

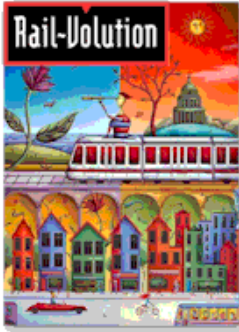


Transfer

Surface Transportation Policy Project's Electronic Update

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Announcement

Rail-Volution 2002 will be held in Washington, DC from October 3-6, with an emphasis on investments and TEA-21 reauthorization. Scholarships are also available for activists working on transportation, community development, and other land use issues. The scholarship deadline has been extended to Monday, July 15. [Click here](#) for more information.

[Transfer Archives](#)**Quote of the Week**

"There is no common understanding of what basic information is necessary to operate the entire department and who has the responsibility to gather and

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LOCAL REPORT**Audit Reveals Cash Crisis at VDOT as State Turns to Voters for Road Money**

On July 10, Virginia State Auditor Walter Kucharski released a report finding that the state Department of Transportation has completely



failed to track the money it gets and the money it spends. According to the report, the agency consistently underestimated project costs, failed to track maintenance needs for the state's 56,000 mile road network, approved construction projects before identifying funding sources and rarely updated the agency's financial plans to reflect cost overruns. The state audit attributes the lack of financial accountability to top VDOT managers, finding that they allowed road projects to move forward with little oversight or information sharing between construction and financial divisions.

Governor Warner ordered an audit of the agency's finances after he took office in January and discovered that VDOT could not answer basic questions about its financial accounts. Severe mismanagement forced VDOT to remove \$3 billion of projects from its original \$10.7 billion six-year transportation plan last month. In addition, the agency will spend nearly ten percent of its budget for debt service by 2006 as a result of having borrowed against future revenues. Virginia's use of debt financing to avoid revenue increases at the state level is an increasingly common tactic among the states, and could portend a serious of serious shortfalls in states all over the country. The debt binge was sparked by the Innovative Finance provisions of TEA-21, which many states have used to advance new road projects.



VA Gov. Mark Warner

At the same time, state officials have asked voters to approve an 11% sales tax increase this November in order to raise \$5 billion for transportation projects. This funding is not designed to meet current shortfalls, but rather to fund new road projects, several of which are not in any current plan, and whose full costs have not been disclosed. The Coalition for Smarter Growth, a coalition of groups in the Washington D.C. metro region, opposes the tax proposal, saying the funds will be primarily directed towards instigating new highway projects. They say the pitfall of the sales tax is that it does not deal with land use, the fundamental cause of traffic and sprawl.

"We can spend all the money we want; but until we address land use and development issues, we will never solve traffic or air pollution problems," said Stewart Schwartz, Executive Director of the Coalition.

For more information on the VDOT audit, [click here](#).

For more information about the Coalition for Smarter Growth and the Northern Virginia sales tax referendum, [click here](#).

Written with contributions from Nicola Wood of the Coalition for Smarter Growth

maintain that information."

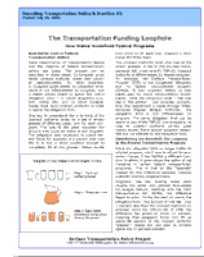
- From the audit of the Virginia Department of Transportation, released July 10, 2002

DECODING TRANSPORTATION POLICY & PRACTICE

The Transportation Funding Loophole: how states underfund federal programs

The fifth installment in STPP's "Decoding Transportation Policy & Practice" series explains the process that allows states to under- and overfund federal programs. The newest release explores the implications of the growing loophole on how states are spending federal transportation dollars.

[Click here](#) to view the series.



REAUTHORIZATION NEWS

TRB CMAQ Report Released, Committee Recommends Reauthorization

A new Transportation Research Board report finds that the Congestion Mitigation and Air Quality (CMAQ) program is valuable for local governments grappling with unhealthy air and should be reauthorized. The report comes at a time when new research indicates that nearly half of the US population is exposed to dangerous levels of air pollution that can shorten human life by months or years. The American Lung Association's State of the Air Report: 2002 finds that 143 million Americans are breathing in unhealthy amounts of ozone pollution linked to lung and heart disease.

Representing 4 percent of the surface transportation program under TEA-21, CMAQ is the only federally funded transportation program explicitly created to help communities meet the 1990 Clean Air Act Amendments. While the TRB report refrained from discussing changes to CMAQ funding levels under TEA-21 renewal, the committee did recommend that air quality continue to be the top priority for the program and that increased consideration be given to longer-term land use strategies. Key to the CMAQ discussion now is how new pollution standards for particulate matter and ground level ozone will affect program funds and whether eligibility will be extended to newly-designated nonattainment areas under the 8 hour ozone standard. The Senate Environment and Public Works Committee is expected to hold a hearing on CMAQ in late July.

To access "Special Report 264: The Congestion Mitigation and Air Quality Improvement Program: Assessing 10 Years of Experience," [click here](#).

For more information on impacts of air pollution on public health, visit the [American Lung Association](#).

ARTBA Clean Air Forum Challenges Conformity Process

On June 27, the American Road and Transportation Builders Association (ARTBA) hosted a "national dialogue" on air quality and transportation planning featuring remarks from federal transportation officials, state and local practitioners, congressional staff members, and representatives of industry and environmental groups. During the seminar, speakers discussed the conformity process that holds transportation planning accountable to federal air quality standards.



While state and local officials from Maryland, Washington, DC, Charlotte, and Atlanta addressed efforts to improve transportation and air quality coordination through

multi-modal investments and better planning, not all participants suggested a commitment to conformity standards. Senate Environment and Public Works minority staff and industry representatives raised concerns that the conformity process is draining resources away from transportation projects, indicating an attempt to weaken conformity requirements in reauthorization.

Michael Repogle, Transportation Director for Environmental Defense, noted that conformity is working well as a core environmental accountability law in most regions as a result of interagency cooperation.

To see a 1999 DOT-EPA study documenting the positive impacts of conformity in 15 non-attainment areas, [click here](#).

IN OTHER NEWS

Capitol Area Ozone Appeal Loses in Court

In a related story, a three judge panel at the US Court of Appeals ruled on July 2 that the Environmental Protection Agency made an error when it gave the Washington, DC region an extension to comply with federal air quality standards for ozone. While the direct effects of the ruling are unclear, it does open the possibility for the federal government to pull transportation funding for area projects and start setting local transportation policies.



The EPA has designated the region (including the District of Columbia, Southern Maryland, and Northern Virginia) a "serious non-attainment area" due to its poor air quality. After the region failed to meet federal regulations for air quality in 1999, the EPA gave local leaders until 2005 to come into compliance.

For more information, [click here](#).

Georgia Northern Arc Project on Hold

Planning for a controversial new highway in Georgia called the Northern Arc has come to an abrupt halt. Governor Roy Barnes announced July 5 that the plans were being put on hold to give state lawmakers a chance to examine alleged violations of state ethics laws on the \$2.6 billion project. In his announcement, Barnes restated his commitment to the proposed highway, but recommended that the General Assembly pass laws mandating that conflicts of interest be made public and requiring those with conflicts to recuse themselves from the planning process.



For more information on the Northern Arc and on these recent developments, [click here](#).

California Assembly Passes Auto Emissions Bill

After a long and expensive battle between environmentalists and the automotive industry in California, a bill designed to limit emissions of carbon dioxide and other greenhouse gases has made its way to the desk of Governor Gray Davis. The California Assembly passed the measure on July 1 mostly



along party lines. The bill, if enacted, would require the state Air Resources Board to set "maximum, feasible and cost-effective reductions" for greenhouse gasses on automobiles in the state. Several other states, including Massachusetts, New Hampshire, and Oregon, have passed laws aimed at cutting carbon dioxide emissions from power plants, but the California bill would be the first in the nation designed to target pollution caused by automobiles.



California is currently the nation's largest car market, accounting for roughly 10% of all cars sold, and is also the only state that has the power to pass air pollution rules that are stronger than those set by the federal government.

For more information from the Washington Post, [click here](#).
For more information from the LA Times, [click here](#).

REPORTS & RESOURCES

New Resources Available from NCBW

The National Center for Bicycling and Walking has two new resources available. The first, a new report entitled "Increasing Physical Activity Through Community Design, A Guide for Public Health Practitioners," details how to promote healthy lifestyles through increased physical activities. The second is a new round of workshops to provide Metropolitan Planning Organizations with technical assistance on community design for active living (sponsored in part by The Robert Wood Johnson Foundation). [Click here](#) for more information.



Passenger Rail and Communities

"Pulling Out All the Stops: The Real Cost of Losing Passenger Rail Service in New Mexico" documents the "profoundly negative effects" of losing Amtrak service on seven local communities—available at www.stationfoundation.org.

ANNOUNCEMENTS

Congress of Pedestrian Advocates

America Walks, the national coalition of pedestrian advocacy organizations, will convene the second National Congress of Pedestrian Advocates on Tuesday, September 3, in St. Paul, Minnesota, in conjunction with the ProBike/ProWalk conference offered by the National Center for Bicycling and Walking. The deadline for the regular registration rate is July 26. For more information, [click here](#).



CALENDAR

July 17

2:30 p.m.

Senate Subcommittee on Housing and Transportation
Hearing on Special Transit Needs

July 18

3:00 p.m.

Physical Activity and the Built Environment policy briefing
For more information, [click here](#).

July 30
Senate EPW Hearing
Transportation and Air Quality

Transfer is written and edited by John Goldener of the Surface Transportation Policy Project, with contributions by Andrea Broaddus, Leah Dawson, and Nancy Jakowitsch. Readers are invited to reprint newsletter items; proper citation is appreciated. If you are not currently subscribed, please send us a note via e-mail to: transfer@transact.org. Be sure to include your full mailing address and name of your organization, phone and fax numbers. For comments and suggestions about Transfer's content, contact John Goldener at jgoldener@transact.org.

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