

MEMORANDUM

- **TO:** Transportation Planning Board
- FROM: TPB Staff (Kanti Srikanth, Mark Moran, Dusan Vuksan, Eric Randall, and Erin Morrow)
- **SUBJECT:** FHWA Notice of Proposed Rulemaking for Greenhouse Gas Emissions Measure
- DATE: September 15, 2022

On Friday, July 15, 2022, the Federal Highway Administration (FHWA) issued a <u>Notice of Proposed</u> <u>Rulemaking</u> (NPRM) to establish a performance measure for greenhouse gas (GHG) emissions as part of the National Highway Performance Program (NHPP). The public comment period ends on October 13, 2022. A draft of the staff developed comments providing feedback on technical aspects of the rule is attached.

The proposed rule would require state DOTs and MPOs to set declining targets for carbon dioxide (CO2) emissions on the Interstate and non-Interstate National Highway System (NHS) to support the national goals of reducing economy-wide GHG emissions by 50%-52% below 2005 levels by 2030 and net zero by 2050. State DOTs would be required to set two- and four-year targets and MPOs would be required to set four-year targets, as part of the performance-based planning process (PBPP). The GHG measure would be added to other existing measures in performance areas such as highway safety and highway assets. The proposed performance measure would be a percent change in tailpipe CO2 emissions on the NHS, compared to a reference year of 2021. State DOTs would measure emissions reductions for their state using a prescribed formula; MPOs could use the same formula or have the flexibility to use other technical methods through agreement with the DOTs.

The proposed rule does not dictate the levels for the targets, but rather that "state DOTs and MPOs would have flexibility to set targets that are appropriate for their communities and that work for their respective climate change and other policy priorities, as long as the targets would reduce emissions over time." As with many of the PBPP targets, the proposed rule does not establish penalties for failing to meet the tailpipe CO2 reduction targets.

On June 15, 2022, the TPB adopted GHG emissions reduction goals for the on-road transportation sector of 50% below 2005 levels by 2030 and 80% below 2005 levels by 2050. It is important to note that the target setting and performance measurement for this requirement will look different from the TPB's goals and previous reporting of GHG emissions as part of the long-range transportation plan, due to various factors, including different pollutants (type and scope), different reference years, and a different methodology used for calculations.

TPB staff are participating in discussions with the region's state DOTs and with the Association of Metropolitan Planning Organizations (AMPO) regarding the proposed rule. The letter developed by staff is supportive of the establishment of a GHG measure, notes the TPB's adoption of greenhouse gas reduction goals, and encourages FHWA to keep the proposed flexibility for MPOs to use their own processes in establishing and reporting targets. The letter expresses concern that the proposed October 1, 2022, deadline for the state DOTs to submit targets takes place before the end of the public comment period and does not allow enough time for discussions and collaboration. The letter

also expresses opposition to the use of the Urbanized Area (UZA) as a geography for setting targets in addition to the MPO planning area, since TPB staff view these processes as duplicative.

Please submit any feedback on the draft comment letter to Kanti Srikanth (KSrikanth@mwcog.org) by September 28, 2022.



National Capital Region Transportation Planning Board

September XX, 2022

Stephanie Pollack Acting Administrator Federal Highway Administration U.S. Department of Transportation 1200 New Jersey Avenue, SE Washington, DC 20590

Re: Comments on "National Performance Management Measures; Assessing Performance of the National Highway System, Greenhouse Gas Emissions Measure" [Docket No. FHWA-2021-0004]

Dear Administrator Pollack:

The National Capital Region Transportation Planning Board (TPB), the metropolitan planning organization (MPO) for the metropolitan Washington region, appreciates your efforts and those of Federal Highway Administration (FHWA) staff to provide opportunities for commenting on the National Performance Management Measures; Assessing Performance of the National Highway System, Greenhouse Gas Emissions Measure. Our comments on the Notice of Proposed Rulemaking (NPRM) to reinstitute the Greenhouse Gas (GHG) performance measure and target-setting are provided for your consideration below.

The TPB supports enacting the GHG measure. The TPB believes that this rule will increase the accountability and transparency of the Federal-aid highway program and add to the existing framework for improving transportation investment decision making through a focus on performance-based outcomes for key national transportation goals. On June 15, 2022, the TPB adopted regional, voluntary, on-road, transportation-sector-specific goals to reduce GHG emissions 50% below 2005 levels by 2030 and 80% below 2005 levels by 2050. A set of strategies to move the region towards achieving those goals was also adopted, while other strategies have been identified for further consideration towards implementation. The TPB's efforts will be well complemented by enacting a federal rule establishing the performance measure known as "Percent Change in Tailpipe Carbon Dioxide Emissions on the National Highway System" (also known as the GHG performance measure), under the federally-required transportation performance management system.

The TPB has the following comments on the proposed GHG performance measure for your consideration:

1. The TPB recommends against reporting of the proposed GHG performance measures for the Urbanized Area (UZA), and instead strongly endorses using the metropolitan planning area as the area of measurement and target-setting. The UZA does not align with jurisdictional boundaries, which, in most places, is where preliminary transportation project planning and programming decisions are made. Furthermore, the basic unit used for developing UZAs, Census blocks, differs from the basic unit used by MPOs. As all UZAs are covered by MPO planning areas, requiring measurement and target setting for both areas will be redundant and the effort required would be disproportionate to the benefit for transportation planning. Finally, the Census Bureau should be releasing new UZA boundaries based on the 2020

Census soon, which would complicate comparability of the GHG performance measure from the selected base year of 2021 going forward.

- 2. The TPB appreciates the additional flexibility afforded to MPOs, as compared to state DOTs, to measure performance and establish targets following their own processes as described in Section 490.511 of the proposed rule.
- 3. The TPB does not believe that the October 1, 2022, deadline for states to submit targets is appropriate or feasible. First, the comment period for the NPRM will still be open. Second, collaboration between state DOTs, MPOs, and other stakeholders takes time. While the TPB appreciates that FHWA wants to have the GHG measure as part of the 2022-2025 four-year performance period, the work to set targets should not be rushed. A deadline of six to nine months after the rule is finalized would be more appropriate.
- 4. The TPB notes that additional resources may be needed for measuring GHG emissions performance each year.

The FHWA invited comments on the following questions:

1. In instances that MPOs are establishing a joint urbanized area target, should FHWA require that the individual MPO-wide targets be the same as the jointly established urbanized area target?

Although TPB recommends against the establishment of an urbanized area target, in the event that urbanized area GHG emissions targets are required, all MPOs whose planning area overlaps the urbanized area should coordinate on the adoption of an identical target for the urbanized area. This would be consistent in practice with the existing requirements for establishment of targets for the Non-Single Occupancy Vehicle (SOV) Travel performance measure and Peak Hour Excessive Delay performance measure.

2. Should MPOs that establish a joint urbanized area target be exempt from establishing individual MPO-level targets, and instead only be required to adopt and support the joint urbanized area target?

As above, TPB recommends against the establishment of an urbanized area target. The TPB will continue to report on GHG emissions for its metropolitan planning area and, consistent with the intent of this proposed rule, will likely establish targets for this metric regardless of any urbanized area target-setting requirement.

3. In cases where there are multiple MPOs with boundaries that overlap any portion of an urbanized area, and that urbanized area contains NHS mileage, should each of those MPOs establish their own targets, with no requirement for a joint urbanized area target?

As per the response to Question 1 above, in the event urbanized area GHG emissions targets are required, all MPOs whose planning area overlaps the urbanized area should coordinate on the adoption of an identical target for the urbanized area. This would be consistent in practice with the existing requirements for establishment of targets for the Non-Single Occupancy Vehicle (SOV) Travel performance measure and Peak Hour Excessive Delay performance measure

4. Are there other approaches to target setting in urbanized areas served by multiple MPOs that would better help MPOs reach net-zero emissions?



FHWA Administrator Stephanie Pollack September XX, 2022

Adding a per-capita GHG measure and target would allow for changes in population, metropolitan area planning boundaries, and urbanized area boundaries over time and would effectively add a "rate" measure for performance, consistent with many of the other federally-required performance measures (e.g., highway safety, transit assets, etc.). This would improve comparability across States and MPOs and aid in the identification of more effective strategies for reducing GHG emissions.

Please feel free to contact me at <u>ksrikanth@mwcog.org</u> or 202-962-3257 if there is any additional information or support that the TPB can provide in the development and implementation of the performance-based planning and programming regulations.

Sincerely,

Kanathur Srikanth TPB Staff Director

cc:

