Transfer
Surface Transportation Policy Project's Electronic Update

IN THIS ISSUE

Job Announcements

STPP Seeks National Field Director
The Surface Transportation Policy Project is hiring a full time national field director. Responsibilities include managing STPP's field staff, policy development, public education, media advocacy, and local outreach and organizing, and promoting state and local transportation reform initiatives in a number of targeted states with STPP's local partners. For more information, including how to apply, click here.

Quotes of the Week

"This legislation continues to place more responsibility where it belongs, with local community leaders and metropolitan planning organizations. These are the entities most challenged by pressing transportation needs, be it traffic congestion, air quality degradation or the rising demands of global competition."

Representative Eddie Bernice Johnson (D-TX) in introducing H.R. the Metropolitan Congestion Relief Act, which seeks to empower local officials with the resources and policy tools needed to address transportation and related challenges in metropolitan areas.

"Something is extremely wrong with that picture. We should make it as easy to develop in the urban areas as it is in the greenfields. You can't build a

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Metropolitan Congestion Relief Plan Expands Role for Local Decision-makers

Responding to mayors, city council members and county elected officials and their call for greater empowerment of local decision-makers in how federal transportation dollars are invested, Rep. Eddie Bernice Johnson, a member of the House Transportation and Infrastructure Committee representing the Dallas, TX area, recently introduced the "Metropolitan Congestion Relief Act" (H.R. 3611).

Rep. Johnson's legislation reflects what the nation's local elected officials want to see in TEA-21 renewal, proposing targeted adjustments to existing TEA-21 programs and authorizing two new congestion-relief programs to empower local decision-makers in addressing local transportation needs from congestion relief and improved system connectivity to air quality improvements.

"As this Congress seeks to address the burdens of congestion and the need for smarter and more balanced transportation investments to give taxpayers more for their dollars, we must recognize that we have reached the point where it is impossible to achieve these outcomes without more fully involving our local transportation partners. This means bringing local elected officials - mayors, city council members, county executives and commissions, and others - more fully into this partnership. This legislation makes some modest adjustments and empowers these critical officials in the transportation partnership," Johnson said in her November 21 floor statement in introducing H.R. 3611.

Specifically, H.R. 3611 makes all Surface Transportation Program (STP) and unprogrammed Minimum Guarantee (MG) funds available to local areas, subjecting these resources to decision-makers in urbanized areas and non-urbanized areas under current STP rules. The legislation directs states to pass-through Congestion Mitigation and Air Quality Improvement (CMAQ) program funds to local areas, based on the formula that brings these clean air funds into their respective states in the first instance. Any urbanized area above 50,000 or more in population would receive their "fair share" of CMAQ funds directly from the state, similar to rules now in effect for allocating or "suballocating" STP funds to areas of 200,000 or more.

The table below illustrates how these simple program changes would raise funding commitments to metropolitan areas, comparing what several areas actually received in Fiscal Year 2003 to what they would have received had H.R. 3611 been in effect.

competitive future by sprawling and abandoning.**"**

Bruce Katz, Director of the Center on Metropolitan and Urban Policy at the Brookings Institution, in describing recent findings that a disproportionate share of spending in Pennsylvania's outlying areas compromises cities and inner townships. (Pittsburgh Post-Gazette, 12/07)

Happy Holidays!

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		FY 2003 Actual			How FY 2003 Would Have Looked	
State	Urbanized Area (population 200,000 or more)	STP Suballocated Funds (FY2003)	Share of State Funds (FY2003)	Share of State Population*	CMAQ	STP and Minimum Guarantee
AZ	Phoenix - Mesa	$34,244,688	7.3%	56.7%	$34,636,306	$94,374,036
CO	Denver - Aurora	$22,146,377	6.4%	46.1%	$16,292,445	$49,792,341
GA	Savannah	$3,230,205	0.3%	2.6%	$0	$8,895,104
IL	Chicago	$67,526,615	7.4%	62.4%	$69,894,030	$140,701,713
LA	Baton Rouge	$5,346,072	1.3%	10.7%	$5,859,221	$12,650,034
MN	Minneapolis - St. Paul	$29,348,028	7.4%	48.6%	$14,517,016	$56,475,785
NV	Las Vegas	$8,451,368	4.3%	65.8%	$10,396,759	$40,509,501
NY	Buffalo	$6,233,641	0.5%	5.1%	$8,598,666	$16,378,503
OH	Columbus	$11,020,305	1.2%	10.0%	$6,917,070	$24,172,102
TX	Dallas - Fort Worth - Arlington	$57,284,696	2.6%	19.9%	$42,485,529	$153,068,944
UT	Salt Lake City	$9,611,104	4.6%	39.7%	$6,838,184	$19,497,243
Note that boundaries of CMAQ-eligible areas are generally not contiguous with MPO boundaries.						
*Urbanized Area Population for 2000 from FHWA.						

*for a higher resolution version of this chart click here

CMAQ, Other Funding Commitments More Predictable Under Legislation

Importantly, H.R. 3611 ensures that program funding made available to local areas is actually real money and backed by a fair share of the state's obligation limitation (i.e. funds are proportionally obligated to affected programs). The legislation, for example, would ensure that for the first time, annual funding commitments to the CMAQ program would be certain and predictable, a change that is crucial to local areas and their investment efforts aimed at improving air quality and meeting federal clean air standards. Proposed program changes would not influence how funds are allocated among the states (i.e. donor/donee issues) and would not divert funds from other core programs such as the Bridge, Interstate Maintenance or National Highway System (NHS) programs.

Under NHS, H.R. 3611 would make project selection and the allocation of NHS more responsive to local decision-makers, first by ensuring that metropolitan planning organizations (MPOs) decide project selection and by distributing NHS funding by formula within the states. Funding commitments to metropolitan planning efforts would be increased as well, with H.R. 3611 raising the share of so called "PL Funding" to two percent of all programs, up from current law's one percent. All of these noted changes closely follow specific recommendations made by STPP and its partner organizations in the coalition's TEA-21 renewal plan, "Staying the Course."

Finally, the legislation also creates two new local congestion relief programs. One program, called the "Metropolitan Congestion Relief Program," would allocate $2 billion annually by formula to the nation's most congested metropolitan areas, distributing funds to these areas based on annual congestion data from the Texas Transportation Institute. Another program, "Transportation Operational Improvement Program", would allow cities and counties to compete for grants totaling $500 million annually to support local operational and incident management initiatives.

Johnson's legislation, which already enjoys strong backing particularly among the nation's local government organizations, is intended to influence ongoing House Transportation and Infrastructure Committee (T & I) deliberations on the final TEA-21 renewal plan. Recently, the House panel's top leaders introduced a six-year, $375 billion plan (H.R. 3550) package to serve as the basis for the Committee's work early next year, although there are still several key elements of the package that are still under development. Currently, the House T & I Committee's schedule envisions bypassing Subcommittee action and moving directly to full Committee in February, bringing a final package to the full House floor immediately thereafter.

To read Rep. Johnson's floor statement on H.R. 3611, visit http://frwebgate.access.gpo.gov/cgi-bin/getpage.cgi?dbname=2003_record&page=E2438&position=all

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New Legislation Helps Keep New Starts on Track

Representative Mike Honda (D-CA), joined by 11 other House members, recently introduced legislation, the "New Starts Enhancement and Local Investment Promotion Act" (H.R. 3578), to provide additional funding assurances to state and local sponsors of major transit projects funded under the New Starts program. The legislation provides project sponsors with existing federal financing agreements with more certainty that these funding commitments will be honored. The legislation also provides incentives to project sponsors that move forward with very significant non-federal funding shares.

With the growing demand for federal resources to support fixed guideway projects, mostly light rail transit, Congressional appropriators continue to be challenged in finding the necessary resources to honor existing federal commitments already in place and provide resources to new projects in the pipeline. Rep. Honda's legislation allows those project sponsors with Full Funding Grant Agreements (FFGAs) to access existing federal loan and credit programs under TEA's 21 Transportation Infrastructure Finance and Innovations Act (TIFIA). This backstop financing is only available to project sponsors in cases where federal appropriators do not fully honor financing schedules set forth in their FFGA.

To illustrate the need for the legislation, it is estimated that projects with FFGAs have absorbed a shortfall of more than $200 million (i.e. gap between what the federal government agreed to commit within a specified timeframe and what was provided) over the last three fiscal years. Under TEA-21, both highway and transit projects are eligible for 80 percent federal matching share. In the case of new start projects, the actual federal share is typically closer to 50 percent, which places substantial pressure on project sponsors to raise additional funds to absorb such a high non-federal share. When appropriators don't fully honor a FFGA in any given fiscal year, it can lead to substantial disruption, including unanticipated financing costs for sponsors to cover shortfalls and even project delays.

Administration Reported to Be Revisiting Its TEA-21 Renewal Funding Levels

It is being reported in various trade press outlets that the Office of Management and Budget, which shapes the Bush Administration's funding requests, is taking another look at ways to increase funding commitments to TEA-21 renewal. Since the Administration released its $248 billion renewal plan, which lags substantially behind the Senate's plan for a $311 billion program and the House Committee's $375 billion proposed package, it has been criticized in many quarters on Capitol Hill for failing to provide the resources that are necessary for a stronger surface transportation program

It now seems that the Administration may be considering some new approaches to help raise its recommended funding levels for highway and transit investment. While no details are available, it is assumed that any funding increases will be achieved without raising federal motor fuel taxes, suggesting that new debt instruments and even general fund revenues may be tapped to support added surface transportation investment.

EPA Designates Nearly 500 Counties as Violating 8-Hour Ozone Standard

On December 4, the U.S. Environmental Protection Agency published the list of counties determined by the agency to be in nonattainment for the new 8-hour ozone standard. The notification was in response to proposed designations from states made in July.

States will now review EPA's recommendations and have the opportunity to discuss any differences with EPA officials. State and EPA determinations are typically the same, however there are some exceptions. Once final designations take effect in April, 2004, the Clean Air Act will require states and local governments to work to reduce emissions of ozone-forming chemicals (i.e. NOx and VOCs). Depending on the severity of an area's ozone problem, which was not specified in this notification, states will have from 2007 to 2021 to meet the Clean Air Act standard.

Said new EPA Administrator Mike Leavitt about the new designations, "Our goal is clean, safe air for every American to breathe."

In total, the EPA recommended that 499 counties be designated as nonattainment for the 8-hour ozone standard. These counties are home to 165 million Americans, nearly 60 percent of the U.S. population. As discussed in STPP's report, *Clearing the Air*, the designation of new nonattainment areas for both 8-hour ozone and fine particulate matter will have major implications for the CMAQ program. Without significant increases in the size of that program, CMAQ funding could be seriously diluted, with more areas forced to share the same pot of federal funds.

To read more about the EPA designations, or to find out which counties in your state have been designated as nonattainment, visit http://www.epa.gov/ozonedesignations/. To read STPP's *Clearing the Air* report, go to http://www.transact.org/report.asp?id=227

House Approves FY'04 Omnibus Package, Senate to Vote in January

The U.S. House of Representatives December 8 approved the omnibus appropriations package for Fiscal Year 2004 under a controversial House and Senate conference agreement reached last month. The $328 billion spending measure consolidates seven unfinished appropriations bills, including the FY 2004 Transportation-Treasury Appropriations measure.

Until the measure is approved by the Senate, federal departments and agencies covered by the legislation will continue to operate under a continuing resolution, which generally extends spending levels from last fiscal year through January.

Under the omnibus agreement, the transportation appropriations bill provided $32.8 billion in highway spending, $7.266 billion for transit, and $1.218 billion for Amtrak, minus a .59 percent reduction in these and most other federal discretionary spending programs. Highway spending increases by $1.2 billion over FY'03 funding levels while transit funding would grow by $87 million. Despite the transit funding increase and bipartisan support for higher funding levels in the Senate, resources for the Job Access and Reverse Commute (JARC) program would flatline at $104 million. Senator Rick Santorum (R-PA) led an effort to hold to the $125 million funding level approved earlier in the Senate for JARC, which assists low-income workers and people moving from welfare to work.

In more positive news, the omnibus package would provide the nation's passenger rail system with a 14.3% increase in funding and defers repayment of a $100 million federal loan. Although the FY'04 budget is $600 million less than the level requested, Amtrak CEO David Gunn expects it will allow Amtrak to continue operating while meeting some capital infrastructure needs.

Senate leaders decided to vote on the omnibus package when Congress returns January 20, with some opponents likening it to "Frankenstein's monster" because of the volume of earmarked spending and the inclusion of several controversial provisions.

To access the FY'04 Conference Report, go to http://appropriations.house.gov/.

Senate Commerce Committee Leaders Introduce Rail Options for TEA-21 Renewal

Late last month, Senator Fritz Hollings (D-SC), Ranking Member of the Senate Commerce Committee, and Governmental Affairs Committee Chair, and Senator Susan Collins (R-ME), a Committee Member, introduced a six-year, $42 billion investment package for passenger and freight rail infrastructure development with Amtrak improvements designed to place rail funding on par with the nation's highway and aviation infrastructure programs.

"For passenger rail to be successful, its infrastructure must be developed through the kind of bold federal leadership we exercised for our other modes of transportation," said Hollings in his statement introducing the bill.

Co-sponsored by Senators Tom Carper (D-DE), Arlen Specter (R-PA), Jim Jeffords (I-VT), Joe Biden (D-DE) and Frank Lautenberg (D-NJ) the American Railroad Revitalization, Investment and Enhancement Act (ARRIVE-21) builds on efforts earlier this year by the Senate Commerce Committee which approved a placeholder bill for what is expected to become a rail title in the Senate's TEA-21 reauthorization bill. The legislation, S. 1961, follows a proposal introduced this year by Senator Kay Bailey Hutchinson (R-TX), Chair of the Senate Commerce Subcommittee on Surface, Transportation, and Merchant Marine, which would also provide a six-year authorization for Amtrak and create a new Rail Infrastructure Finance Corporation (RIFCO) to issue tax-credit bonds for rail infrastructure improvements.

S. 1961 authorizes approximately $1.5 billion for Amtrak annually to guarantee a reliable funding source for the passenger rail system's operating, capital, and long-deferred maintenance needs, while offering additional measures to improve services and increase Amtrak's accountability. The bill also establishes the Rail Infrastructure Finance Corporation (RIFCO), a non-profit, public-private partnership which would issue $30 billion in tax-credit bonds over six years to support rail infrastructure development efforts. RIFCO would award capital grants to states and Amtrak for high-speed and intercity passenger rail projects and guaranteed formula funds to states for freight rail capital projects.

To qualify for RIFCO grants, states would have to produce a state rail plan and a 20% match similar to other surface transportation programs. ARRIVE-21 also calls for the Federal Railroad Administration to develop a national rail plan and U.S. DOT's Office of Intermodalism to create "50-Year Intermodal Blueprint" to provide an understanding of trends and opportunities for intermodal transportation, including passenger and freight rail, in the U.S.

Similarly, Hutchison's S. 1505, the American Rail Equity Act (AREA) would allocate $2 billion annually for Amtrak over six years and create RIFCO to issue $48 billion in tax-credit bonds to states for capital improvements on the current passenger rail network, including federally-designated high speed corridors after they are approved or agreed to through future state agreements. Cosponsored by Senators Conrad Burns (R-MT), Trent Lott (R-MS), and Olympia Snowe (R-ME), AREA would transfer ownership of the high-speed Northeast Corridor from Amtrak to a governmental agency.

Expressing a vision for passenger rail similar to Senator Hollings, Senator Hutchison said when introducing AREA in July, "In the 1950s, President Eisenhower convinced the Nation to pay for the construction of the National Highway System. Fiscal realities have changed since then, and we must find a way to creatively finance the rail infrastructure needs of the nation without draining resources from alternative modes of transportation and other federal priorities."

At least 60 Senators must support one of the bills for the rail title to pass, or one that combines the best provisions of both ARRIVE-21 and AREA.

For more information on the bills, visit http://www.senate.gov or http://www.narprail.org.

Congressional Minority Caucus Leaders Outline Social Equity Agenda for TEA-21 Renewal

Last month leaders of the Congressional Hispanic Caucus, Congressional Black Caucus, and Congressional Asian Pacific American Caucus delivered a joint letter on concerns and opportunities to address social equity in TEA-21 reauthorization to Representatives Tom Petri (R-WI) and William Lipinski (D-IL), the Chair and Ranking Member of the House Transportation and Infrastructure Subcommittee on Highways, Transit and Pipelines.

"While dedicated funding for transit, air quality improvements, community enhancements, and specific requirements for public participation in the transportation planning process have helped our communities and constituencies, barriers to economic opportunities, environmental justice, and citizen engagement still persist and must be addressed in the next transportation law," wrote Representatives Ciro Rodriguez (D-TX), Elijah Cummings (D-MD), David Wu (D-OR), Anibal Acevedo Vila (D-PR), Eleanor Holmes-Norton (D-DC), and Michael Honda (D-CA).

These Tri-Caucus leaders identified evidence of transportation-related disparities, including higher rates of asthma, pedestrian fatalities, and motor vehicle crashes among minorities, and recommended increasing funding for transit, air quality, pedestrian safety, pedestrian and vehicular safety. They also called for stronger public health protections and clarification on how communities are complying with the Americans with Disabilities Act and Title VI of the Civil Rights Act, which require equal access and protect communities from discrimination.

To read the Tri-Caucus November 17 letter on social equity in TEA-21 reauthorization, click here.

House and Senate Lawmakers Urge Action on Senior Transportation Needs before Demographic Boom

In another efforts aimed at seniors and their growing transportation needs, lawmakers in the House and Senate sent nearly identical "Dear Colleague" letters to their respective transportation committee leaders last month calling attention to the nation's growing senior population and recommended steps to improve accessibility for older persons in legislation renewing TEA-21.

The letters note that persons 65 years and older are expected to grow to 20 percent of the population by 2030, and that persons 85 and over, where driving ability is the most compromised, are the fastest growing segment of the U.S. population. Both letters recommend adequately funding public transportation, including the federal transit program for the elderly and persons with disabilities known as Section 5310, and directing states and metropolitan planning organizations to more effectively address the needs of seniors and persons with disabilities in the transportation planning and decision-making process.

To read the letter signed by 32 Senators and authored by Senators Ron Wyden (D-OR), Gordon Smith (R-OR), Tom Daschle (D-SD), and Charles Grassley (R-IA), click here.

To read the letter signed by 109 Representatives and authored by Congressmen Robert Menendez (D-NJ), Clay Shaw (R-CT), Bill Pascrell (D-NJ) and Ginny Brown-Waite (R-FL) click here.

Brooking's Reports Describe Unlevel Playing Field Between Transit and Highways, and Urban Revitalization Challenges in Pennsylvania

A new report released December 15 by the Brooking Institution confirms what transportation reform advocates have learned from their experience in the field, documenting that there is in fact an unlevel playing field between transit and highway projects.

Authored by Edward Beimborn and Robert Puentes, the report, "Highways and Transit: Leveling the Playing Field in Federal Transportation Policy", provides an excellent overview of the variations in federal policies affecting project sponsors undertaking major transit investments and what is required of sponsors of federally-assisted highway projects. It discusses the differential treatment of these projects, comparing the specific federal requirements that are applicable to decision-makers seeking to undertake major transit investments, specifically those funded under the New Starts program.

In another recently-released Brooking report, "Back to Prosperity: A Competitive Agenda for Renewing Pennsylvania", authors confirm that Pennsylvania's infrastructure investments, economic subsidies and "hollowing out" growth patterns are affecting the economic and fiscal conditions in the state's metropolitan areas. The report attributes trends in Pennsylvania's stagnant population and economic growth, including loss of young adults, to the state government's haphazard and fiscally wasteful policies such as the construction of highways, schools and water systems on the periphery while neglecting investments in existing communities.

Brookings identified that since the late 1990's, per capita spending on roads in outer townships has been almost double the amount given to older areas. Impacts of these and other disjointed policies include higher infrastructure costs, as high as an additional $1 billion for roads and sewers over less-costly maintenance, and the obliteration of the tax base in existing communities.

To view the reports, please go to http://www.brookings.edu/urban.

surface transportation policy project

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