



Statement of Anne P. Canby

Before the Senate Committee on Commerce, Science, and
Transportation Subcommittee on Surface Transportation and
Merchant Marine Infrastructure, Safety, and Security

April 28, 2009

Regarding the Future of National Transportation Policy

Chairman Lautenberg, Ranking Member Thune,
Subcommittee members, I am Anne Canby, president of the
Surface Transportation Policy Partnership, a national
transportation reform coalition. STPP is a founding member
of the Transportation for America coalition and OneRail, a
coalition of passenger and freight rail organizations committed
to advancing rail as a cornerstone of our nation's
transportation network. Over the years, I have directed two
state transportation departments (DE & NJ).

We commend the Committee for holding this hearing to
discuss the need for a coherent national surface
transportation policy to shape federal surface transportation
programs and guide the investments made by the public and
private owners and operators of our various transportation
systems.

STPP strongly supports the idea of defining a national transportation policy, particularly one that acknowledges the connection between our surface transportation policies and other critical national issues. A national policy should be supported by clearly stated objectives with specific goals. The objectives and goals should be backed up with a requirement to track progress, or lack thereof, toward meeting national goals. Regular reporting on performance would provide focus for our national transportation priorities and desired outcomes. For too long the U.S. Transportation Department has been more of a rule keeper than a policy implementer.

Background

Back in 1975, then Secretary William Coleman issued a Statement of National Transportation Policy in which he called for "a more safe, efficient, diverse and competitive transportation system" and highlighted five areas – the federal role, U.S.-International concerns, federal-state relations, government and the private transportation sectors, and the public interests-enhanced quality of life. (A copy of the Excerpts from the 1975 Statement is attached.) Thirty some years later these issues are still relevant.

There here have been periodic trend reports since then, but little to no focus on how the system is performing relative to a set of defined national goals.

The 1991 authorization of the surface transportation program, ISTEA, included a declaration of policy (Sec. 2) which described the nature of the transportation system and stressed the need for an energy efficient system that links American enterprise to world commerce, and improves productivity while addressing the mobility needs for the elderly, persons with disabilities and economically

disadvantaged persons. A copy of the declaration is attached to my written statement.

In the next authorization, TEA-21, this policy was removed. Some elements were listed under the state and metropolitan planning sections to be 'considered' in the development of the long-range transportation plans. However, there are no consequences for failure to do so.

The most recent authorization, SAFETEA, was project heavy and failed to include policy goals, becoming an embarrassment, as critics tarred it as building bridges to nowhere.

In the absence of any clearly defined national purpose, congestion and time delays have become the *de facto* performance indicators along with the physical condition of our roads, bridges, and transit facilities. In our view, this represents too a narrow perspective, especially when one considers the role and impact of our surface transportation system across a wide array of sectors - on climate emissions, energy dependence and use, on our public and personal pocketbooks, economic efficiency, our health, and the well being of our communities.

As you are aware, there is a strong connection between our carbon emissions and transportation. Similarly, transportation plays a major role in our nation's energy dilemma. With 97% of transportation fuel derived from fossil fuels, the transportation sector is particularly vulnerable to any disruption in oil supplies and price escalation.

To date the approach has been to focus on technology (CAFÉ and alternate fuels) to reduce transportation's share of energy use and GHG emissions. Both are necessary, but together will not produce the level of emission reductions necessary to bring transportation related emissions down to 60-80% of 1990 levels.

In terms of our pocketbooks, transportation today represents an average of 18% of household expenditures, second only to housing. Higher than food, health care, or education. For families in the lower income brackets, transportation can represent as much as 30% of expenditures. As we seek to shore up America's middle class, we should focus both on improving incomes and also on reducing the cost of transportation to our families. Our reliance on auto-based transportation is forcing families to acquire depreciating assets and in many cases depriving them of ever having access to enough credit to purchase a home and build wealth as so many American have done in the past.

Sustaining our economic leadership in the world requires an efficient, resilient transportation network with every mode carrying its share of trips. We have come to realize that meeting our nation's transportation demands will require more than expanding our overburdened highway system. We must ensure that other modes will play a greater role in moving people and goods to their destinations.

Finally, with health costs rising and our population aging, facilitating physical activity as part our transportation agenda will not only improve our health, reduce obesity, a rising health threat, but reduce the rise in health care costs. The longer we stay healthy, the lower our costs.

These are all issues of national significance and transportation is connected to each one of them.

President Obama's commitment to implement energy and climate policies, to restore America's prosperity, and to reduce our health care costs, provides the opening to link transportation with other sectors of national interest.

Establishing a national surface transportation policy with clear objectives, goals, outcomes, and regular reporting on the

progress toward meeting them can help create synergies that do not exist today.

Moving Forward

The negative reaction over ‘bridges to nowhere’ from the SAEFTEA law created a positive result in the sense that people began to talk about the need for a clearer sense of the federal purpose, what outcomes we should be working to achieve, and the need for greater accountability in the expenditure of federal resources. We began to hear questions like - what is our money buying, how will our lives be better with this investment, how will our economy function more efficiently.

The National Surface Transportation Policy and Revenue Study Commission addressed this issue head on in its report released in early 2008 – saying that new revenue should be accompanied by “a performance-based approach that identifies priorities, and avoids parochial and wasteful spending.”

The financial crisis facing the federal Highway Trust fund has also forced the question of what the federal role in surface transportation should be.

National Policy

STPP and our partners agree that a clear sense of national purpose (why do we have this legislation) with clear goals and meaningful accountability for meeting them (what will we get with this investment) are essential if we are going have a transportation system that is capable of delivering the services to support America’s economy in the 21st Century. Establishing a sense of purpose with accountability for

outcomes will also help build support for additional financial resources for transportation investment.

With energy and climate challenges facing our nation, STPP believes it is critical that any definition of our surface transportation system include rail, pipeline and waterborne systems along with highway, transit, and bicycle and pedestrian facilities. Over time as technology advanced, we have tended to build individual modal systems. We have not truly integrated these modes into an energy efficient network. This may be our next challenge.

The current program structure reflects this mono-modal approach. Taken together today's highway and transit programs comprise a jumble of functional, modal, and system related mechanisms to distribute funds to state transportation and transit agencies. Rail programs currently have no connection to the highway and transit programs. This structure makes it extremely difficult to integrate the various modes into an efficient network.

Establishing a clear national policy sets the stage to move away from today's programmatic fragmentation to an outcome driven, performance based set of programs in which each mode from - sidewalks to intercity rail lines - plays a key role in providing access to education, healthcare, jobs, shopping and entertainment, domestic and international markets, distribution centers, and manufacturing facilities. I include the local network because, if we ignore it, too many trips move to the regional or interstate networks overloading them and adding to congestion.

The integration of modal systems into national, state, regional, and local networks will yield system efficiency and productivity benefits for all users and provide options for all types of trips.

Federal Role

STPP has had concerns for some time over the relationship between the federal government and the states described in Section 145 of Title 23 as providing for ‘a federally assisted State program.’ For all intents and purposes, this language has constrained the federal role in terms of policy direction, oversight and accountability for outcomes that are clearly in the national interest. We believe the relationship between the Federal, State, and local governments and the private sector should be a partnership, with each level of government playing a role in delivering results that address our goals for the nation.

As our nation begins to tackle the challenges of climate change and greenhouse emissions, our dependence on fossil fuel, the demands of an aging population on our health care system, and creating a framework for renewed prosperity for America’s communities and the families who live in them, federal leadership is critical to direct and oversee implementation of national policies across sectors. We believe the Secretary should be responsible for overseeing the implementation of national policy and have the ability to adjust policies, programs, and priorities to meet national objectives. The Secretary should also be responsible for overall coordination among the various surface modes as well as with the aviation sector.

STPP commends Secretary LaHood for his leadership with Secretary Donovan at HUD for their sustainable communities’ initiative to help American families gain better access to affordable housing, more transportation options, and lower transportation costs. This is a good first step in recognizing the synergies of multiple federal programs. It is worth noting that this initiative includes the development of ‘livability’ measures.

Objectives

In order to measure performance, one has to know what it is we want to accomplish. Establishing a clear set of objectives is an important role for the Congress and the federal transportation department. The objectives should provide the framework for federal programs. Objectives should address both the internally focused areas of safety, system connectivity, network efficiency, and asset preservation, as well as the key external links between our transportation system and other sectors – energy use, carbon emissions, reasonable access for all users, sustainable land-use and development. The objectives should also represent the importance for America to be innovative and to reposition our economy for a new prosperity.

Goals

STPP believes it is important to establish outcomes expected from federal programs and funding support. We have worked closely with our partners, including Transportation for America, on defining specific national goals to be met over the next 20 - 25 years. These include:

- SAFETY - Reduce traffic-related fatalities and injuries by 50%
- ASSET PRESERVATION - Increase the share of surface transportation facilities in a state of good repair by 20%
- ENERGY & CLIMATE
 - Reducing per capita VMT by 16%

- Double walking, biking, public transportation, and passenger rail use
- Increase the share of freight carried on rail by 20%
- Reduce the transportation generated CO2 levels by 40%
- CONGESTION - Reduce delay per capita by 10%
- HEALTH - Achieve zero population exposure to at-risk levels of air pollution
- PROSPERITY - Reduce the combined household + transportation costs by 25%
- ACCESS - Increase by 50% the number of essential destinations accessible to adequate public transportation

Accountability

Today, the words 'accountability' and 'transparency' are frequently used when talking about government programs. STPP is a long-time supporter of the need to measure and report on the performance of the transportation system against national goals. Unfortunately, provisions in the existing surface transportation programs ensuring accountability are insufficient or nonexistent.

The Congestion Mitigation and Air Quality (CMAQ) program is currently the only program that is tied to a national purpose with specific goals and consequences for failing to meet them. Other programs - Interstate Maintenance (condition of the Int. system), Safety (reducing fatalities and injuries), Safe Routes to Schools (safe pedestrian pathways) – have a clear purpose but no goals or accountability for results.

An example of our overall ignorance about how federal funds are spent came to light in the aftermath of the collapse of the I-35 bridge in Minneapolis. An examination of the expenditure of federal bridge funds showed that a number of states had not made full use of their bridge funds, others had rescinded these funds, and others had large unobligated balances. There was little awareness of this outside the FHWA and the specific state transportation department.

The structure of the highway program - the relationship between contract authority and the annual obligation limit - enables some programs to be underfunded while other programs are fully utilized. This arrangement makes it possible to undermine the intent of specific programs.

It is time that we require performance and results for the billions of federal dollars provided to improve our surface transportation system and ensure it functions efficiently. From STPP's perspective, performance must be a basic element of the next authorization.

Clearly it would be helpful if accountability measures were built in to the law. These could include changing the factors used to distribute funds via formula programs to reflect national objectives, using criteria for discretionary programs that also reflect national goals, providing bonuses or restrictions to grantees on the use of funds depending on progress toward meeting goals, and/or adjusting the federal match to provide incentives/disincentives to address national objectives. Aligning the program structure, funding distribution factors, and use of funds in support of our national policies would go a long way to meaningful accountability.

Regular progress reports create transparent evidence on how well we are doing to meet national objectives and they provide the basis for any adjustments that may be needed to assure we stay on course.

STPP believes Congress should require the Transportation Department to report on a regular basis on the performance of the nation's surface transportation system, including all parts of the surface network from the local walking trip to the regional trip to work and the shipment of products to markets around the nation and to the world. This should be a performance based rather than a needs based report.

We should establish a baseline year from which to measure progress. This report should describe the current performance of the system, including all of its parts, examine emerging trends that could affect the performance of the transportation system, assess the critical impediments to achieving the national goals, and propose strategies for success.

STPP suggests that an analysis of the expenditures for surface transportation by program and by type of investment should be part of any performance reporting. As we say 'follow the money' to learn what is really going on. Today, the Secretary is required to provide a report to the Congress on the obligation of highway funds (Title 23, Chapter 1, Section 104(j)). (A copy of the language is attached to my statement). The last report sent to Congress is for FY 2005.

In our view, public policy benefits from an open and transparent reporting of how funds are spent and whether objectives are being met. Over time this transparency shapes our decision-making process.

In addition to regular reporting on the performance of the transportation system, STPP believes it is important that there be opportunities for a broad array of entities including non-profit organizations to provide their ideas and suggestions as to how best to assess the performance of the transportation system.

The ability to monitor performance against the goals requires the availability of data and the allocation of sub-targets. A critical component of a performance based approach must include a strong data collection and research component. STPP believes the Transportation Department must strengthen its data collection, analysis, and reporting capacities and require that this information be made available on the Internet in an easily accessible and understandable format in a timely manner. For a meaningful performance regime to come into being, additional effort is required to further refine the targets, particularly the allocation of sub-targets, and assure consistent, but not necessarily identical, measures across the country.

Summary

Overall, STPP is pleased that this Committee is launching a discussion about national surface transportation policy.

We believe it is time to have a clear statement of national purpose, accompanied by goals, objectives, and performance reporting for our surface transportation system; that the goals should include areas affected by the transportation sector, such as energy and climate; that there be meaningful accountability for results that reflect issues of national interest.

We stand ready to work with this Committee to help make this a reality.

Thank you for this opportunity to provide comments on the future of national transportation policy.

Attachment 1

DECLARATION OF POLICY: INTERMODAL SURFACE TRANSPORTATION EFFICIENCY ACT

It is the policy of the United States to develop a National Intermodal Transportation System that is economically efficient and environmentally sound, provides the foundation for the Nation to compete in the global economy, and will move people and goods in an energy efficient manner.

The National Intermodal Transportation System shall consist of all forms of transportation in a unified, interconnected manner, including the transportation systems of the future, to reduce energy consumption and air pollution while promoting economic development and supporting the Nation's preeminent position in international commerce.

The National Intermodal Transportation System shall include a National Highway System which consists of the National System of Interstate and Defense Highways and those principal arterial roads which are essential for interstate and regional commerce and travel, national defense, intermodal transfer facilities, and international commerce and border crossings.

The National Intermodal Transportation System shall include significant improvements in public transportation necessary to achieve national goals for improved air quality, energy conservation, international competitiveness, and mobility for elderly persons, persons with disabilities, and economically disadvantaged persons in urban and rural areas of the country.

The National Intermodal Transportation System shall provide improved access to ports and airports, the Nation's link to world commerce.

The National Intermodal Transportation System shall give special emphasis to the contributions of the transportation sectors to increased productivity growth. Social benefits must be considered with particular attention to the external benefits of reduced air pollution, reduced traffic congestion and other aspects of the quality of life in the United States.

The National Intermodal Transportation System must be operated and maintained with insistent attention to the concepts of innovation, competition, energy efficiency, productivity, growth, and accountability. Practices that resulted in the lengthy and overly costly construction of the Interstate and Defense Highway System must be confronted and ceased.

The National Intermodal Transportation System shall be adapted to `intelligent vehicles', `magnetic levitation systems', and other new technologies wherever feasible and economical, with benefit cost estimates given special emphasis concerning safety considerations and techniques for cost allocation.

The National Intermodal Transportation System, where appropriate, will be financed, as regards Federal apportionments and reimbursements, by the Highway Trust Fund. Financial assistance will be provided to State and local governments and their instrumentalities to help implement national goals relating to mobility for elderly persons, persons with disabilities, and economically disadvantaged persons.

The National Intermodal Transportation System must be the centerpiece of a national investment commitment to create the new wealth of the Nation for the 21st century.

Attachment 3

Title 23

Chapter 1

Section 104

(j) Report to Congress.--The Secretary shall submit to Congress a report, and also make such report available to the public in a user-friendly format via the Internet, for each fiscal year on--

(1) the amount obligated, by each State, for Federal-aid highways and highway safety construction programs during the preceding fiscal year;

(2) the balance, as of the last day of the preceding fiscal year, of the unobligated apportionment of each State by fiscal year under this section and sections 105 and 144;

(3) the balance of unobligated sums available for expenditure at the discretion of the Secretary for such highways and programs for the fiscal year; and

(4) the rates of obligation of funds apportioned or set aside under this section and sections 105, 133, and 144, according to--

(A) program;

(B) funding category or subcategory;

(C) type of improvement;

(D) State; and

(E) sub-State geographic area, including urbanized and rural areas, on the basis of the population of each such area.