Lack of Funding

\$3.2 billion deficit in the Highway Trust Fund (HTF) for FY 2009

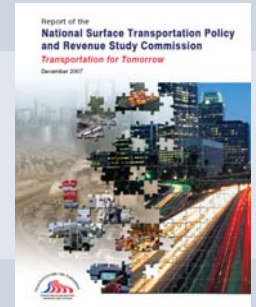
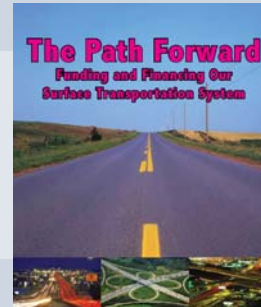
[Meaning either a 34% cut in 2009 highway funding OR an \$8 billion transfer from the U.S. Treasury general fund to the HTF]

Global Warming

Climate change legislation and the 2009 transportation reauthorization could have the same kind of linkage as ISTEA of 1991 and the Clean Air Act Amendments of 1990

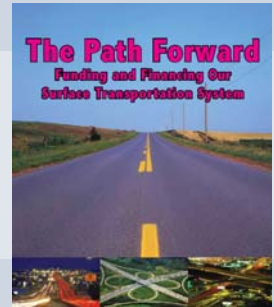
SAFETEA-LU legislation expires on September 30, 2009

Proposals to Date



1. Final Report of the National Surface Transportation Policy and Revenue Study Commission
2. Interim Report of the National Surface Transportation Infrastructure Financing Commission
3. Proposed Infrastructure Banking Legislation
4. Proposed Climate Change Legislation
5. U.S. Department of Transportation Proposals
6. Testimony to House Transportation and Infrastructure Committee, Panel on Transportation Challenges in Metropolitan Areas
7. Metropolitan Mobility Caucus

Final Report of the National Surface Transportation Policy and Revenue Study Commission



Mandated by SAFETEA-LU to study the national surface transportation system and develop alternative policy approaches

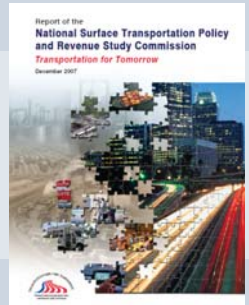
Early in 2008, the Commission released its final report

“the current Federal surface transportation programs should not be “re-authorized” in their current form”

10 new programs to replace 108 different programs under SAFETEA-LU:

National asset management (system maintenance); Freight; Congestion relief for metropolitan mobility; Safety; Rural and small city access; Intercity passenger rail; Environmental stewardship; Environmentally-friendly alternative fuels; Federal lands; and Research, development, and technology.

Interim Report of the National Surface Transportation Infrastructure Financing Commission



Mandated in SAFETEA-LU, financing commission established after the policy commission began developing positions

In 2009 will make recommendations for alternative transportation financing (role of user fees and pricing mechanisms)

Recently released interim report assessing major issues/problems:

- an inadequate fuel tax
- maintenance costs competing with necessary expansion
- transportation demand quickly outpacing required investment

Proposed Infrastructure Banking Legislation

The House Transportation and Infrastructure and House Budget Committees recently held a joint hearing on proposed infrastructure funding legislation:

National Infrastructure Development Act of 2007

would provide funding for a variety of infrastructure projects

National Infrastructure Bank Act of 2007

would set up a national bank to finance large projects

Build America Bonds Act of 2007

would issue tax-exempt Build America bonds

RIDE 21

would authorize states or interstate compacts to issue bonds for high-speed passenger rail

Proposed Climate Change Legislation

Some climate change legislative proposals include transportation funding: e.g. Lieberman Warner Climate Security Act

Senator Cardin (D-MD) Amendment: a **transportation sector emissions reduction fund (TSER)** fed by the auction of emission allowances

Use of funds: 3 categories of grants

65% of TSER funds to maintain or improve public transportation

30% for construction of new public transit projects to state and local governments

5% for transportation alternatives and travel demand reduction to state and local authorities, including regional planning organizations and MPOs

U.S. Department of Transportation Proposals

Three areas of greatest federal interest:

1. Transportation safety
2. The Interstate Highway System and other nationally significant corridors
3. Mobility in metropolitan areas

“The massive congestion problem in our urban areas demands urgent and strong federal focus. We can use federal dollars to encourage state and local officials to pursue congestion-relief strategies we know can provide almost immediate relief from traffic and from high gasoline prices, if we are willing to use them. Already forward-leaning Governors and Mayors are leading a quiet revolution by taking advantage of dynamic road pricing, cutting-edge technologies, and a creative private sector.”

- Secretary of Transportation Mary Peters

Testimony to House Transportation and Infrastructure Committee, Panel on Transportation Challenges in Metropolitan Areas

April 9, 2008, I provided testimony regarding transportation reauthorization from the perspective of metropolitan areas, stating:

Mid-twentieth century goals have been accomplished—a new federal program structure is needed to address **current challenges**

A new federal program could be structured around **3 goals**:

1. Preservation and operation of the existing system
2. High value investments in new infrastructure capacity
3. Support for metropolitan areas to address pressing congestion,
environmental and social challenges.

Metropolitan Mobility Caucus



July 9, 2008, Congresswoman Ellen Tauscher (D-CA) and Congressman Tom Petri (R-WI) began forming a new **Metropolitan Mobility Caucus**

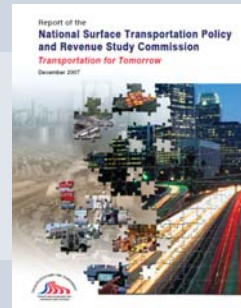
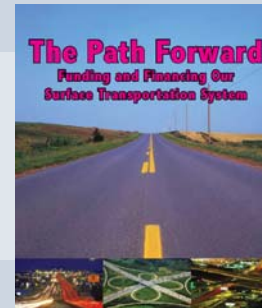
Focus: issues of **urban infrastructure and mobility**, such as congestion, air pollution, and economic development

Advocacy position: stronger governmental partnerships; greater use of transit and intercity passenger rail; regional mobility goals; performance standards

1st briefing of Caucus: July 21, 2008, regarding the role of MPOs in the transportation planning process

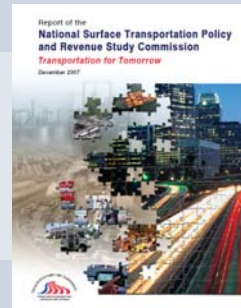
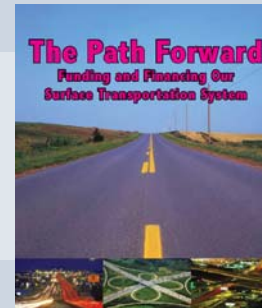
Caucus Members from TPB region: Congresswoman Eleanor Holmes Norton (D-DC), Jim Moran (D-VA), Chris Van Hollen (D-MD)

Common Themes



1. As a nation, we are **under-investing in transportation**
2. Fundamental **changes are needed** in the current funding approach; current programs should not be reauthorized in their current form (no more “TEAs”)
3. Federal **programs should be simplified**, consolidated, and streamlined
4. Investment decisions should be based on a rigorous analysis of costs and benefits, supporting **mode-neutral** system-wide solutions
5. An explicit program focus is needed for **system maintenance**

Common Themes, cont



6. Absent major tax increases, the **fuel tax is inadequate** over the long term.
7. Technology innovations are enabling **new pricing strategies** across all modes of travel that need to be examined for feasibility and potential use
8. Use of **tolling and congestion pricing** should be facilitated to attain greatest system efficiency
9. Fresh approach to **metropolitan problems** should be taken, including stronger governmental partnerships and greater use of public transportation, including inter-city passenger rail