

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

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Presentation to the TPB Citizens Advisory Committee  
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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

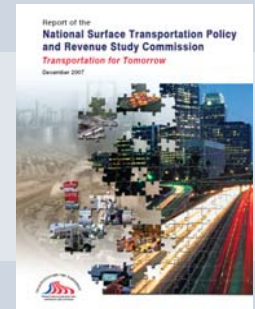
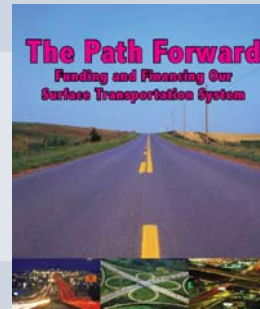
**\$3.2 billion deficit** in the Highway Trust Fund (HTF) for FY 2009  
[Meaning either a 34% cut in 2009 highway funding OR an \$8 billion transfer from the U.S. Treasury general fund to the HTF]

## 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

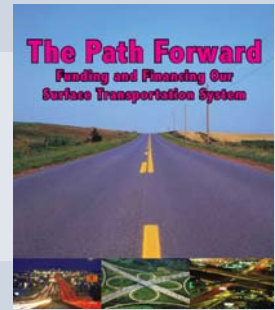
**SAFETEA-LU legislation expires on September 30, 2009**

# 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

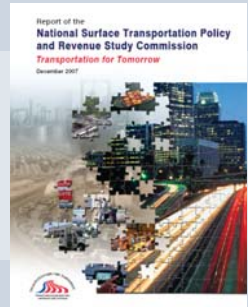
Early in 2008, the Commission released its final report

“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)

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 included 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

Issued report in August: *“Refocus. Reform. Renew. A New Transportation Approach for America.”*

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<sup>8</sup>



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

April 9, 2008, Ron Kirby 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)

## CLEAN-TEA



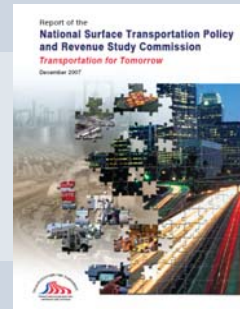
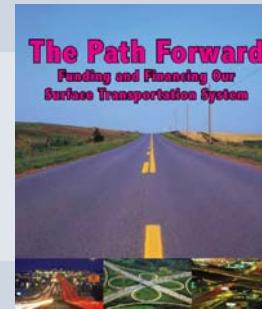
September 26, 2008, Congressman Tom Carper (D-DE) introduced a bill called **CLEAN TEA (Clean Low-Emissions Affordable New Transportation Equity Act)**

It seeks to reduce greenhouse gas emissions by promoting alternatives to driving, including public transit, inter-city passenger rail, transit-oriented development, and sidewalks.

It would provide federal funding to cities with more than 200,000 residents and state departments of transportation for projects that are added to their transportation plans that would have the effect of reducing greenhouse gas emissions.

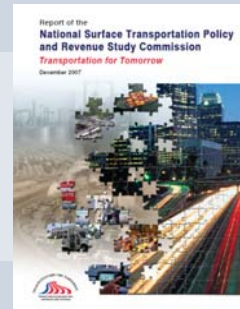
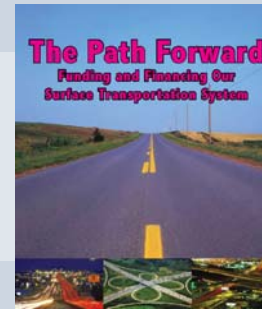
Although nothing is expected to happen on the bill this session, it has been introduced to lay the groundwork for its introduction next session.

# 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
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

# TPB Policy Principles for the 2009 Authorization of Federal Surface Transportation Programs

Approved September 17, 2008

1. Fundamental changes are needed in the current structure and funding of federal surface transportation programs: current planning, programming, and environmental processes are overly cumbersome and inefficient, and inadequate funding levels are resulting in serious under-investment in transportation.
2. An explicit program focus is needed to put and keep the nation's transportation infrastructure in a state of good repair, and to ensure that it is operated efficiently and safely.

# TPB 2009 Authorization Principles

## (Continued)

3. Decisions on investment in new transportation capacity should be based on a rigorous and comprehensive analysis of economic, social, and environmental benefits and costs, which assesses **all modal and intermodal options with uniform evaluation procedures and criteria.**
4. Federal transportation policy should provide for increased federal funding focused on metropolitan congestion and other **metropolitan transportation challenges**, with stronger partnerships between federal, state, regional, and local transportation officials.

# TPB 2009 Authorization Principles

## (Continued)

5. A substantial increase in federal transportation funding will be needed to address the current under-investment in the nation's transportation system, and should be sought from:
  - Increases in federal fuel taxes or other user-based taxes and fees
  - Pricing strategies enabled by emerging technology for all modes of travel, including rates that vary by time of day, type of vehicle, level of emissions, and specific infrastructure segments used
  - Inclusion of major transportation investments in legislation to create national infrastructure banks or bonding programs
  - Auction of pollution emissions allowances



## Role for the CAC?

Provide input to the TPB as it develops more specific policy recommendations for authorization?

Assist the TPB in building regional consensus and national coalitions around policy principles?