Federal Policy

TTP220
Gian-Claudia Sciara
4/14/12
with strings attached
Key Concept: Types of Congressional Acts

• Authorization bills:
  – Authorizes funding ceiling for some period of time, for specific domain
  – Sets policy to go with that funding

• Appropriations bills:
  – Appropriates the funding for that year, i.e. the annual budget
  – Usually less than the authorization
  – Can also change policy or set new policy
Key Committees

• House Transportation & Infrastructure Committee
  – Congressman Bill Shuster (R-PA), Chair
  – Congressman Nick Rahall (D-WV), ranking min. member
• Highway & Transit Subcommittee

• House Ways & Means Committee ($)

• Senate Environment and Public Works Committee
  – Senator Barbara Boxer, (D-CA), Chair
  – Sen. David Vitter, (R-LA), ranking min. member
• Highway & Transit Subcommittee

• Senate Finance Committee ($)
Federal Transportation Program: Principles

1. Leveraging federal capacity to raise revenue
   • matching grants (80/20)
2. U.S. Cong. & admin. set broad national policy goals
   • military defense (Interstate)
   • connectivity
   • economic development
   • technological development (research, ITS)
3. State & local governments identify projects to implement goals. Increasing role for regions.
4. Traditionally, user pays
5. Traditionally, Pay-as-you-go: “Pay-go”
# Federal authorizations over time

<table>
<thead>
<tr>
<th>Period</th>
<th>Characterization</th>
</tr>
</thead>
<tbody>
<tr>
<td>1916 to 1956</td>
<td>Testing the waters</td>
</tr>
<tr>
<td></td>
<td>Tentative steps toward federal involvement</td>
</tr>
<tr>
<td>1956 to 1980s</td>
<td>Unprecedented federal role</td>
</tr>
<tr>
<td></td>
<td>Focus on highway building</td>
</tr>
<tr>
<td>1990 to 2009</td>
<td>Stable support for federal role</td>
</tr>
<tr>
<td></td>
<td>Yet, erosion of federal funding</td>
</tr>
<tr>
<td></td>
<td>Greater focus on diversity of transport needs</td>
</tr>
<tr>
<td>2009 to present</td>
<td>Eroding support for federal role</td>
</tr>
<tr>
<td></td>
<td>Continued erosion of federal funding</td>
</tr>
<tr>
<td></td>
<td>Legislated uncertainty</td>
</tr>
</tbody>
</table>
Rise of intermodal planning (1990s +)

- 1991 ISTEA - Intermodal Surface Transportation Efficiency Act
- 1998 TEA-21 – Transportation Equity Act for the 21 Century
- 2005 SAFETEA-LU – Safe, Accountable, Flexible, Efficient Transportation Equity Act – a Legacy for Users
- 2012 MAP 21 – Moving Ahead for Progress in the 21st Century
Intermodal Surface Transportation Efficiency Act of 1991

*Why was ISTEA a landmark bill?*

- Highways and transit treated more equally
- Opportunity for “multimodal” or “intermodal” strategies
- Better planning before money spent
How did it happen?

• Organized coalition of diverse interests to counter-balance traditional highway lobby:
  – Surface Transportation Policy Project (STPP)
  – Environmental groups
  – American Planning Association
  – American Institute of Architects
  – Bicycle advocacy groups
  – Disability advocacy groups
  – Etc.
ISTEA era: New directions

- **Systems approach** – alternative modes, environmental protection and mobility (persons and goods)
- **Holistic planning approach** - mobility and access, equity, reliability and external impacts, and cooperative planning by local and state governments;
- **Flexibility** in allocating money among modes (roads, transit, bikes, ped)
- **Linkage to air quality and environment** – in funding and planning
- **Focus on public involvement** - toward participatory decision-making with informed citizenry
What policies changed?

• Funding amounts, categories, flexibility
• Planning requirements
• Air quality – CAAA
Funding Categories or “Programs”

• Importance because...
  – Show federal priorities
  – Determine what kinds of projects
  – Determine distribution of $ (apportion v. allocate)

• Old way: By facility type
  – Different classifications of highway

• New way: By purpose
  – Flexibility to spend across modes
  – Flexibility to spend on new kinds of projects
# Recent Authorization Bills

<table>
<thead>
<tr>
<th>Bill</th>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISTEA</td>
<td>1991</td>
<td>Intermodal Surface Transportation Efficiency Act of 1991</td>
</tr>
<tr>
<td>TEA-21</td>
<td>1998</td>
<td>Transportation Equity Act</td>
</tr>
<tr>
<td>SAFETEA-LU</td>
<td>2005</td>
<td>Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users</td>
</tr>
<tr>
<td>MAP-21</td>
<td>2012</td>
<td>Moving Ahead for Progress in the 21st Century</td>
</tr>
</tbody>
</table>
# Recent Federal Authorization Bills

<table>
<thead>
<tr>
<th>STURAA</th>
<th>ISTEA</th>
<th>TEA-21</th>
<th>SAFETEA-LU</th>
<th>MAP 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987 4 years</td>
<td>1991 5 years</td>
<td>1998 6 years</td>
<td>2005 4 years</td>
<td>2012 2 years</td>
</tr>
<tr>
<td>Highways/year</td>
<td>$13-14B</td>
<td>$19.9B</td>
<td>$28.8B</td>
<td>$33.8B</td>
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<tr>
<td>Transit/year</td>
<td>$3.2-3.8B</td>
<td>$5.2B</td>
<td>$6.8B</td>
<td>$7.6B</td>
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<tr>
<td>Total/year</td>
<td>$17.1-17.9B</td>
<td>$25B</td>
<td>$35.6B</td>
<td>$41.3B</td>
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<tr>
<td>Total</td>
<td>$151B</td>
<td>$218B</td>
<td>$286B</td>
<td>$105B</td>
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</table>
MAP-21
Moving Ahead for Progress in the 21st Century

• Signed into law July 6, 2012
• $105 billion for FY 2013 and FY 2014
• Funding programs
  – Formula programs – funding goes to states
  – Discretionary programs – project decisions at federal level
• Planning requirements
MAP 21: Program Consolidation

Source: AASHTO, Janet Oakley. See http://www.msconsultants.com/map-21-the-new-transportation-funding/
MAP 21: Program Consolidation

- Interstate Maintenance
- National Highway System
- Highway Bridge Program: 15% for Off-System Bridges
- Equity Bonus
- Appalachian Highway Development System
- Border Infrastructure Program
- Surface Transportation Program (STP)

MAP-21:
- National Highway Performance Program (NHPP - New): ~$21.8 billion
- Surface Transportation Program: ~$10 billion
MAP 21: Formula Trumps Discretion

- Historically, ~20% of funds discretionary
- Under MAP 21, less than 8% of total funds are discretionary
- Discretionary used more in prior bills (e.g. SAFTEA-LU) ...and became (ab-)used for earmarks
  - Subverted at the last minute?
  - Congressional intent all along?
- Discretionary programs: targeted investment or “executive earmarking”?
- Significant discretionary programs ended/reduced
  - Projects of National and Regional Significance
  - Bus and bus facilities program
  - Ferry boast and facilities
Formula Programs

- National Highway Performance Program (NHPP)
- Surface Transportation Program (STP)
- Congestion Mitigation and Air Quality Improvement Program (CMAQ)
- Highway Safety Improvement Program (HSIP)
- Railway-Highway Crossings (set-aside from HSIP)
- Metropolitan Planning
- Construction of Ferry Boats and Ferry Terminal Facilities
- Transportation Alternatives
Discretionary Programs

- Projects of National and Regional Significance (PNRS)
- On-the-Job Training Supportive Services
- Disadvantaged Business Enterprise (DBE) Supportive Services
- Highway Use Tax Evasion (Intergovernmental enforcement projects)
- Work Zone Safety Grants
## SAFETEA-LU Authorizations

<table>
<thead>
<tr>
<th>Title</th>
<th>Program</th>
<th>$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title I</td>
<td>Interstate Maintenance</td>
<td>25,201,595</td>
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<tr>
<td></td>
<td>National Highway System</td>
<td>30,541,833</td>
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<tr>
<td></td>
<td>Bridge Program</td>
<td>21,607,441</td>
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<tr>
<td></td>
<td>Surface Transportation Program</td>
<td>32,599,756</td>
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<tr>
<td></td>
<td>CMAQ</td>
<td>8,609,100</td>
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<tr>
<td></td>
<td>High Priority Projects</td>
<td>14,832,000</td>
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<tr>
<td></td>
<td>Min. Guarantee/Bonus Equity</td>
<td>40,895,552</td>
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<tr>
<td></td>
<td>Other Highway Programs</td>
<td>25,203,200</td>
</tr>
<tr>
<td>Title II</td>
<td>Highway Safety</td>
<td>3,131,592</td>
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<tr>
<td>Title III</td>
<td>Formula Grants</td>
<td>34,476,082</td>
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<tr>
<td></td>
<td>Capital Grants</td>
<td>9,890,364</td>
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<td></td>
<td>Other Transit Programs</td>
<td>946,554</td>
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<tr>
<td>Titles IV-X</td>
<td>Misc. Programs</td>
<td>7,595,035</td>
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<tr>
<td>Total</td>
<td></td>
<td>255,530,104</td>
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</table>
# MAP 21 Authorizations

<table>
<thead>
<tr>
<th>Title</th>
<th>Program</th>
<th>$ million</th>
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</thead>
<tbody>
<tr>
<td><strong>Title I</strong></td>
<td>National Highway Performance Program (NHPP)</td>
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</tr>
<tr>
<td></td>
<td>Surface Transportation Program (STP)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Highway Safety Improvement Program (HSIP)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Congestion Mitigation and Air Quality Improvement Program (CMAQ)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Metropolitan Planning</td>
<td></td>
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<td></td>
<td>Other Highway Programs</td>
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<td></td>
<td><strong>Total</strong></td>
<td>$37,798,000</td>
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<tr>
<td><strong>Title II</strong></td>
<td>Highway Safety</td>
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<tr>
<td><strong>Title III</strong></td>
<td>Formula Grants</td>
<td>6,148,150</td>
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<td></td>
<td>Capital Grants</td>
<td>1,907,000</td>
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<td></td>
<td>Other Transit Programs</td>
<td>2,639,850</td>
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<tr>
<td><strong>Titles IV-X</strong></td>
<td>Misc. Programs</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>$52,000,000</td>
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</table>
# SAFETEA-era Program Formulae

<table>
<thead>
<tr>
<th>PROGRAM</th>
<th>PURPOSE</th>
<th>FACTORS USED IN APPORTIONMENT TO STATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interstate Maintenance (IM)</td>
<td>Maintenance activities on the 43,000- mile Interstate system.</td>
<td>• Interstate lane miles&lt;br&gt;• Amount of driving (VMT) on Interstate&lt;br&gt;• Highway Trust Fund contributions (commercial vehicles)</td>
</tr>
<tr>
<td>National Highway System (NHS)</td>
<td>Improvements on 160,000-mile NHS system, including Interstate and other roads and connections important to national economy, defense, and mobility.</td>
<td>• Lane miles of principal arterials (not the Interstate)&lt;br&gt;• Amount of driving (VMT) on principal arterials&lt;br&gt;• Diesel fuel used on highways&lt;br&gt;• State population</td>
</tr>
<tr>
<td>Surface Transportation Program (STP)</td>
<td>Flexible funding for States and localities for projects on Federal-aid highways, including NHS, bridges on public roads, transit capital projects, &amp; bus facilities.</td>
<td>• Lane miles of Federal-aid highways&lt;br&gt;• Amount of driving (VMT) on Federal-aid highways&lt;br&gt;• Highway Trust Fund contributions (highway users)</td>
</tr>
<tr>
<td>Highway Bridge Replacement &amp; Rehab (HBRR)</td>
<td>Replacement or rehabilitation of deficient highway bridges on public roads.</td>
<td>• State share of total cost to repair/replace bridges</td>
</tr>
<tr>
<td>Congestion Mitigation &amp; Air Quality Improvement Program (CMAQ)</td>
<td>Funds for State DOT, MPO, and transit agency projects that reduce air pollutants in areas now or formerly exceeding allowable levels.</td>
<td>• Population in areas with substandard air quality</td>
</tr>
</tbody>
</table>
Surface Transportation Program

• Given directly to TMAs (i.e. large MPOs)

• Fund eligible for non-highway: bike transit pedestrian
  – If non-attainment – 100% of STP
  – Otherwise – 75% of STP

• Suballocation: [new]
  – 50% goes to large and small urban areas
  – 50% may be spent statewide by DOT
Transportation Alternatives Program

• Example of program consolidation
• Previously:
  – Transportation Enhancements
  – Recreational Trails
  – Safe Routes to School
  – Other discretionary programs

• 2% of annual authorization ($815 million / year)
• Suballocation:
  – 50% goes to large and small urban areas
  – 50% may be spent statewide by DOT
Congestion Management/Air Quality

• $2.2 billion per year under MAP 21
• Apportionment to states:
  – Previously: based on population and severity of AQ problem
• No direct suballocation to MPOs. States decide.
• 25 percent of $ must be for PM 2.5 non-attainment.
• Projects must...
  – reduce congestion & emissions: ozone, PM-10, CO
  – help reach “AQ attainment”
  – control VMT/capita
  – e.g. bicycle coordinator, traffic signal coordination
Title III Transit Funding

- 80% from Mass Transit Account (formula)
- 20% from U.S. General Fund (discretionary)
- Funds flow mostly to transit agencies directly
- Discretionary capital grants (18% of funds)
- Formula grants – for capital/some operations - (81% of funds) – State of Good Repair; Bus & Bus Facilities; Urbanized & rural formula)
- Generally, limited federal $ for operations
Notes on Funding

• Mostly, distribution by formula – population, road miles, etc.
  – But some discretionary (increasingly limited)
• Most, money goes to states – they decide how to divide
  – But some directly to MPOs, transit agencies
• Mostly, federal share: 80%; state/local: 20%
  – But higher local shares when competing, e.g. for LRT
• Vulnerability to annual budget cycles – cuts
  – But TEA-21 set “firewall”
Process Requirements

• Planning Factors
• Public Involvement
• Fiscal Realism
• Coordination with other plans: state-local and T-LU-AQ
  – Clean Air Act Amendments of 1991
• Certification of planning activities
• Environmental Streamlining
  – National Environmental Policy Act of 1969
Planning Factors

MAP 21: Continuity with SAFETEA-LU and ISTEA era concerns

1. Support the **economic vitality** of the metropolitan area, especially by enabling global competitiveness, productivity, and efficiency;
2. Increase the **safety** of the transportation system for **motorized and nonmotorized** users;
3. Increase the **security of the transportation system** for motorized and nonmotorized users;
4. Increase the **accessibility and mobility** of **people and for freight**;
5. Protect and enhance the **environment**, promote energy conservation, improve the quality of life, and promote consistency between transportation improvements and State and local planned growth and economic development patterns;
6. Enhance the **integration and connectivity** of the transportation system, across and between modes, for people and freight;
7. Promote **efficient system management and operation**, and;
8. Emphasize the **preservation** of the existing transportation system.
What difference did it make?

- Change the process
- Change the projects
- Change travel patterns
- Improve things
Federal Bicycle/Pedestrian Spending
FY1992–FY2006

- Transportation Enhancements (TE)
- Congestion Mitigation and Air Quality (CMAQ)
- Surface Transportation Program (STP - non-TE)
- Recreational Trails
- Safety
- High Priority Projects
- Transportation, Community, and System Preservation Program (TCSP)
- Other
- Safe Routes to School (SRTS)
- Highway/Bridge (I/NH & Bridge)
<table>
<thead>
<tr>
<th></th>
<th>Sacramento</th>
<th>Minneapolis</th>
<th>Orlando</th>
<th>Denver</th>
<th>Baltimore</th>
<th>Memphis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fed bike/ped per capita</td>
<td>0.95</td>
<td>1.30</td>
<td>1.05</td>
<td>0.53</td>
<td>0.59</td>
<td>0.53</td>
</tr>
<tr>
<td>Share of $ for bike/ped</td>
<td>2.4%</td>
<td>2.5%</td>
<td>2.6%</td>
<td>1.2%</td>
<td>1.0%</td>
<td>0.6%</td>
</tr>
<tr>
<td># of programs used for bike/ped</td>
<td>9</td>
<td>9</td>
<td>5</td>
<td>5</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Share of federal bike/ped $ from TE</td>
<td>40%</td>
<td>75%</td>
<td>60%</td>
<td>78%</td>
<td>81%</td>
<td>99%</td>
</tr>
</tbody>
</table>
State DOT
- Goals & Interests
- Policies & practices
- Projects selected

MPO
- Goals & Interests
- Policies & practices
- Projects selected

Local Governments
- Goals & Interests
- Policies & practices
- Projects proposed

Transportation Improvement Program projects in the region

Advocacy Groups
Issues in Federal Policy
Is there still a federal role? What should it be?
Federal Role in Funding: Growing Ever Less Significant

Highway Funding and Expenditures by Local, State, and Federal Governments, 1970-2008
Our Nation's Highways: 2011
Geopolitical Equity: Donor-Donee

Figure 20. Donor-Donee Ratios, 1998-2002


Donor-Donee

1. Salience as federal policy issue varies.

2. Some states’ status changes year-year, depending on
   • Economic conditions
   • Tax receipts from fuel, truck & tire sales
   • Shifts in fuel use


4. Different ways to calculate donor-donee status, with different political implications.
<table>
<thead>
<tr>
<th>Year</th>
<th>Rate of Return Under 1.0</th>
<th>Rate of Return Under 1.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2005</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>FY 2006</td>
<td>11</td>
<td>4</td>
</tr>
<tr>
<td>FY 2007</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>FY 2008</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>FY 2009</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Source:** Congressional Research Service (2011).
Data provided by the Federal Highway Administration, Office of Highway Policy Information
Modal Equity: The Split

• Proportion of spending for highways versus transit.
• Historically, 80 highways / 20 transit.
• Advocates pushed w/ MAP 21 for 76/24 but were unsuccessful.
Whether to Grease the Wheels?

Are we better off with earmarks?
Or without?
The Era of Earmarks: Consensus declines, Earmarks rise?

Decade Shares of "High Priority Project" Earmarks in Federal Highway Funding (1970 - 2005)

- 1970 - 1979: 21
- 1980 - 1989: 288
- 1990 - 1999: 2,962
- 2000 - 2005: 8,049
Earmarks’ Dramatic Increase

[Graph showing the increase in number and value of earmarks from 1994 to 2010.]
Planning Problems

How does the earmark fit in the regional TIP & plan?

...a project we can live with ...a real stinker.
“Earmarking outside the TIP”

1. The Transportation Improvement Program is
   • Regional planning, engineering, construction activities
   • Required for federal funds
   • Fiscally constrained: concrete dollars

2. Congressional practice commonly yields earmarks are for non-TIP projects.
Programming Problems:
Delay or Cancellation of Other Projects